1975-1976

HOUSE COMMUNITY & REGIONAL AFFAIRS

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HB 100

HB 101

HB 109

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HB 127

HB 136

HB 140

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HOUSE COMMUNITY & REGIONAL AFFAIRS

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HB 805

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HB 860

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HB 903

HB 906

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HJR 55

SB 43

SB 90

SB 111

SB 120

SB 125

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1975-1976

HOUSE COMMUNITY & REGIONAL AFFAIRS

LIST OF FILES (PAGE 4)

SB 551

SB 683

SB 703

SB 721

SB 740

SB 753

HB-3

"An Act providing for dedication or acquisition of parks, open space and recreation areas."

COMMITTEE REPORT

HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

REALTOR®

HOME OFFICE:
2223 SPENARD ROAD
ANCHORAGE, ALASKA 99501

April 24, 1975

Honorable Sam Cotten
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Sam:

Thank you for your answer to our letter regarding our opposition to HB 3. We have received replies from many of your fellow House members and feel it would be helpful if we clarified our position further.

First, we wish to repeat that we believe HB 140, if enacted, is the proper, equitable way to approach the problems of open space, park and recreation area.

We realize, also, that HB 3 would not mandate that municipalities utilize this method of taxation. Only that they could do so.

I believe, however, that you will agree with me that if past experience is a true criteria, when laws are passed by the state granting the municipalities certain powers not formerly held, the municipality loses little time in taking advantage of the power so granted.

The amendments proposed by the House Community and Regional Affairs Committee does improve the bill considerably by bringing it closer to the concept of HB 140, but it does not remove the prime result of the bill, which is to unfairly tax a few people in order to enhance the environment of the public at large.

The belief of many people is that the cost incurred by the subdivider will be passed on to the purchaser of the lots and therefore, this would, in fact, be an equitable tax. True, it would be passed on to the purchaser, but not true is it an equitable tax. It only provides that the purchasers (still a relatively small number of people) would be carrying the burden for the public at large; and while it is true that the location of the amenities for which he is paying, if they are located in the near vicinity of his property, is an asset to him and

1975 PRESIDENT
ANNA GROFF
P. O. BOX 927
FAIRBANKS, ALASKA 99707
452-1811

1975 SECRETARY-TREASURER
FRANK GEIGER
P. O. BOX 2533
FAIRBANKS, ALASKA 99707
456-4362

he may well be willing, and hopefully able, to pay for it. Should he then be compelled to pay several thousand dollars for this "privilege" while his neighbor outside the subdivision enjoys the same "privilege" at no cost?

Many of our problems arise because of the young age of our municipalities and the lack of planning for parks and open space in the past. But surely we should not now require that new property owners pay to provide these amenities for those who did not provide for them in the past. It could easily cost a lot purchaser, after implementation of this act, several thousand dollars more in increased price to provide the required space for public use. If this cost was spread amongst all the beneficiaries, it would be a small, possibly justifiable sum for each. Comments have been made to me that the present property owners, through taxes, have already paid for those amenities presently provided and that new owners should pay for future amenities. This is not true. Property being subdivided has, in the past, been taxed at the same rate and the money used for the same purposes as other property. There is no justification for changing this equitable system.

The true intent of this bill, and the most objectional portion, is evident in the provision for "payments in lieu of dedication". Is there any way you can construe this to mean anything other than taxation of the few to provide amenities for others? If we are all going to benefit, let us all pay!

We would not object to this bill if it was limited to those residential subdivisions of sufficient size wherein the land dedicated would be for the use and enjoyment of those people living within the area subdivided. We are unalterably opposed to the "payments in lieu of dedication" portion.

We have all seen the "bad" subdivisions where land was stripped of vegetation prior to building and possibly this still may be a factor to consider in some parts of our state. We do not believe it is that kind of a problem in the municipalities now holding parks and recreation powers. I know of no small lot residential subdivisions of any appreciable size in the Greater Anchorage Area Borough that has not provided for "green" and/or open areas in the past few years. It is difficult, if not impossible, to gain plat approval of the Borough committees and Assembly of any plat not providing such amenities.

We join with you in the desire to provide parks and open space for the use and enjoyment of us all. HB 3 is not an equitable way to provide it.

Sincerely,

Audie L. Moore, Co-Chairman
Legislative Committee
Alaska Association of Realtors
3300 C Street
Anchorage, Alaska 99503

ALM/skl

AMENDMENT #1

OFFERED IN THE HOUSE: BY: House Community & regional Affairs Committee

To: ~~Community and Regional Affairs~~ Amend HOUSE BILL No. 3

SENATE BILL No. _____

PAGE: 1 LINE: 10, 20, 26

On page 1, line 10, after the word'municipality'add the words " with parks and recreation powers".

On page 1, line 20, after the word'division'add the sentence "The Legislative body shall adopt a general plan containing a recreation element, and the park recreation facilities shall be in accordance with definite principles and standards contained therein."

On page 1, line 26, add subsection (d) "Any land to be dedicated shall be resonably adaptable for use for active park and recreational services and shall be at a location convenient to the people to be served. Factors used in evaluating the adequacy of the proposed park and recreational areas shall include size, shape, topography, geology, tree cover, acess, and location."

AMENDMENT #2

OFFERED IN THE HOUSE: BY: Finance

TO: _____ HOUSE BILL No. HB 3

SENATE BILL No. _____

PAGE: _____ LINE: _____

page 1 line 10 - delete "regulation" and insert "ordinance"; delete "all".

line 12: delete "regulation" and insert "requirement".

HB 3 (last year's HB 445)

Supported by LWV, ski clubs

Permissive – allows municip. to create ordinances

Larry Kimball submitted some changes, Smith would support it as CS 10D

formula – payments in lieu are at the going rate for land in the subdivision

2/13/15 Kevin Waring

Hackney's point – shouldn't municipalities have to have powers of pks & rec (add that language) so they can expend the funds (in lieu of land)

K – It would be good planning for even those boroughs w/out the powers to get the land now instead of having to buy it back

Add "with" to municipalities. ~~who have assumed the~~ pks & rec powers

Amendment: The legislative body ~~may~~ shall adopt ... pk. rec. facilities

shall must be in accordance.

Subsection (c) becomes (d)

HB 85

Dozic – the property value – if there's an easement will already be diminished, so why grant tax exemption

HB 15

CITY OF KOTZEBUE

P.O. BOX 46
KOTZEBUE, ALASKA 99752
907-442-3571

February 12, 1975

Rep. Sam Cotten, Chairman
House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

I am writing to you to express the very real interest our community has in seeing passage of H.B. 15 and H.B. 16 regarding an increase in shared revenue for fire protection and earmarking that revenue specifically for the fire service.

Over the past three years we have built a new two and a half bay fire station, designed and had delivered a new tracked 750 G.P.M. pumper/tanker, hired a paid Fire Chief and have just gotten our first paid fire-fighter under the PEP/CETA program. All of this has been done with local funds on a pay-as-you-go basis with our total expenditures currently exceeding $140,000. This has also resulted in our fire insurance rating being lowered from a Class 10 city to a Class 8 city and a 25% reduction in insurance premiums.

The fire service is one of the few fields in municipal government where a hierarchy of support (both for funding and for logistical support) does not exist. There are no Federal agencies providing direct assistance in fire protection as say LEAA does for local police protection.

If we are to continue making the kind of strides we have achieved over the past few years, we must have adequate funding for such an effort. We like the idea of having to earmark the funding and the State has the right to expect that kind of cooperation in this field. We urge you and your committee members to seriously consider increasing the per capita revenue sharing to $15 from the present $5.

Sincerely,

Barbara Steckel

Barbara Steckel
City Manager

BS:sh
cc: Committee members

TAPE #12
side 2
1405-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 5, 1975

Meeting was called to order at 9:00 to discuss HB 15, CSSB 43am.

Rep. Cotten	Gordon Brunton, Regional fire Chief
Rep. Freeman	Allen Judson, Ak. St. Firefighters Assoc.
Rep. Davis	Rep. Duncan, Sponsor
Rep. Hackney	Bill Hagby, Fire trainer
Barbara Englert Thomas, Staff	Don Berry, Municipal League
Andrea Guernsey, Staff	Jack Chenoweth, director, Local Gov't

ALLEN JUDSON — Mr. Judson said the Alaska State firefighters were in support of CSSB 43. Over the last three years fire money is being spent for other things. For example Hoonah has been using it for their genator problems. he read a letter from DAwson and Company stating that if the fire facilities across the State were upgraded it would reduce insurance rates. The fire underwriters grade each community for insurance premiums but the overall picture is taken statewide.

HOONAH — Hackney asked what sort of equipment Hoonah has? and what their fire loss is? They have a 500 gal pumper but don't know the fire loss in dollars. Rep. Hackney thinks the people in the communities should set the priorities instead of having the State step in and say how to spend the money. Cotten pointed out that SB 43 says the money could be spent elsewhere if the community can show adequate fire protection. Mr. Brunton said Hoonah has 5-10 working fires each year. 80% of these are total losses. This is typical of the rest of AK. in that it is double that of the rest of the U.S. Rep. Freeman askedif H-onah had a tax base? They have sales tax. He also aked what the city council thought. Judson said they were opposed to the bill because they want to use the money for the electrical system. Cotten said the community had to make its priorities.

M.L. POSITION — Freeman asked Mr. Bery for the Leagues opinion. Don said they were inopposition. It was not originally an idea of sharied revenue to earmark the funds. They compromised with SB 43 by saying that the funds culd be used elsewhere in original which was later amended out.

C&RA POSITION

Jack said hs dept. was in favor with the League's position.

Mr. Brunton suggested disqualifying the title of "fire protection". Don't want to increase fire money to be spent on something else. But some communities only get fire shared revenue, Cotten said.

After further discussion meeting was adjourned at 10:00.

HEARINGS:

Received CRA 1/20/75

HOUSE BILL 15

		Notified	Present	Testified
5/1	Tom Georgeanna, Katzeek & Assoc. (586-3221)	X		
	Denouncer	X		
	Duncan	X		
		X		
		X		
		X		
		X		

HB-16

'An Act increasing state aid to municipalities for fire protection.'

COMMITTEE REPORT

Finance

HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

February 4, 1975

John T. Hynes, President
Anchorage Area Fire Chief's Assoc.
4350 MacInnes road
Anchorage, Alaska 99504

Dear Mr. Hynes:

I too am sorry that I missed your meeting. I am aware that your problems do demand immediate attention.

The Committee on Community and Regional Affairs has been handling bills in the field of increased fire protection money.

As I'll be in Juneau for the remainder of the session, I'll be unable to meet with you in Anchorage. However, please send me any information on the many problems you face and your recommendations and ideas. Thank you.

Sincerely,

Sam Cotten

SC:ag

Anchorage Area Fire Chief's Association, Inc.

January 27, 1975

Representative Sam Cotten
Box 296
Eagle River, Alaska 99577

Dear Representative Cotten:

We were most disappointed that you were unable to meet with us at our meeting called on January 14th to discuss the many serious fire protection problems, present and future that are developing in the Anchorage area as well as the rest of the State.

I am sorry to report that none of the Representatives from the Anchorage area attended this meeting. I'm sure that part of the problem was our scheduling of the meeting so close to the opening of the session. However, we feel that you should be made aware of the fire protection problems, and the fire protection of the Anchorage area. We would welcome an opportunity to discuss this subject with you individually or collectively, privately, or in Legislative Committee.

It is strongly recommended by this association that a Legislative Committee be set up to meet with our Representatives, and other "Fire Service" agencies, to identify, to discuss, and to plan for solving the critical problems in the field of fire protection facing this area and other parts of the State.

Our membership consists of Representatives from urban, suburban, rural, Federal and State Fire Protection agencies. We are confident that collectively we can assist you by presenting the multitude of problems facing our many agencies, and making pertinent recommendations toward the solutions.

I am therefore, placing myself and the membership of this Association at your disposal. Please call upon us to assist in any way.

JHH:mep

Respectfully,

John T. Hynes
President

TAPE #6
side 1
0-1022

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 21, 1975

Meeting was called to order at 9:00 for discussion of HB 16 and HB 140. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Oral Freeman
Rep. Glenn Hackney
Rep. Larry DAvis
Rep. Al Ose
Rep. Mike Hershberger--absent
Barbara ENglert Thomas, Staff
Andrea Guernsey, Staff
Kevin Waring, Director, Community Planning
Don Berry, Municipal League
Rep. Jim Duncan, Sponsor, HB 16
Al Judson, Firemen

HB 16

Duncan said this was the same bill as in the Senate, only the figures were different.

(53) Mr. Judson gave a small dissertation on why fire protection needed more money: shortages, all costs have gone up tremendously.

(166) Rep. Freeman asked if communities are required to spend X dollars for fire protection out of revenue? Not now, Duncan said, but HB 15 would earmark for fire.

(203) Freeman-If there is a village that gets only fire protection revenue sharing the increase from $5 to $15 would mean a lot of change, but for Anchorage the money would be the same but percentage wise would be smaller.

(368) Ose explains. If they raise fire protection to $15 the increase would be $300 but Anchorage would have to take a decrease in other areas. (400) the top figure would have to go up equally.

(536) Mr. Berry suggests a committee substitute for the Senate bill.

(643) Freeman has reservations but moves to report HB 16 and SB 40 out.

The Committee amended SB 40 to $15 and moved it and HB 16 out of committee.

HB 140

(873) Rep. Ostrosky moves to untable. Suggested amendments: line 12-change shall to may, delete "an", add an "s" to map. After map add"of cities and townsites". Line 23-add after "building", "or other structure located within a bed of a".

She asked Mr. WAring for comments but he had none.

(967) Freeman would rather see a committee substitute.

CSSB 111am

Committee moved the bill out. (EAgle River) (1026)

HEARINGS:

received CRA 1/20/75

	HB 16	Notified	Present	Testified
1/28/75	Jack Chenoweth, CRA	X	X	X
	Marilyn Miller, Municipal league	X	X	
	Commissioner Lee McAnerney, CRA	X	X	
1/30/75	Allen Judson, Alaska State Fire Fighters Assoc.	X	X	X
	Don Berry, Ak. Municipal League	X	X	
	Richard Taubert, Fish Packers Lobbyist	X		
	Jack Chenoweth, CRA	X	X	X
	Rep. Jim Duncan	X	X	
	Virginia Kline, Juneau Assemblywoman, AMLPres		X	
	Ron Hendrie State Fire Marshall	X		
	Tom Georgianna, Katzeek & Assoc (586-3227)	X		
	[illegible]	X		
	[illegible]	X		
	[illegible]	X		

HB-21

"An Act relating to revenue sharing with local governments for providing certain mass transit facilities or services."

COMMITTEE REPORT

HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs

To: Amend HOUSE BILL No. 21

SENATE BILL No. _____

PAGE: 2 LINE: 6

On page 2, line 6, add a new subsection to read:

"Sec. 3. MCA 43.15.350 is amended to read: SPECIFIC EXEMPTIONS. A municipality shall expend funds received for mass transit and for the operation and maintenance of hospitals and health facilities and services under sect. 10 - 99 of this chapter only for those capital facilities and services.

TAPE#8
side 2
0-1054

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 8, 1975

Meetng was called to order at 9:00 to discuss HB 21. Present:

Rep. Cotten, Chairman	Barbara Englert Thomas, Staff
" Ostrosky	Andrea Guernsey, Staff
" Freeman	Rep. Mike Miller, Sponsor
" Ose	Rep. Bowman
" Davis	Don Berry, Municiapl League

Jack Chenwoeth, Director, Local Government
Cheryl Probst, Daily Times

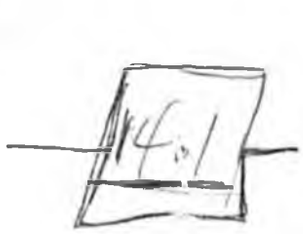
Cotten said that 14.1 million had been requested by the dept. for revenue sharing. He thiks the policy will be determined by Finance instead of C&RA. Miller responded that CRA should decided if revenue sharing is a good idea and send it to Finance.

(129) Freeman asked how many cities have mass transit? Juneau, ketchikan, Anchorage. Only Juneau and Ketchikan would be eligible because the Anchorage Borough operates theirs.
(208) How is Anchorage denied? They're already getting from State.

(253) Ostrosky-Get $5 for harbors and airports. Additonal $5 if bill passess.
Anchorage borough not getting because the borough doesn't operate harbor or airport, city does. Boruugh operates mass transit.

(310) Ostrosky-making 2 categories out of 1 to encourage mass transit.
(353) Ose-Cost of mass transit in Juneau? S rted with model cities then faised out. City elected to subsidize How much revenue will $5 bring? $5 arbitrary figure-not base on any need.
(534) Cotten-Other conveyance? Ferries-put in to cover everything. C&RA will determine what is mass transit.
(800) Speficial language concerning privately owned transit? Either earmark or say that all money has to go if private.
(880) Cotten-add new section: money received by municipality under this section shall be used for mass transit.
Meeting adjourned, at 10:00 until 1:30.

1:30-Present were: Ostrosky, Ose, Cotten, Davis. Amendment was adopted and passed out with individual recommendations.



14.1
80

locally approved
In the case of privately owned mass transit facilities, the remainder the local govt.s receive under this section

Hearings:

Received CRA 1/20/75

HB 21

	Notified	Present	Testified
4/3/75 CHA, Rep. Dennerstein	X	X	X
Rep. Rex Tom Gilgan — 6-3227	X		
Mich. Municipal League	X	X	X
mills	X	X	X

HB-39

COMMUNITIES WHICH ARE INCORPORATED AS I.R.A. CITIES, BUT WHICH ARE NOT INCORPORATED UNDER ALASKA MUNICIPAL LAW

Atka

Kanatak

Karluk

Kasaan

[redacted]k

[redacted]k

Kwigillingok

Metlakatla

Minto

Nikolski

Noatak

Nunapitchuk

perryville

Point Lay

Stevens Village

Tanacross

Tatitlek

Tetlin

[redacted]k

Tyonek

Venetie

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

ALASKA

COMMUNITIES ORGANIZED UNDER I.R.A.

			POST ELECTION RATIFIED	CHARTER RATIFIED
1.	AKIACHAK	AKIACHAK NATIVE COMMUNITY	12-3-43	12-3-43
2.	ANIAK	THE ANIAK NATIVE COMMUNITY	11-21-39	11-21-39
3.	ANGOON	THE ANGOON COMMUNITY ASSOC	11-15-39	11-15-39
4.	ATKA	THE NATIVE VILLAGE OF ATKA	4-23-39	4-23-39
5.	BARROW	THE NATIVE VILLAGE OF BARROW	3-21-40	3-21-40
6.	BUCKLAND	THE NATIVE VILLAGE OF BUCKLAND	12-30-50	12-30-50
7.	CHANEGA	THE NATIVE VILLAGE OF CHANEGA	2-3-40	2-3-40
8.	CRAIG	THE CRAIG COMMUNITY ASSOC OF CRAIG, ALASKA	10-3-38	10-3-38
9.	DEERING	THE NATIVE VILLAGE OF DEERING	10-26-45	10-26-45
10.	DIOMEDE	THE NATIVE VILLAGE OF DIOMEDE	1-31-40	1-31-40
11.	DOUGLAS	THE DOUGLAS INDIAN ASSOC	11-24-41	11-24-41
12.	ELIM	THE NATIVE VILLAGE OF ELIM	11-24-39	11-24-39
13.	FORT YUKON	THE NATIVE VILLAGE OF FORT YUKON	1-2-40	1-2-40
14.	GAMBELL	THE NATIVE VILLAGE OF GAMBELL	12-31-39	12-31-39
15.	HAINES	THE CHILKOOT INDIAN ASSOC	12-5-41	12-5-41
16.	HOGNAK	THE HOGNAK INDIAN ASSOCIATION	10-23-39	10-23-39
17.	*HOLIKACHUK	THE ORGANIZED VILLAGE OF HOLIKACHUK (*GRAYLING)	9-10-46	9-10-46
18.	HYDABURG	THE HYDABURG COOPERATIVE ASSOCIATION OF ALASKA	4-14-38	4-14-38
19.	KAKE	ORGANIZED VILLAGE OF KAKE	1-27-48	1-27-48
20.	KANATAK	THE NATIVE VILLAGE OF KANATAK	3-1-41	3-1-41
21.	KARLUK	THE NATIVE VILLAGE OF KARLUK	8-23-39	8-23-39
22.	KASAAN	ORGANIZED VILLAGE OF KASAAN	10-15-38	10-15-38
23.	KETCHIKAN	KETCHIKAN INDIAN CORPORATION	1-27-49	1-27-49
24.	KING ISLAND	KING ISLAND NATIVE COMMUNITY	1-31-39	1-31-39
25.	KIVALINA	NATIVE VILLAGE OF KIVALINA	2-7-40	2-7-40
26.	KLAWOCK	KLAWOCK COOPERATIVE ASSOC OF ALASKA	10-4-38	10-4-38
27.	KLUKWAN	CHILKAT INDIAN VILLAGE	3-27-41	3-27-41
28.	KOTZEBUE	NATIVE VILLAGE OF KOTZEBUE	4-5-47	4-5-47
29.	KOYUK	NATIVE VILLAGE OF KOYUK	8-16-46	8-16-46
30.	KWETHLUK	ORGANIZED VILLAGE OF KWETHLUK	1-11-40	1-11-40
31.	KWINHAGAK	NATIVE VILLAGE OF KWINHAGAK	8-7-48	8-7-48
32.	KWIGILLINGOK	NATIVE VILLAGE OF KWIGILLINGOK	11-25-49	11-25-49
33.	NEEKOYUK	NATIVE VILLAGE OF NEEKOYUK	8-24-40	8-24-40
34.	METLAKATLA	METLAKATLA INDIAN COMMUNITY	12-19-44	12-19-44
35.	MINTO	NATIVE VILLAGE OF MINTO	12-30-39	12-30-39
36.	NAPAKIAK	NATIVE VILLAGE OF NAPAKIAK	7-29-46	7-29-46
37.	NIKOLSKI	NATIVE VILLAGE OF NIKOLSKI	6-12-39	6-12-39
38.	NOATAK	NATIVE VILLAGE OF NOATAK	12-28-39	12-28-39
39.	NOME	NOME ESKIMO COMMUNITY	11-23-39	11-23-39
40.	NOORVIK	NOORVIK NATIVE COMMUNITY	12-27-39	12-27-39
41.	NUNAPITCHUK	NATIVE VILLAGE OF NUNAPITCHUK	1-2-40	1-2-40
42.	PERRYVILLE	NATIVE VILLAGE OF PERRYVILLE	9-1-50	9-1-50
43.	PETERSBURG	PETERSBURG INDIAN ASSOC	5-21-43	5-21-43
44.	POINT HOPE	NATIVE VILLAGE OF POINT HOPE	2-29-40	2-29-40
45.	POINT LAY	NATIVE VILLAGE OF POINT LAY	3-22-46	3-22-46

ALASKA

COMMUNITIES ORGANIZED UNDER I.R.A.

		CONSTITUTION RATIFIED DATE	CHARTER RATIFIED
46. SAINT MICHAEL	NATIVE VILLAGE OF ST. MICHAEL	7-31-43	7-31-48
47. SAVOONGA	NATIVE VILLAGE OF SAVOONGA	4-10-40	4-10-40
48. SAXMAN	ORGANIZED VILLAGE OF SAXMAN	1-14-41	1-14-41
49. SELAWIK	NATIVE VILLAGE OF SELAWIK	3-15-40	3-15-40
50. SHAGELUK	SHAGELUK NATIVE VILLAGE	11-1-40	11-1-40
51. SHAKTOOLIK	NATIVE VILLAGE OF SHAKTOOLIK	1-27-40	1-27-40
52. SHISHMAREF	NATIVE VILLAGE OF SHISHMAREF	8-2-39	8-2-39
53. SHUNGNAK	NATIVE VILLAGE OF SHUNGNAK	7-24-46	7-24-46
54. SITKA	SITKA COMMUNITY ASSOC OF ALASKA	10-11-38	10-11-38
55. STEBBINS	STEBBINS COMMUNITY ASSOC	12-5-39	12-5-39
56. STEVENS VILLAGE	NATIVE VILLAGE OF STEVENS ALASKA	12-30-39	12-30-39
57. TANACROSS	NATIVE VILLAGE OF TANACROSS	1-5-42	1-5-42
58. TANANA	NATIVE VILLAGE OF TANANA	4-5-47	4-5-47
59. TATITLEK	NATIVE VILLAGE OF TATITLEK	12-31-47	12-31-47
60. TETLIN	NATIVE VILLAGE OF TETLIN	3-26-40	3-26-40
61. TUNUNAK	NATIVE VILLAGE OF TUNUNAK	1-29-47	1-29-47
62. TULUKSAK	TULUKSAK NATIVE COMMUNITY	1-5-50	1-5-50
63. TYONEK	NATIVE VILLAGE OF TYONEK	11-27-39	11-27-39
64. UNALAKLEET	NATIVE VILLAGE OF UNALAKLEET	12-30-39	12-30-39
65. VENETIE	NATIVE VILLAGE OF VENETIE	1-25-40	1-25-40
66. WALES	NATIVE VILLAGE OF WALES	7-29-39	7-29-39
67. WHITE MOUNTAIN	NATIVE VILLAGE OF WHITE MOUNTAIN	11-25-39	11-25-39
68. WRANGELL	WRANGELL COOPERATIVE ASSOC	2-27-47	2-27-47
69. ST PAUL ISLAND	ALEUT COMMUNITY OF ST. PAUL ISLAND	6-12-50	6-12-50

ALASKA NATIVE ORGANIZATIONS ORGANIZED UNDER I.R.A.

KENAITZE INDIAN TRIBE - Ratified August 1, 1971 - no Charter

INUPIAT COMMUNITY OF THE ARCTIC SLOPE - Ratified August 26, 1971 - no Charter

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

Jim A. Questions? Dave. July 1, 1974

Unified Municipalities

Juneau, City and Borough of	(17,356)
Sitka, City and Borough of	(6,700)

Boroughs

42,479 - Revsharing

Bristol Bay Borough	(1,147)
Fairbanks North Star Borough	(50,312) 34,124 32,538 - Revsharing '73
Greater Anchorage Area Borough	(162,499)
Haines Borough	(1,980)
Kenai Peninsula Borough	(16,254)
Ketchikan Gateway Borough	(10,587)
Kodiak Island Borough	(6,627)
Matanuska-Susitna Borough	(9,600)
North Slope Borough	( )

M.I.: 7833

Cities

(1)	Anchorage	(78,929) incl. mil.
(2)	Barrow	(2,307)
(3)	Bethel	(2,921)
(4)	Cordova*	(2,114)
(5)	Craig*	(467)
(6)	Dillingham*	(1,025)
(7)	Fairbanks	(32,975)
(8)	Galena*	(442)
(9)	Girdwood	(210)
(10)	Haines	(1,366)
(11)	Homer	(1,243)
(12)	Hoonah*	(770)
(13)	Hydaburg*	(260)
(14)	Kake*	(551)
(15)	Kenai	(4,028)
(16)	Ketchikan	( )
(17)	King Cove*	(338)
(18)	Klawock*	(290)
(19)	Kodiak	(3,923)
(20)	Kotzebue	(2,125)
(21)	Nenana*	(469)
(22)	Nome*	(2,488)
(23)	North Pole	(265)
(24)	Palmer	(1,409)
(25)	Pelican*	(109)
(26)	Petersburg*	(2,120)
(27)	St. Mary's*	(384)
(28)	Selawik*	(458)
(29)	Seldovia	(612)
(30)	Seward	(1,823)
(31)	Skagway*	(695)
(32)	Soldotna	(1,202)
(33)	Unalaska*	(510)
(34)	Wrangell*	(2,029)
(35)	Valdez*	(2,271)
(36)	Yakutat*	(351)

Hearings:

Received CRA 1/21/15

HB 39

		Notified	Present	Testified
1/21	Tom [redacted] Georgiana, Katzek & Assoc (586-3227)	X		
	Chenoweth	X		

Sam –
There are roughly 3000 in these communities. If you assume that each qualifies for aid under police and fire protection (which all would), and you allow for the 10% cost of services increase most will receive, the total cost of this should not exceed $600,000.

~~Akiachak~~
Akiak 66
Kanatak —
Atmauthluk
Hooper Bay
Kasaan 30
~~Kake Island Town~~
~~Kwethluk~~
~~Kwinhagak~~
Kwigillingok 148
McGrath 105
Minto 185
Nikolski 57
Nuiqsut 250
~~Nunapitchuk~~
Perryville 101
Point Lay —
Stevens Village 15
Tanacross 84
Tatitlek
Tetlin 111
~~Toksook~~
Twin Hills (Kenai Pen) 232
Venetie 112

HB 39
Extend to Munic
Fire Services
(5 pp x 20
x 10% cost
3,000

Atmauthluk
Akiak 66
Kanatak —
Atmauthluk
Hooper Bay
Kasaan 30
~~Kake Island Town~~
~~Kwethluk~~
~~Kwinhagak~~
Kwigillingok 148
McGrath 105
Minto 185
Nikolski 57
Nuiqsut 250
~~Nunapitchuk~~
Perryville 101
Point Lay —
Stevens Village 15
Tanacross 84
Tatitlek
Tetlin 111
~~Toksook~~
Twin Hills (Kenai Pen) 232
Venetie 112

HB-47

Tape #4
side 1
0-1070

Joint House and Senate

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
February 28, 1975
9:00 am

Meeting was called to order at 9:10 by Chairman Cotten for a presentation on Revenue Sharing. Present were:

Rep. Sam Cotten, Chairman
Rep. Oral Freeman
Rep. Al Ose
Rep. Glenn Hackney
Rep. Kathryn Ostrosky
Rep. Larry Davis
Rep. Mike Hershberger
Gary Thurlow, Anchorage Borough Atty.
John Spencer,
Annettee Viertel, City of Haines
Donna Sherby, City of Cordova
Werley M. Howe, Mat-Su Borough
Jessie L. Dorkim, GAAB
Cheryl Probst, ANchorage Daily Times
Edward A Stahla, city of Ketchikan
Peg Benkert, City of Anchorage
Ginny Kline, President, Municipal League
Randy Phillips, House Minority

Senator Pat Rodey, Chairman
Senator Orsini
Senator Bradley
Pat Corbett, Staff
Katy Straube, Staff
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff

(0-701) Mr. Thurlow started the presentation by passing out a statement on revenue sharing. His talk is going to show how state shared revenue program affects the Anchorage area right now and then how it affects other municipalities. The Anchorage area is broken up into service areas-Anchorage, Glenn Allen, Girdwood. State shared revenues can be distributed according to municipality and according to borough revenues instead of just within a municipality. TAx relief in Anchorage area now—for every dollar Spenard tax payers pay in taxes to local governments, the State puts up 20¢; Sand Lake-15¢; Glen Alps-$1.45; Girdwood-73¢; City of Anchorage-26¢; Hillside-18¢. (The average is about 22¢). The Alaska Municipal League proposal would change these figures and substitue 50¢ for everybody, so every tax payer gets the same amount of tax relief.

Tax relief to local tax payer is one theory of revenue sharing. Under the existing law the municipality has to send the taxpayer notice indicating what the mill levy equivalent of State shared revenues is. The implication is the State is reducing his tax bill by so much. If it weren't for shared revenue in Spenard, for instance, the mill levy would be 21.68 instead of 19.68.

The other theory is to forget the tax payer and tax relief and look at how much goes out in per capita. (From $9 in Chugiak [1973 figures] to 253 in Glen Alps per person). Mr. Thurlow said that on any type of revenue sharing program in order to have consistency of fairness, you either have to have the same figures in state shared revenue per capita or consistency in per capita. If you have consistency in

one you'll have it in the other. Most municipalities tax about 20 mills. The Anchorage area mill levy is 19.13 mills arrived at by dividing the total tax base into property tax revenues. Outside the Anchorage area it runs about 16-17 mills, and with a sales tax the amount is 20 or 21. The tax effort in the communities is roughly the same. You get about the same amount of money with per capita distribution as you would with matching of local tax effort. (An exception is North Pole whose tax levy is 2 1/2 mills and no sales tax.)

Revenue sharing ought to work with matching tax dollars or worked out from the stand point of getting money out to each individual. The bill to increase fire protection from $5 to $15 is a straight per capita revenue sharing bill because almost any municipality can qualify under it.

There are two myths that he would like to explode. The first is that Anchorage will take all the money, and that its wealthier than other parts of the State. This is not true; the per capita income in Anchorage area (1973) is $4100 per person. Fairbanks is $4300 and Kodiak is $4200. The second myth is that the tax effort in Anchorage is smaller than in other areas. This only seems so because there is no sales tax.

You can't devise a revenue sharing formula based on per capita for the smaller communities. SB 105 allows communities to opt out of the standard revenue sharing formula and go off on block grant basis. The bill gives $10,000 per community and $30 per head. The communities with small population wouldn't come out on per capita basis. There is a lot of hit and miss with the present program particulary as it affects the smaller communities. Thurlow thinks that we're going to have to handle the smaller communities different than those in Anchorage area, which have property taxes etc.

The firefighters want the increase in fire protection to be earmarked for that purpose only. This wouldn't affect the Anchorage area because they easily spend $15 per capita on fire protection, but the smaller communities may have some trouble. How are you going to police them if they spend the money on something else? Revenue sharing should be a tax relief for local tax payer and not categorical assistance—carry out a State program using local governments, or it should be a straight per capita distribution.

The Municipal League bill is a tax relief program. Fire protection bill is a straight per capita distribution, as simple as you can get. If you're going to have consistency in tax effort and per capita distribution you need a simple formula but when you start getting complicated someone will get left out.

The cost of government will go up a lot in the next two years. Mayor Roderick eventually hopes that oil and gas revenues will go to municipalities. Would like to see formula providing for that type of distribution for when the money gets here.

Mr. Thurlow thinks that the present program could be totally revised with the money that would be spent to increase the present one.

(701)Mr. Spencer from Anchorage wanted to make a few comments. He said the municipalities take the brunt of the problems when it comes to delivery of services, which cost more money every year. Do we want to pass on this benefit we have through natural resources to the local governments and let them handle the services to the individuals or do we want to start handling more things on the State level? His thoughts are that the municipalities can do better on the local level than the State could do for everyone. Wants as much money transferred back to the municipalities as possible. How do you transfer funds? The Municipal League formula says that for every $1 of taxes that you pay on scenic park you get 50¢ back to government which provides those services. There is a built in check and balance--if the taxes were raised to much you'd forget it and if they were lowered too much the State wouldn't contribute shared revenue. There are block grants for smaller communities which must have built in floor.

The bills in the Senate and House are ones that all the municipalities voted on and approved. The people want a new formula. Spencer talked to the Governor, who like the idea of tying a mill rate leveling concept in it so one community didn't pay 25 mills like Seward, and another pay 2 mills and get the same amount of dollars back from the State. Spencer said this was just a minor technical thing to be worked out in the bill.

(893) Chairman Cotten asked Mr. Thurlow what program he had in mind, using the $3,000,000 that it would cost to increase the present revenue sharing. Thurlow said if you come up with a new formula you're not in a position to cut any municipalities back. With a new program you'd have to put more money into it and he thinks the $3,000,000 would be enough to start

(917) Mr. Cotten said that the hold harmless clause in the Municipal League bill really means that before any pro ration of the formula took place that community would be allowed at least as much as they had before and if it were to be pro rated they would in effect get less.

(925) Thurlow agreed. The cost of the hold harmless clause in the League bill is minor ($250,000). Mr. Spencer said they can't pass any new concept that is going to hurt anybody.

(950)Rep. Freeman asked if it wasn't true that many communities get revenue sharing for fire protection that don't get it for police or other things? If you had x dollars for revenue sharing and tripled the amount for fire it comes out of somenone elses skin. Yes, it would so you have to change the whole thing because no community can come up with less.

(983)Freeman said that considering the finance of the state, you could give everyone more money with a new formula but no one will get it because the money isn't available. Two years ago it was 8 million, this year it's 14.

(996) Mr. Spencer realizes this, going to cost $28 or $29 million to fund this. But this doesn't change the concept of the formula. Formula can be funded on 50%, nobody would get less than before. Cotten asked if this was before or after pro ration. Spencer replied that nobody would get less than before if they opted that way--even after pro ration.

end 1070

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

from Pat Roche

OFFICE PHONE 277-8411

January 3, 1975

Dear

I am writing in opposition to a proposed bill to alter the [illegible] sharing law currently sponsored by the Alaska Municipal League. I hope that you will defend and improve the [illegible] during your administration. The reason for my opposition to the A.M.L. bill are as follows:

1. Section 2. PURPOSE OF MUNICIPAL TAX SHARING.

[illegible] ability of developing low tax revenues. Our rural villages [illegible] cannot possibly receive equal benefit under [illegible] compared with the big cities.

2. The [illegible] of the Municipal League [illegible] opportunity for [illegible] legislation. Throughout the history of [illegible] it has always been understood [illegible] distribution of state revenue sharing will be [illegible] of citizens. [illegible] that the result of [illegible]

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

ALL-AMERICA CITY 1956 & 1965

CITY OF ANCHORAGE ALASKA

International
Polar air crossroads of the world

POST OFFICE BOX 400
ANCHORAGE, ALASKA
99510

April 28, 1975

The Honorable Mike Bradner
Presiding Officer
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Bradner:

On March 19th of this year, the Anchorage and Fairbanks City Councils met jointly and adopted the attached resolution which urges full funding of the current Shared Revenues formulas.

The City Councils urge you to consider this resolution carefully when dealing with the new fiscal year budget.

Thank you for your consideration in this matter.

Sincerely,

D. G. Weiford

Douglas G. Weiford
City Manager

Attachment:
Resolution No. A/F 2-75

ANCHORAGE - FAIRBANKS JOINT RESOLUTION

JOINT RESOLUTUION NO. A/F 2-75

A RESOLUTION SUPPORTING INCREASED STATE REVENUE SHARING.

WHEREAS, the State of Alaska has anticipated income from petroleum related activities of great magnitude; and

WHEREAS, municipalities of the state have increasing responsibilities for services to the residents of the state; and

WHEREAS, revenue sources available through taxation are limited to the municipal governments; and

WHEREAS, costs of services have increased in staggering amounts over the past few years and are anticipated to increase at even higher rates in the future,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCILS OF THE CITIES OF ANCHORAGE AND FAIRBANKS, ALASKA:

1. That they support a continuing plan of sharing of state revenues with municipal governments within the State of Alaska.

2. That the legislature be urged to fund the current shared revenue formulas fully.

3. That a copy of this resolution be forwarded to the Honorable Jay Hammond, Governor of Alaska, and to the members of the Alaska State Legislature.

Passed and approved this 19th day of March, 1975.

Mayor, City of Anchorage

ATTEST:

City Clerk, City of Anchorage

Mayor, City of Fairbanks

ATTEST:

City Clerk, City of Fairbanks

AM 1

January 28, 1975

Samuel R. Cotten
House of Representatives
Pouch V
Juneau, Alaska 99801

Dear
Enclosed you will find a copy of House Bill 47 relating to state revenue sharing payments to municipalities. The proposed changes this legislation seeks to make could have major ramifications for your municipality.

I have written to you earlier (copy enclosed) requesting any recommendations or comments you might wish to make concerning this. Once again let me stress the importance of this bill concerning revenue sharing and ask that you send me your ideas and recommendations. Any input you might make will offer invaluable assistance in considering this bill which affects all areas of our state.

If you have any questions, or if I can be of help in any way, please don't hesitate to call on me.

Hoping to hear from you in the immediate future.

Sincerely,

Samuel R. Cotten
Representative

SRC:ASG

Enclosures (2)

attached letter sent to:

Tom G. Armour
Borough Manager
Bristol Bay Borough
Naknek, AK 99737

Barbara Steckel
~~Lee P. Schaffer, Jr.~~
City Manager
Box 46
Ketzebue, AK 99752

Kenneth C. Blythe, Mayor
~~Barbara Brindle~~
~~Clerk/Treasurer~~
City of Delta Junction
Box 229
Delta Junction, AK 99737

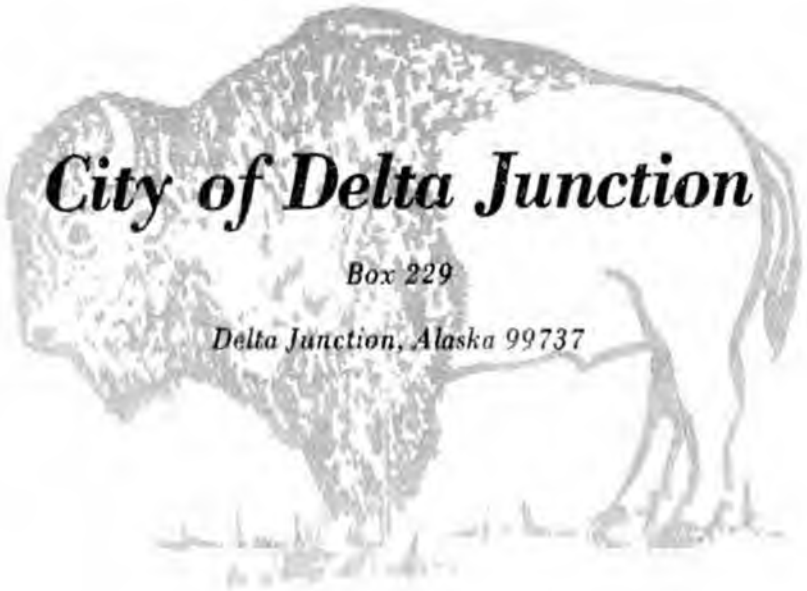
Mr. Jack P. English
City Manager
City of Soldotna
Drawer B
Soldotna, AK 99669

Barbara Jeffingwell
~~Lenora Buretta~~
City of Kingcove
Box 115
Kingcove, AK 99540

Mr. Stanley Bippus
Mayor, city of Craig
Box 12
Craig, AK 99921

Mrs. Joyce Easler, city clerk
~~Bill Hutchison~~
Acting City Manager
City of Wrangell
Wrangell, AK 99929

Wesley M. Kraus
Borough Manager
Matanuska-Susitna Borough
Box 23
Palmer, AK 99645



City of Delta Junction

Box 229

Delta Junction, Alaska 99737

February 28, 1975

Samuel R. Cotten
House of Representatives
Pouch V
Juneau, Alaska 99801

Re: House Bill # 47

Dear Mr. Cotten:

Thank you for your concern in your recent letter concerning HB #47, which relates to State Revenue Sharing payments to municipalities. I apologize for the delay in answering your request for our opinions concerning this house bill, but I felt that there should be adequate time on my part as well as the Council to thoroughly discuss and research the possible ramifications of the proposed HB #47. I wish to inform you that the City of Delta Junction must go on record as being opposed to the proposed HB #47. As you may or may not know, the City of Delta Junction at this point in time does not have a tax base although efforts in the past have been tried to establish a sales tax, these initiatives have been defeated. The Council at this time, is in the process of trying to develop both a proposed sales tax question and also a property tax to be brought before the people. We do not anticipate though that either tax initiative, if passed, would be in effect much before the latter part of 1975. If HB #47 were to be passed, I'm afraid this would creat severe financial hardship on our municipality on this point in time.

As you may or may not know, the City is experiencing a rather considerable increase in population, primarily due to the pipeline. We are also experiencing ansuiary pipeline impact in the form of increasing crime and demands on the city services. We are at this point in time in the process of trying to develop a local police department, as well as trying to develop a full-time fire department in the form of 24 hour coverage.

We are anticipating using the majority of our $379,000 that we received from the State last year for impact funding for these projects. It should be noted that the city budget for Fiscal Year 1975 increased close to $35,000 over last year's budget. This reflects an increase in contractual services that the City has provided for in the past as well as increased administrative costs. Our budget for Fiscal Year 1975 totaled in excess of $114,000. As you can see according to HB #47, Section 43.17.030, Titled Minimum Grants to Municipalities, the City of Delta Junction would be entitled to a $25,000 Grant. This would not provide 1/3rd of the needed revenues that the City now requires to operate a minimunal municipal function. Therefore, at this point in time until the City can establish a tax base, whether it be sales or property tax, we would be totally against the proposed bill. Possibly in the near future, if and when we get a tax base, especially a property tax with the amount of pipeline we have going through our City Limits, the proposed bill would certainly be of benefit to us having some idea of our taxable property base within our city limits.

I wish to thank you for your concern for our municipality. If I may be of future service to you, please do not hesitate to call upon me.

Sincerely yours,

KENNETH E. RYTHER
Mayor

cc: Red Swanson

pd

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

DEPARTMENT OF ADMINISTRATION

February 3, 1975

Representative Samuel R. Cotten
Alaska House of Representatives
Pouch V, State Capitol
Juneau, Alaska 99801

Dear Representative Cotten:

Thanks for your inquiry about this Borough's positior with respect to proposed amendments to the State's Municipal Revenue Sharing program.

We feel that the present scheme is not adequate and the proposed changes would be a definite improvement. State aid to this Borough under the proposed legislation would increase.

I think the provisions you have referred to are contained in HB 47. We urge your support.

Yours truly,

Wesley M. Howe

Wesley M. Howe
Borough Manager

WMH/rr

cc: Alaska Municipal League, Juneau

CITY OF WRANGELL

P.O. Box 531 ● Wrangell, Alaska 99929 ● Area Code 907 Ph. 874-2381

February 3, 1975

Samuel R. Cotten
Alaska House of Representatives
Pouch V - State Capitol
Juneau, Alaska 99801

Re: HOUSE BILL NO. 47

Dear Sir:

The City of Wrangell is aware of the proposal for the amendment and revision to the State Revenue Sharing Program. We supported the proposal at the Alaska Municipal League meeting held in Juneau in the latter part of October 1974.

The City felt the present system was inadequate and that the proposed changes would be a great improvement. The provision of Sec. 43.17.030 would protect those municipalities which have no tax revenue sources. The increased revenue the City of Wrangell would derive from the proposed change would enable us to furnish more services which would control pollution (ie. we are presently faced with solid waste management for which no local funds are available without increased taxes and/or rates). Whether the City could expand transportation services other than the present harbor and port facilities has not been determined. A great improvement of present services would be realized through the proposed change in all areas such as police protection, etc.

One question is raised. Under the present program the entitlement based on hospitals and health facilities must be used only for the specific hospital and health facility included in the application. I find no provision in the proposed bill which mandates any specific amount for hospitals and health facilities. I assume, since they are essentially supported by the recipient government, the provision was not required.

Your support of House Bill No. 47, as written, is solicited.

Very truly yours,

CITY OF WRANGELL

Joyce Rasler (Mrs.), City Clerk
Acting City Manager

cc: Representative E. J. Haugen
Senator Pete Meland

CITY OF KOTZEBUE

P.O. BOX 46
KOTZEBUE, ALASKA 99752
907-442-3571

February 4, 1975

Samuel R. Cotten
House of Representatives
Pouch V
Juneau, AK 99801

Dear Representative Cotten:

Thank you for the copy of HB 47 relating to state revenue sharing payments.

By this time you should be in receipt of my comments to your January 4th letter. My comments remain the same. I note that HB 47 does include the provision under Sec. 3 that a community would not receive a cut in their revenue sharing for at least two years. This would appear to be fair to a community who would receive a cut and allow them sufficient time to plan accordingly, but, would prefer to see them continue to receive at the rate they are currently receiving. Would it be possible to know the communities that would receive a cut and the exact amount?

We shall continue to watch the progress of HB 47 and others that are introduced regarding revenue sharing.

IF HB 47 does not go through, we would strongly support both HB 15 & 16 relating to Fire Protection.

Sincerely,

Barbara Steckel

Barbara Steckel
City Manager

BJS:dm

CITY OF KOTZEBUE

P.O. BOX 46
KOTZEBUE, ALASKA 99752
907-442-3401

OFFICE OF THE CITY MANAGER

January 26, 1975

Honorable Samuel R. Cotten
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

DEar Representative Cotten:

Thank you for your interest in the proposed changes to the state revenue sharing program.

The proposals presented by the Alaska Municipal League through the City and Borough of Anchorage were discussed very thoroughly at the AML meetings in Juneau. The original proposals helped all the communities in Alaska with the exception of about 7, Kotzebue being one of the 7. If the proposal you received contained the clause that no community would receive less than they are presently receiving, then the City would have no objection. However, if the clause is not in it, we would be hurt very badly.

The present proposal from AML would be a definite asset to the communities who have a property tax, which we do not. Our present tax base amounts to only a 3% sales tax. Therefore, on the basis of local tax revenues, the City of Kotzebue would lose at least $10,000 of the state shared revenue presently received. Several other small communities would be in a similar position. I do not believe the proposal had the intention of communities raising their taxes in order to get additional state shared revenue.

At the present time we are satisfied with the program, with the exception of a definite increase in the Fire Protection from the $5 per capita presently received and there is no way that the $1500 per mile covers our extensive snow removal and road repair.

Under the circumstances, unless we would receive the amount currently being received, we would have to disagree with the AML proposal.

Thank you for giving us the opportunity to comment.

Sincerely,

Barbara Steckel

Barbara Steckel
City Manager

cc: Senator Frank Ferguson
Representative Brenda Itta

Representative mill levies and sales tax levies (1973)

City	Mill levy	Sales tax
Anchorage	20.36	
Eagle River	~~20.36~~ 19.64	—
Muldoon	19.55	—
Sand Lake	19.75	—
Spenard	19.68	—
Rabbit Creek	15.81	—
Cordova	18.00	4%
Juneau	17.83	3%
Homer	17.00	3%
Kenai	15.50	4%
Kodiak	13.48	3%
Fairbanks	18.50	5%
Palmer	12.80	2%
Petersburg	17.00	5%
Seward	25.00	3%
Sitka	no info	4%
Soldotna	19.00	3%
Skagway	15.00	2%
Wrangell	18.00	4%
Yakutat	15.00	2%
Valdez	13.58	4%

HB 47

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

JUNEAU OFFICE
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

February 19, 1975

Robert A. Breese
Deputy Borough Attorney
Greater Anchorage Area Borough
3500 East Tudor Road
Anchorage, Alaska 99507

Dear Bob:

We are in the process of studying Revenue Sharing as a package. There have been several bills introduced concerning this matter (enclosed). Also several of the CAAL legislative proposals have been introduced. I'm not sure right now if all the areas have been covered. I will find out.

The material you provided me has been very valuable in researching the Revenue Sharing program. Many others have used the same information and they extend their thank yous.

I'm sure you are aware of our efforts to aid the new borough. I'm sorry to report we haven't had all the cooperation we could use from all parties concerned. Things are moving slow and I still am not sure how things are going to work out.

Thanks for writing and you can expect to hear from me soon.

Sincerely,

Sam R. Cotten

SRC:
Enclosures

HB 15, 16, 21, 23
39, 41, 65, 85, 88, 3

HB 47

GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

February 10, 1975

DEPARTMENT OF LAW
279-8686

Representative Sam Cotten
Chairman
Community & Regional Affairs Committee
State House of Representatives
Room 210 Assembly Building
Juneau, Alaska 99801

Dear Sam,

I am writing to inquire as to how far your Committee has progressed with any bills relating to State revenue sharing. It is my understanding that several bills have been submitted relating to this issue. I would very much appreciate it if a member of your staff could xerox any such bills and forward them to me.

I hope that the materials I have given you in our meetings have been of some assistance to you in chairing your Committee. I sincerely hope that your Committee can serve as a launching pad for a new State revenue sharing program. If I can be of any assistance in helping you develope legislation or research its impacts, please let me know. I would be happy to journey to Juneau if you ever feel it would really be beneficial to do so.

I would also like to know if you have had an opportunity to review the Borough's legislative proposals I gave you. Several of those proposals could have a strong positive impact on the new Eagle River Borough. I speak specifically of our proposals relating to local water pollution control programs, State assistance for local sewer and water supply projects, water supply and sewer construction bonds, State compliance with local planning, platting, and zoning regulations, Senior citizens property tax exemptions, vacation of public easements and right-of-ways, and our motor vehicle registration proposal. Each of these proposals would either put more

money into the hands of the new Borough, or provide it with necessary powers to handle pressing problems such as junk car removal, water pollution, sewer extensions, and land use control. I would urge you to consider these proposals carefully, for I think you would agree they could all have a positive impact in your community.

Let me thank you in advance for sending me the materials on revenue sharing. Keep up the good work and don't let the oil people steal the State treasury.

Best Regards,

Bob

ROBERT A. BREEZE
Deputy Borough Attorney

RAB/cro

Samuel R. Cotten
Alaska House of Representatives
Box 296
Eagle River, Alaska 99577

Jan. 4, 1975

Leo P. Schaeffer, Jr.
City Manager
Box 46
Kotzebue, Alaska 99752

Dear Sir:

I have just recently received legislative proposals from the Alaska Municipal League, Greater Anchorage area Borough, and the City of Anchorage. These proposals deal with changes in the state revenue sharing programs I would appreciate your feelings andand reactions to these proposals.

As you may know, the proposals seek to replace funding on the basis of services furnished with funding on the basis of local tax revenues, and on a per capita or minimum block grant basis ofor smaller municipalities. I would like to know (1) if you are satisfied with the way the existing program works, (2) if you think the proposals pepresent a positive change, (3) if the current scheme could be altered slightly, in the amounts granted or with minimum grants for certain services such as transportation not currently being furnished, and (4) are you in support of the proposed changes? It is important that any changes in the program equally benefit both the smaller and larger municipalities alike. Therefore municipal input for this legislation is very important.

Since this legislation is ofgreat importance to all areas of the state, your comments and recommendations would be greatly appreciated.

Thank you for your cooperation in this matter.

Sincerely,

Samuel R. Cotten

A

Samuel R. Cotten

Alaska House of Representatives

Box 296

Eagle River, Alaska 99577

Jan. 4, 1975

Tom G. Armour
Borough Manager
Bristol Bay Borough
Naknek, Alaska 99737

Dear Sir:

I have just recently received legislative proposals from the Alaska Municipal League, Greater Anchorage area Borough, and the City of Anchorage. These proposals deal with changes in the state revenue sharing program. I would appreciate your feelings and reactions to these proposals.

As you may know, the proposals seek to replace funding on the basis ofservices furnished with funding on the basis of local tax revenues, and on a per capita or minimum block grant basis for smaller municipalities. I would like to know (1) if you are satisfied with the way the existing program works, (2) if you think the proposals represent a apositive change, (3) if the current scheme could be altered slightly, in the amounts granted or with minimum grants for certain services as planning, your municipality could provide services such as parking, and recreation and transportation not currently being furnished, and (4) are you in support ofthe proposed changes? It is important that any changes in the program equally benefit both the smaller and larger municipalities alike, so municipal input for this legislation is very important.

Since this legislation is of great importance to all areas of the state, your comments and recommendations would be greatly appreciated.

Thank you for your cooperation in this matter.

Sincerely,

Samuel R. Cotten

Samuel R. Cotten
Alaska House of Representatives
Box 296
Eagle River, Alaska 99577

Jan. 4, 1975

Barbara Prindle
Clerk/Treasurer
City of Delta Junction
Box 279
Delta Junction, Alaska 99737

Dear Clerk:

Recently I have received proposals for changes in the state revenue sharing program, sponsored by the City of Anchorage, as well as the Anchorage Borough and the Alaska Municipal League. In order for me to evaluate these proposals, I need to know your feelings on them.

As you may know, the proposals seek to replace funding on the basis of services furnished with funding on the basis of local tax revenues, and on a per capita or minimum block grant basis for smaller municipalities. I would like to know (1)if you are satisfied with the way the existing program works, (2)if you think the proposals represent a positive change, (3)if the current scheme could be altered slightly, in the amounts granted, or with minimum grants for certain services, so that your municipality could provide services such as planning, transportation and police not currently being furnished, and (4)are you in support of the proposed changes? It is important that any changes in the program equally benefit both the smaller and the larger municipalities alike, so municipal input for this legislation is very important.

Since this legislation is of great importance to all areas of the State, your comments and recommendations would be greatly appreciated.

Thank you for your cooperation in this matter.

Sincerely,

Samuel R. Cotten

Samuel R. Cotten
Alaska House of Representatives
District 8
Box 296
Eagle River, Alaska 99577

Jan. 4,1975

Mr. Jack P. English
City Manager
City of Seldovia
Drawer B
Seldovia, Alaska 99663

Dear Mr. English:

Recently I have received proposals relating to proposed amendments to the existing revenue sharing distribution (Title 43). I am writing this letter so that I can evaluate both the existing scheme and the proposed legislation.

Basically the proposals, supported by both the City and the Borough of Anchorage, and the Alaska Municipal League, plan to replace the funding on the basis of services performed with funding on the basis of locally-raised revenues, or a per-capita or minimum block grant for smaller municipalities. What I need to know concerns the following: What are the basic drawbacks to the present funding scheme? Could the amounts be increased, revised or modified to enable you to perform services not presently performed, such as transportation and parks? Do you have any further suggestions and recommendations on either the existing scheme or the proposed legislation? Have you had an opportunity to review the proposal sponsored by the Alaska Municipal League?

As the session will begin in about two weeks, it would be greatly appreciated if you could reply as quickly as possible. As this legislation deals with matters of great importance to all areas of the State, it will undoubtably be the center of much discussion and debate.

If I can be of any help to you and your community in the future, please do not hesitate to contact me.

Thank you for your cooperation in this matter.

Sincerely,

Sam Cotten

Samuel R. Cotten

Samuel R. Cotten
Alaska House of Representatives
Box 296
Eagle River, Alaska 99577

Jan. 4, 1975

Barbara Leffingwell
Finance Director
City of Skagway
Box 415
Skagway, Alaska 99840

Dear Mrs. Leffingwell:

Recently I have received from the Greater Anchorage Area Borough, the City of Anchorage, and the Alaska Municipal League, proposals for amendments and revisions to the state revenue sharing program. In order that I might better evaluate these proposals, I would like to know your feelings on them.

As you may know, the proposals seek to replace funding on the basis of services performed with funding on the basis of local tax revenues, or percapita and minimum block grants for smaller municipalities. I would like to know (1)if you feel the present system is inadequate, (2)if the proposed changes would be an improvement, (3)if increases in the amounts granted, or similar minor modifications would enable your municipality to provide services such as planning, parks and recreation and transportation not currently being furnished and (4)is the proposed change supported by your municipality? It is important that any changes made should equally benefit both the larger and smaller municipalities. For this reason, it is important that I have some input from other interested municipalities before the proposal receives further consideration by the legislature.

As this legislation will most certainly be of considerable importance to all municipalities, your comments, suggestions and recommendations will be greatly appreciated.

Thank your for your cooperation in this matter.

Sincerely,

Samuel R. Cotten

Samuel R. Cotten
Alaska House of Representatives
Box 296
Eagle River, Alaska 99577

Jan. 4, 1975

Mr. Stanley Eippus
Mayor, City of Craig
Box 12
Craig, Alaska 99921

Dear Mayor:

Recently I have received proposals for changes in the state revenue sharing program, sponsored by the City of Anchorage, the Anchorage Borough and the Alaska Municipal League. In order for me to evaluate these proposals, I would appreciate some input from you.

As you may know, the proposals seek to replace funding on the basis of services performed with funding on the basis of locally raised tax revenues, with alternatives for smaller municipalities based on population or a minimum block grant. I would like to know (1)if you are satisfied with the way the current program works, (2)if you think the proposed changes would be an improvement, (3)if increases in the amounts granted, or other minor changes would enable you to provide services not currently being provided and (4)is the proposed change supported by your municipality? It is important that any changes be equally beneficial to larger and smaller municipalities alike, and for this reason, municipalities should make their preferences available for consideration.

As this legislation is of great importance to all areas of the State, your comments and recommendations will be greatly appreciated.

Thank you for your cooperation in this matter.

Sincerely,

Samuel R. Cotten

Samuel R. Cotten
Alaska House of Representatives
Box 296
Eagle River, Alaska 99577

Jan.44, 1975

Mr. d. E. McNabb
City Manager
City of Wrangell
Wrangell, Alaska 99929

Dear City Manager:

Recently I have received from the Greater Anchorage Area Borough, the City of Anchorage, and the Alaska Municipal League, proposals for amendments and revisions to the state revenue sharing program. In order that I might better evaluate these proposals, I would like to know your feelings on them.

As you may know, the proposals seek to replace funding on the basis of services performed with funding on the basis of local tax revenues, or per capita and minimum block grants for smaller municipalities. I would like to know (1)if you feel the present system isaadequate, (2)if the proposed changes would be an improvement, (3)if increases in the amounts granted, or similar minor changes would enable your municipality to furnish such services as transportation and pollution control that are not currently being furnished and (4)is the proposal supported by your municipality? It is important that any changed made should equally benefit both the larger and the smaller municipalities. For this reason, it is important that I have some input from individual municipalities before the proposal receives further consideration by the legislature.

As this legislation will certainly be of great concern to all municipalities, your comments and recommendations will be greatly appreciated.

Thank you for your cooperation.

Sincerely,

Samuel R. Cotten.

Samuel R. Cotten
Alaska House of Representatives
Box 296
Eagle River, Alaska 99577

Jan. 4, 1975

Wesley M. Howe
Borough Manager
Matanuska-Susitna Borough
Box B
Palmer, Alaska 99645

Dear Manager:

Recently I have received from the City of Anchorage, as well as the Anchorage Borough and the Alaska Municipal League, proposals for amendments to the state revenue sharing program. In order that I might better evaluate these proposals, I would like to know your position on them.

As you may know, the proposals seek to replace funding on the basis of services furnished, with funding on the basis of local tax revenues, or per capita and minimum block grants for smaller municipalities. I would like to know (1)if you feel the present scheme is adequate and equitable, (2)if the proposed changes would be an improvement, (3)if increases in the amounts granted, or similar minor changes would enable you to provide services not currently furnished and (4) are the changes supported by your municipality? It is important that any changes should benefit both the larger and smaller municipalities equally, and for this reason the legislature should receive adequate input on this proposed change.

As this legislation will be of great importance to all areas of the state, I would greatly appreciate any comments and suggestions you might have.

Thank you for your cooperation in this matter.

Sincerely,

Samuel R. Cotten

Hearings:

Received CRA 1/23/75

HB 47

Notified Present Testified

Tom Georgiamna, Katzeek & Assoc (586-3227)

Carolyn Burg 6-2747

Feb 27 – Bd mtg at AMC

HB-65

"An Act relating to assessment of real property for local taxation."

COMMITTEE REPORT

HOUSE

Mr. Speaker: Date _____

The Committee on _____ has had _____

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: Community & Regional Affairs Committee

To: Amend HOUSE BILL No. CSHB 65

SENATE BILL No. _____

PAGE: 1 LINE: 13

On page 1, line 13, delete "resident" and insert "maintained a permanent place of abode".

No tape of this
meeting

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 10, 1975

Meeting was called to order at 1:30 to discuss CS for SSHB 65.

Rep. Cotten	Rep. Ostrosky
Rep. Ose	Rep. Freeman
Rep. Hackney	Rep. Davis

Barbara Englert Thomas, Staff
Andrea Guernsey, Staff

The committee looked over the committee substitute and Rep. ose wanted to clarify that the owner had to live on the land permanently. There was an amendment added on line 13--delete "resided" and insert "maintained a permanent place of abode".

Rep. Ostrosky made a motion to move the bill out with individual recommendations as amended. So moved.

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 3, 1975

Meeting was called to order at 7:30 pm for discussion of SSHB 65. Present were: Cotten; Ostrosky; Ose and Hershberger.

A great deal of the meeting was spent deciding who the bill was trying to protect. No concrete definitions were made.

The committee tried to outline the problems with the bill.

I. It repeals the farm use status in 29.53.35. It was agreed to leave the farm use alone and write new section dealing with undeveloped land. Page 1, sec 1, start over with something like: "Undeveloped Land", A person owning and residing on a parcel or tract of undeveloped land over_____ acres and not exceeding_____acres may apply for an exemption under this seciton.

Hackney would like to talk to someone from a bank concerning what will happen if they become involved.

The effects on planning and zoning need to be discussed; to avoid hopscotch development. Need to talk to Kevin Waring.

Meeting was adjourned at 9:00.

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 5, 1975

Meeting was called to order at 3:20 by Chairman Cotten for discussion of SSHB65. Present were:

Rep. Sam Cotten	Rep. Ramona Kelley
Rep. Al Ose	Rep. Bowman, Sponsor
Rep. Larry Davis	Bob Dozier, State Assessor
Rep. Oral Freeman	Barbara Englert Thomas, Staff
	ANdrea Guernsey, Staff

Rep. Bowman started by saying that the purpose of the bill was for the person who homesteaded or perhaps built their own home and then either a developer comes in next door or the community expands and the taxes go up so much that this person can no longer afford his home. This is addressed to farmers and small land owners.

Chairman Cotten asked if he intended to take out the provision for State reimbursement, without it the municipalities would suffer. Mr. Bowman didn't see that he had.

Mr. Freeman asked if there was a requirement that the land be used as a home? Bowman said no, but he had no quarel with putting in a requirement. Freeman also commented on the fact that there was a limit of 160 acres in the original bill but no limit in the substitute.

Dozier said that the first section of the sponsor substitute was already covered in the Statutes.

Chairman Cotten appointed a subcommittee of himself and Ose to work with Rep. Bowman on the bill. Cotten favors the bill but doesn't want the municipalities hurt..

Meeting adjourned at 4:30.

Sam Cotton

#865

S R. Dorgin
4-14-76

Comments on SB No 529:

Detrive Intent of the Farm and Agriculture land Assessment Law (AS 29 53.035),

1. Assisting People who Farm or
2. Preserving green BELT land.

1.(a) The present law is a grant of state Funds to People who own Farm land and have made a Constructive effort toward Farming the land.

2(a) Senate CS CS SS HB No65 is designed to assist a person Retain the land in its Farm use or Undeveloped status with a provision that the assistance ceases only when the use of the land changes.

Recomendations:

1. Repeal AS 29.53.035 And Reenact with the wording of Senate CS CS SS HB 65.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate CS, CS, SS, HB No. 65
Title: Assessment of Property for Local Taxation
Requested by: Senate Finance Committe Date: 4-8-76
Return Date Requested: 4-9-76
Agency: Dept Community & Regional Affairs Program: Local Government Assistance

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		51.6				
200	TRAVEL		4.0				
300	CONTRACTUAL		6.2				
400	COMMODITIES		1.3				
500	EQUIPMENT		2.6				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		935.6				
	TOTAL		1001.3				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1001.3				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	/	/	/	/
MAN MONTHS (P./T.)	/	24 /	/	/	/	/

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

Assumptions:

1. Assessment date January 1, 1977; Tax Statements mailed July 1, 1977.
2. Projected tax base assumptions are based on known January 1, 1975 valuations. Based on the attatched summary there are 3% or 4665 parcels effected, discounted 50% for developement rights with appreciation of 10% per year to January 1, 1977.
   (64,974,120 = 2333 parcels x 27,856 average value x 20% appreciation)
3. Projected tax revenue is based on a statewide average rate of 12 mills.
   (935,627 = 64,974,120 tax base x 12 mills)

IV. ATTACHMENTS

DATE: 4-9-76 PREPARED BY: S. Robert Dozier
State Assessor

Final: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named)
Bowman

Fiscal Note: SCS,CS,SS HBN065
Assumptions Continued

Home Rule and First Class Municipalities

Real Property Assessed Value 1/1/75			4,331,686,418
Number of Parcels			155,500
Valuation Per Parcel			27,856
Population			338,123
Population Per Parcel			2.174
Residential Property	83,970	54%	2,339,068,320
Single Family Parcels	62,200	40%	1,732,643,200
3 to 160 Acre Parcels	23,325	15%	649,741,200
Ten Year Resident Parcels	4,665	3%	129,948,240
Development Rights Discount		50%	64,974,120
Appreciation 1/4/75 - 1/1/77		20%	77,968,944
Tax revenue @ 12 mills average			$935,627

The bill provides for partial deferrment of taxes on certain real property subject to restrictions as specified by the act in an agreement between the owner and the municipality. Deferred taxes paid by the state to the municipality for the applicant creates a lien on the property in favor of the state in an amount equal to the deferred taxes plus interest which becomes due and payable at the time the land is converted to a use inconsistant with the provisions of the agreement. A municipality is bound by the provisions of this act unless excluded by referendum.

Administration of the program will be the responsibility of the Department of Community and Regional Affairs. The pilot program will require the development of administrative code regulations, forms and procedures for both municipal and state responsibilities. The Department will assist each municipality in the development of a uniform formula for the valuation of development rights; receive and audit applications; reimburse each municipaltiy as appropriate for lost revenue; develop lien procedures and annually file in the district court in which the property lies, a lien on each property in favor of the state; keep accurate records on each property including accrued interest at the current rate of business loans as authorized under AS 45.95; enforce tax liens as appropriate; and estimate within reasonable limits the subsequent years program FY BRU grant.

Under direction of the State Assessor, the Program Supervisor will develop regulations, procedures and forms and assume major program responsibilities. The statistical clerk position will provide the back-up for the program supervisor and assist with all related office duties.

The Administrative costs are estimated as follows:

100 Personal Services

Program Supervisor			
Range 21, Step B		29,332	
Statistical Clerk II Step B, Range 9		12,612	
Total Salary		41,944	
Fringe Benefi = 23%		9,647	
Total Personal Services			51,591

Travel & Per Diem

State Assessor		1,000	
Program Supervisor		3,000	
Total			4,000

Contractual Services

Telephone and Long Distance		500	
Postage		100	
Printing Forms, Misc.		1,500	
Data Processing		2,500	
Machine Rental & Zeroxing		300	
Office Rent-200 sq. ft. @ 55¢		1,320	
Total			6,220

Commodities

Reference Materials and Maps		1,000	
Office Supplies		300	
Total			1,300

Equipment

Executive Desk	@315	315	
Executive Chair	@130	130	
Secretarial Desk	@370	370	
Secretarial Chair	@115	115	
Calculator	@440	440	
Typewriter	@800	800	
Filing Cabinets	@220	220	
Table	@105	105	
Book Case	@105	105	
Total Equipment			2,600

Total FY 77 Budget Request for operation of Senate CS for HB 65	65,711

Introduced: 5/26/75
Referred: Resources

BY THE RULES COMMITTEE
BY REQUEST

IN THE SENATE

SENATE BILL NO. 457

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to farm or agricultural lands; and providing for an effective date."

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

* Section 1. AS 29.53.035(c) is amended to read:

(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 use for profit or any combination thereof. To be farm use land, the owner or the lessee must be actively engaged in farming the land, and <u>either the owner or the lessee must</u> derive at least 10 per cent of his yearly gross income from the farm use land. The provisions of this section do not apply to land respecting which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the farm use land. Failure to make the filing required in this subsection forfeits the exemption.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Introduced: 2/24/75
Referred: Community &
Regional Affairs

IN THE HOUSE BY BOWMAN, BRADNER AND KELLEY

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 65

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to assessment of real property for local taxation."

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

* Section 1. AS 29.53.035 is repealed and re-enacted to read:

Sec. 29.53.035. FARM USE AND UNDEVELOPED LAND. (a) A person owning farm use land, or a parcel or tract of undeveloped land exceeding two and one-half acres in total area, may apply for assessment under this section.

(b) Farm use ~~and undeveloped~~ 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.~~ If the farm use land is sold, leased, or otherwise disposed of, for other than farm use purposes, the owner ~~or the owner's successor in interest~~ developed by the owner at the time of development is liable to pay the deferred taxes, plus 5 per cent interest, for the ~~additional tax for the preceding 10 years or for the~~ period of time the land was ~~classified~~ assessed as farm use or undeveloped land, not to exceed 10 years. ~~period of time it was assessed as farm use land, if less than 10 years, plus five per cent interest, and the applicable portion of the current tax year as though the land had not been assessed for farm use purposes.~~ The amount of deferred tax shall be based on the full and true value of the land, and the current mill rate, at the time of development.

(c) Undeveloped land shall be assessed on the basis of its full and true value as undeveloped land or for the purpose for which it is actually being used, and shall not be assessed as if subdivided or used for some other purpose. ~~The assessor shall maintain separate assessment records evaluating undeveloped land for other purposes, if applicable.~~ When the land is developed, the owner at the time it is developed is

liable to pay to the municipality the deferred taxes, plus 6 percent interest, for the period of time it was assessed as undeveloped land, not to exceed 10 years. The amount of deferred tax shall be based on the full and true value of the land and current mill rate at the time of development.

(d) To secure the assessment under this section, an owner of farm use or undeveloped land must 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.

(e) In this section

(1) "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 use or any combination of these uses and includes the preparation of the products raised on the farm use land and disposal by marketing or otherwise; and 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;

(2) "undeveloped land" means land which has remained substantially unchanged in character from its natural state as evidenced by a lack of industrial or economic use, construction, or other utilization, however, inconsequential personal uses incidental to the ownership of the land are not considered land development under this section; use of the land for not more than one single-family residence shall not be considered development for the purposes of this section.

HB 65 - conversation with Bob Dozier, State Assessor, Dept of CRA 2/14/75

Farm Use Assessment legislation

Assessment based on farm use, not on current fair market value

State reimburses municipalities for loss of revenue & record of ~~the~~ what ~~difference~~ the State pays (the difference between assessment of fair market value and farm use)

Upon sale of the property the new owner has to pay the back taxes - pays to the State the amount they paid municipality. If any left over the municipality gets it.

An application has to be filed every year attesting to the fact that 10% of the filer's income comes from farming

Homestead Acts

Many other states have these - a person files a homestead claim attesting that this is their home and they are granted a tax exemption because of it.

The only way the local administrator can administer this kind of program is by having people file applications every year

Proposed CS SSHB 65

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

*Section 1. AS 29.53.035 is repealed and re-enacted to read:

Sec. 29.53.035. FARM USE AND UNDEVELOPED LAND. (a) A person owning farm use land, or a parcel or tract of undeveloped land exceeding two and one-half acres in total area, may apply for assessment under this section.

(b) 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. If the farm use land is sold, leased, or otherwise disposed of, for other than farm use purpose , or is developed by the owner, the owner, at the time of development is liable to pay to the municipality the deferred taxes, plus 5 per cent interest, for the period of time the land was assessed as farm use or undeveloped land, not to exceed 10 years. The amount of deferred tax shall be based on the full and true value of the land, and the current mill rate, at the time of development.

(c) Undeveloped land shall be assessed on the basis of its full and true value as undeveloped land or for the purpose for which it is actually being used, and shall not b e assessed as if subdivided or used for some other purpose. When the land is developed, the owner at the time it is developed is liable to pay to the municipality the deferred taxes, plus 5 per cent interest, for the period of time it was assessed as undeveloped land, not to exceed 10 years. The amount of deferred tax shall be based on the full and true value of the land and current mill rate at the time of develpment.

(d) To secure the assessmetn.....

66087

Other things to consider on CSSS HB65

(1) State reimbursement of municipalities : Should the state reimburse the municipalities for their loss of revenue?

(2) Permissive : Should this legislation enable the municipalities to participate in this, and consider it on a case by case basis, rather than add (1) above? Should the local government be able to decide within which areas lands can be considered for this program, consistent with the municipality's comprehensive general plan.

(3) Limit eligible owners : Should there be a requirement that this land must have been the owner's (residence) homestead or have been in his family's possession for 7 years? Should there be restrictions on corporation-held land qualifying for this, unless all of the (shareholders) members of the corporation are related to each other within the third degree of kindred. Or should there be restrictions on corporations organized for other than strictly agricultural or horticultural purposes holding land getting this tax relief? Should the owner be required to be living on the property?

Duration of the deferred tax agreement:

(4) ~~notice of desire to redesignate land~~:

1. Minimum period of 10 years or else pay difference between back taxes & taxes paid, plus a ~~10 per cent~~ 10 per cent per year penalty. (Hawaii)
2. Initial restriction of 10 years, automatically extended for a year on each subsequent anniversary. (California)
3. Minimum restriction on land 10 years. After 8 yrs. the owner can give 2 years notice of desire to revert to the standard method of taxation. ~~Penalty~~ When the land reverts to standard taxation, 7 years ~~taxes~~ deferred taxes are collected, with interest. Penalty for failing to give proper notice: deferred taxes with interest plus a 20% penalty.

4. Minimum of (2-10) 5 years notice of the owner's desire to convert the land to nonfarm or developed use.

SB 227 3/25/75

cc "last mtg" for Hensinger

Kertulla

In the state's interest to set aside lands for renewable resource production

Fearful of manipulation of borough politics

That peo will take this land for "agric." interest and then will sell for real estate — or will sell the old agric. land he had for other than agric.

Machyowski drafted it

Dozier - Assembly could retain the development rights

Development rights held by assembly are tax exempt until sold at which time Assembly relinquishes all control and the full value is assessed

This would allow for devel. of an area that should be developed if a munic feels it should — a munic land use control

Kertulla - ~~Commission~~ State ~~has authority to~~ gave this land to borough & this ought to have agric. classification unless the State sees fit to change it. Doesn't want the assembly to make a decision & change it in 3 yrs. land Grab situation — people won't be able to afford not to take the land

local gov't pressures - too strong, friends & relatives

Orsini - concurs; wonders if it's not too strict that Assembly won't tie up the land - won't classify it as agricultural land

Kertulla - great pressure, need more land in agric.

"All we're going to do is expose them some of a bit who that wanted it for that other purpose"

Assembly should welcome this as a support for them

Kertulla (cont)
maybe you could put a time — hold for 30 years or until the legislature changes it.
Bad situation —
If you get special advantages for farming (tax advant., purchase advant.) then it's going to stay for farming — can't have best of both worlds, says
Hate to bring the problem to the legislature, but then the legislature created boroughs & created the problem

Kevin Waring — realizes the problem
Questions about last part of bill — "in perpetuity" sec
in effect, that the land will be held in agric usage
also the strong forfeiture provisions
Have to expect that land uses change over time (i.e. Manhattan)
What is appropriate at one moment may not be at a later date
Forfeiture — cts. be reluctant to enforce forfeiture provisions where they ran w/ covenents restrictions on the use of land
Thinks the better way to go may be the limitation of time — to make accomodations, over reasonable periods of time for changing land use patterns
The bill addresses what is a real problem for boroughs, like Mat Su, and with ~~a~~ giving them some tools

Willis — can understand about the pressures that can be brought to bear on local govts. Also this will help save land for future generations — look at So. Cal., the land of oranges is gone
Would it have any merit to consider taking the consideration of future trends rather than in perpetuity
Perhaps the Assembly could come & petition the

3)

Local Boundary Commission, or someone like that — take it out of local hands — with same appeal rights as annexation (come to legislature)

Kertulla — Sure, any mechanism that removes the opportunity on a one night's meeting to change the whole damn program — the State's interests lie, among other things, in support of the school programs, the local govts contribution is ever less for agric. lands than for higher & better use, theoretically, in case there is such a thing, frankly we have a vested interest in something like this, as a State, which is another reason why we should take an interest in making certain that there is no exploitation of this present situation, before any legislation is passed

Rodey — no trouble w/ perpetuity, but maybe it would be wise to allow for at least a 20 yr. limitation from the time of classification

Kertulla — Remember the borough ordinances may well (we're just bulwarking the borough ordinances) have a time limit within them
He'd like the perpetuity clause — takes Tillion position

Rodey — Forfeiture clause — worries about that position
Kertulla — it can be worded better to avoid contesting in court

Tillion — could strike out on line 17, right after "appropriate legal means" — there are appropriate legal means to stop someone, no need to spell out

Kertulla — would like " including, but not limited to "

4)

Orsini - Part of the problem is that the farmers may want to keep it for 30 yrs. but then they want to sell it for subdivisions to pay for their retirement

Kertulla - they buy it with the condition for farming & that should be the only right they have - they should be allowed to sell it for farming

Tillia - agrees, Vt. has done this

Orsini - what have they done if not all of the parcel is suitable for farming though most of it is?

Kertulla - It's in flux. For ex, only the land which is farmed gets the break in some cases, in some cases it's much broader if the guy wants to run cows

Various ways of getting around it

Kevin Waring - should citizens other than the assembly be able to raise questions as a change of status

[redacted]

(1) State's Interest in Agriculture

(2) Development Rights

(3) State vs. Borough Land Use Powers
should the Assembly petition the Local Boundary Commission (Willis suggestion)

(4) Time Limit – is 20 years too short or too long?

(5) Problem with "forfeiture" clause (line 20) -- will this be thrown out by the courts and the rest of the legislation as well?

11.17 can the land change status within 20 years – w/ owners consent

10% as of Inc. date ? Div of Lands

Figures on Anch., Mat Su
State land held by borough

Not clearly established whether the inc date is used as the benchmark.

100/10/3

SD

Introduced: 1/24/75
Referred: Community & Regional Affairs

IN THE HOUSE BY BOWMAN AND BRADNER & Kelley

HOUSE BILL NO. 65

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to assessment of real property for local taxation; and providing for an effective date."

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

* Section 1. AS 29.53.060 is amended by adding a new subsection to read:

(d) The assessed value of real property owned and occupied as a permanent place of abode, not to exceed 160 acres, and which has not been sold, traded or exchanged within the preceding 10 years may not be increased by more than 50 per cent in one assessment year, except to the extent of improvements to the property.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Subdivision Acreage

rationale

discriminate owner-occ and land? direct conflict procedures of appeal resolution thereafter?

(works a hardship on work seasons)

8% in one yr.

theory

ambiguous

pro-rated

rationale

100% evaluation

CS for SS for HB 65

Title 29 chapter 53 is amended by adding a new section to read:

29.53.040. UNDEVELOPED LAND. (a) A person owning a parcel of land of at least 2 1/2 acres and not exceeding 10 acres, on which the owner had resided for at least 5 years, may qualify for assessment under this section.

(b) Undeveloped land shall be assessed on the basis of its full and true value as undeveloped land or for the purpose it is actually being used, and shall not be assessed as if subdivided or used for some other purpose. [ ] tain seperate assessment records evaluating undeveloped land for other purposes, if applicable.] [When the land is developed or sold, the seller or developer shall lose the special assessment and a lien shall exist in favor of the municipality in the form of the deferred tax plus 5% interest for the preceeding 10 years or for the period of time it was assessed as undeveloped land. The amount of deferred tax shall be based on the full and true value of the land and the [current] mill rate at the time of development.) ADD BETS language

(c) To secure the assessment under this section, an owner of undeveloped land must make application to the appropriate assessor before February 1 of each year in which the assessment is required. 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.

(d) DEFINITION. In this section (1) undeveloped land means land which has remained substantially unchanged in character from its natural state as evidenced by a lack of industrial or ecomonic use, construction or other utilization; however, inconsequential personal uses incidental to the ownership of the land are not considered land development under this section. Use of the land for not more than one single family residence shall not be considered development for purposes of this section.

Other things to consider on CSSS HB65

① State reimbursement of municipalities : Should the state reimburse the municipalities for their loss of revenue?

② Permissive : Should this legislation enable the municipalities to participate in this, and consider it on a case by case basis, rather than add ① above? Should the local government be able to decide within which areas land can be considered for this program, consistent with the municipality's comprehensive general plan.

③ Limit eligible owners : Should there be a requirement that this land must have been the owner's (residence) homestead or have been in his family's possession for 7 years? Should there be restrictions on corporation-held land qualifying for this, unless all of the (shareholders) members of the corporation are related to each other within the third degree of kindred. Or should there be restrictions on corporations organized for other than strictly agricultural or horticultural purposes holding land getting this tax relief? (Should the owner be required to be living on the property?)

④ ~~Notice of desire to reclassify land~~ Duration of the deferred tax agreement:

1. Minimum period of 10 years or else pay difference between back taxes & taxes paid, plus a ~~10 per cent~~ 10 per cent per year penalty. (Hawaii)
2. Initial restriction of 10 years, automatically extended for a year on each subsequent anniversity. (California)
3. Minimum restriction on land 10 years. After 8 yrs. the owner can give 2 years notice of desire to revert to the standard method of taxation. ~~Penalty~~ When the land reverts to standard taxation, 7 years ~~back~~ deferred taxes are collected, with interest. Penalty for failing to give proper notice: deferred taxes with interest plus a 20% penalty

4. Minimum of (2-10) 5 years notice of the owner's desire to convert the land to nonfarm or developed use.

Should the payment be in one lump sum?
Should (b) & (c) be combined?

Proposed CS-SSHB 65

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

*Section 1. AS 29.53.035 is repealed and re-enacted to read:

Sec. 29.53.035. FARM USE AND UNDEVELOPED LAND. (a) A person owning farm use land, or a parcel or tract of undeveloped land exceeding two and one-half acres in total area, may apply for assessment under this section.

(b) 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. If the farm use land is sold, leased, or otherwise disposed of, for other than farm use purposes, or is developed by the owner, the owner, at the time of development is liable to pay to the municipality the deferred taxes, plus 5 per cent interest, for the period of time the land was assessed as farm use or undeveloped land, not to exceed 10 years. The amount of deferred tax shall be based on the full and true value of the land, and the current mill rate, at the time of development.

(c) Undeveloped land shall be assessed on the basis of its full and true value as undeveloped land or for the purpose for which it is actually being used, and shall not b e assessed as if subdivided or used for some other purpose. When the land is developed, the owner at the time it is developed is liable to pay to the municipality the deferred taxes, plus 5 per cent interest, for the period of time it was assessed as undeveloped land, not to exceed 10 years. The amount of deferred tax shall be based on the full and true value of the land and current mill rate at the time of develpment.

(d) To secure the assessment under this section, an owner of farm use or undeveloped land must 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.

(e) In this section

(1) "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 use or any combination of these uses and includes the preparation of the products raised on the farm use land and disposal by marketing or otherwise; and 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;

(2) "undeveloped land" means land which has remained substantially unchanged in character from its natural state as evidenced by a lack of industrial or economic use, construction, or other utilization; however, inconsequential personal uses incidental to the ownership of the land are not considered land development under this section; use of the land for not more than one single-family residence shall not be considered development for the purposes of this section.

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

April 1, 1975

Bill and Mariann Koehler
c/o Greatland Realty
Eagle river, Alaska 99577

Dear Bill & Mariann:

Hello up there from down here in sunny Juneau. I hope all is well and getting better. It looks as though I'll be home in around a month if nothing suddenly comes up to delay the end of the sess' n.

I'd like you to take a look at the bill I've enclosed and maybe let me know what you think. The idea is to allow a person holding larger parcels of land to continue to do so without being forced to sell or subdivide. One additional provision to prevent using this as a means of speculation would be to require the owner, at the time development takes place, to pay back taxes for the preceeding ten years at a rate using the present value of the land as a base. In other words if you buy ten acres for $10,000 in 1974, then in 1984 if the land is worth $50,000, the back taxes you would pay for the preceeding ten years would be based on a $50,000 assessed evaluation for each of those ten years. The question is: would this provision tend to prevent persons from using this tax relief program for speculation?

Hope to hear from you and probably see you early next month.

Sincerely,

Sam

Sam

Enclose
SSHB65

AS 29.53.035 is amended by adding a new subsection to read.

The ASSESSED ~~a~~value of [farm or] undeveloped land, not to exceed 160 acres owned and occupied by a resident on which is located his permanent place of abode and which has not been sold, traded, or exchanged within the preceding 10 years may apply for assessment under this section.

FOREWORD

Among the responsibilities of the Department of Community and Regional Affairs is the annual determination of the full and true value of taxable real and personal property within each borough and city which operates a system of public education.

This report, the eleventh such prepared by the State Assessor, summarizes the Department's statistical determinations of taxable property values as of January 1, 1973.

The full value figures contained in this report are used as a part of the equalized percentage formula for determining the amount of state aid for which boroughs and city school districts may qualify under the Public School Foundation Program. The report is intended to provide municipalities with comprehensive information concerning their ad valorem tax base and insight into their revenue efforts.

In addition to presenting valuation data, the report presents a basic outline of the Public School Foundation Program, legal basis for property assessment, administrative policies concerning the property tax, Senior Citizen Property Tax Exemption, population, general obligation bonded indebtedness and relevant statutes. It is hoped that all of these features will be of value not only to Alaska municipalities but also to investors interested in participating in the exciting future of our State.

S. Robert Dozier
State Assessor
Division of Local
Government Assistance

KENAI PENINSULA BOROUGH
Box 850 Phone 262-4441
SOLDOTNA, ALASKA 99669

STAN THOMPSON
MAYOR

March 14, 1975

Sen. Clem Tillion
Rep. Keith Specking
Rep. Hugh Malone
Rep. Leo Rhode
Pouch Y
Juneau, Alaska 99801

Re: Sponsor Substitute for House Bill No. 65 "An Act Relating to Assessment of Real Property for Local Taxation"

Gentlemen:

This bill seems to me one of the most valuable bills to appear this session of the legislature. Our rapidly rising land assessments due to speculation, and other factors, are driving Alaskans from their land. The present situation is requiring them to subdivide in order to pay their taxes, whether it be farm land or undeveloped land.

We certainly feel this is an excellent designed bill and extremely needed in our state today. I am very pleased that this bill includes undeveloped land as many Alaskans have a piece of property they wish to live on without development of any kind and should not have to pay excessive taxes in order to retain their right to use such undeveloped land.

My only suggestion might be on the undeveloped land to require residency of the owner thereof. I am not sure this is a necessity, but it might contain some merit.

Although this bill, if passed, will cost this borough some taxes for the next few years its value to the people of the borough far outweighs the monetary loss.

Thank you for introducing a bill such as this, and I hope you follow it through to its fruitation.

Sincerely,

Stan Thompson

Stan Thompson
Borough Mayor
ST/tb

cc: Willard Bowman, Chairman, Rules Committee
Terry Gardiner, Chairman, Judiciary Committee
Susan Sullivan, Chairman, Health, Edu. & Soc. Services
Nels Anderson, Chairman, Resources Committee
William Parker, Chairman, State Affairs Committee
Bob Bradley, Chairman, Commerce Committee
Joseph McKinnon, Chairman, Labor & Management

Samuel Cotten, Chairman, Community & Reg. Affairs Comm.
Alaska Municipal League, Attn: Don Berry
Department of Community & Regional Affairs
Attn: John B. Chenoweth, Director
Lee McAnaerney, Commissioner

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6440
JUNEAU, ALASKA 99801

02088 ANCHORAGE AK 137 04-16 405P ADT

APR 16 PM 7 46

PMS REP SAMUEL COTTEN

1568

JUN"

REGARDING HB65 OUR BEST ESTIMATE IS THAT ANCHORAGE BOROUGH HAS 2,250 PARCELS OF 2 TO 10 ACRES WITH A VALUE OF 95 MILLION 625 THOUSAND TAXES ON THIS VALUATION WOULD AMOUNT TO APPROXIMATELY ONE MILLION 725 THOUSAND. UNDER THE PROPOSED BILL THE ASSESSED VALUE WOULD AMOUNT TO APPROXIMATELY 3 MILLION 900 THOUSAND DOLLARS, INDICATING A LOSS OF 91 MILLION 725 THOUSAND AND A TAX LOSS OF ONE MILLION 654 THOUSAND 300 DOLLARS THIS YEAR ALONE. THIS FIGURE WILL INCREASE IN THE FUTURE AND WILL HAVE TO BE MADE UP IN THE FORM OF AN INCREASED MILL RATE ON PROPERTIES THAT DO NOT QUALIFY UNDER THE BILL THE ADDITIONAL FUNDS WILL HAVE TO COME FROM BUSINESSES AND SMALL LOT PROPERTY OWNERS I WOULD SUGGEST STATE REIMBURSEMENT BE MADE AVAILABLE TO COVER THE SUBSTANTIAL LOSS THAT WOULD BE INCURRED

GLENN M MCKEE GREATER ANCHORAE AREA BOROUCH

MEMORANDUM

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

State of Alaska

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: JACK CHENOWETH
DIRECTOR

DATE: APRIL 3, 1975

FILE NO:

TELEPHONE NO:

FROM: S. ROBERT DOZIER
STATE ASSESSOR

SUBJECT: RECOMMENDED AMENDMENT
SENATE BILL NO. 170
(SS HB NO. 65)

The recommended amendment to Senate Bill No. 170 (SS HB No. 65) as outlined below deletes all language in SB No. 170 and amends AS 29.53.035 by adding a new subsection to read:

> AS 29.53.035 (f) Undeveloped land exceeding 2 1/2 acres but not more than 160 acres in total area covered by a single property tax statement, owned and occupied by a resident on which is located his permanent place of abode and which has not been sold, traded, or exchanged within the preceding 10 years may apply for assessment as provided in (a) and (b) of this section. Except that upon failure to make application, or when all or part of the property is developed, all deferred taxes as provided in (a) of this section become due and payable.

The above language does not change the administration of the farm use land provision of existing law. The language does however, include under provisions of the present Farm and Agricultural Land Use Law, the basic concept of Senate Bill No. 110, together with features of SB No. 170, which will provide a deferred tax break to long-time residents who are being forced to sell or breakup their homestead because of the property tax crunch.

Sec. 29.53.035. Farm or agricultural lands. (a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes 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 records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of, for other than farm use purposes or be converted to nonfarm use by the owner, the owner shall be liable to pay an amount equal to the additional tax together with five per cent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section. The balance of the payment shall be made to the city or borough.

(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 prescribed by the state assessor for the use of the local assessor and shall include information which may reasonably be required to determine the entitlement of the applicant. If the farm use land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested.

(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 use for profit or any combination thereof. To be farm use land, the owner or the lessee must be actively engaged in farming the land, and derive at least 10 per cent of his yearly gross income from the farm use land. The provisions of this section do not apply to land respecting which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history of farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. An applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the farm use land. Failure to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 per cent of his gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purpose, the state shall reimburse a borough or city, as appropriate, for the real property tax revenues lost to it by the operation of this section. (§ 2 ch 118 SLA 1972; am § 1 ch 90 SLA 1974)

Effect of amendment. — The 1974 amendment made such changes in [illegible] make a detailed comparison impracti-

SB 170

GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

Informational

BOROUGH MAYOR'S OFFICE

February 27, 1975

Senator Kay Poland, Chairman
Senate Rules Committee
Pouch V
Juneau, Alaska

Re: SB 170 - tax assessments of undeveloped and farm use lands.

Dear Kay,

I understand that SB 170 is now in the Senate Rules Committee. If such a bill is passed I hope that it will include the following restrictions:

1. It would be up to the local government to undertake the program and the local government is permitted to consider tax relief on a case by case basis.

2. The local government should be required to designate the areas within which lands can be considered for reduction of taxes based upon open space use, before tax relief to a particular owner can be considered. Designation of these conservation areas should be consistent with the municipality's comprehensive general plan.

3. In the event the land is converted to non-open space uses, the tax payer should be required to pay all waived taxes (difference between taxes based on fair market value and taxes based on agricultural or open space use) in the tax year in which the conversion occurs, with accumulated interest on the amount of taxes waived.

4. There should be a provision that the land cannot be converted to non-open space without a minimum of five (5) years previous notice and that the tax differential will be phased out in five different annual steps - one fifth of the difference to be phased out in the first year, two fifths in the second year, etc.

CLEAN AIR • CLEAN WATER • A CLEAN COMMUNITY

These are, of course, the provisions of the California Open Space Act (Williamson Act) except that the California ten year phase out of preferential tax treatment is reduced to five years. Things are so volatile in Alaska it would be hard to get anyone to sign for a ten year program.

In addition, it would be desirable to add a provision which would permit a municipality to negotiate for land options for park, greenbelt, or open space uses pursuant to a municipal park plan and to trade off reductions in property tax liability during the option period in consideration of the granting of the option. This would make it possible to negotiate with an owner so that a given parcel of land can be held off the market until the municipality can raise monies for the acquisition for park purposes.

Not all properties should be eligible for preferential tax treatment if they are kept in open space. It is desirable that many undeveloped properties be developed at an early date so that the public convenience is served and so that the costs of governmental and utility services is reduced.

I have reviewed this letter with Borough Parks & Recreation, Planning and Property Management and Assessment people. They all agree that the restrictions outlined in this letter are important if open space is to be preserved without creating unreasonable tax loopholes.

If the bill has already been reported out of your committee, I would appreciate your forwarding a copy of this letter to the Senate or to the committee which currently has the bill.

Sincerely,

Jack Roderick

Jack Roderick
Mayor

MEMORANDUM

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

State of Alaska

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: Jack Chenoweth
Director

DATE: February 14, 1975

FILE NO:

TELEPHONE NO:

FROM: S. Robert Dozier
State Assessor

SUBJECT: H.B. NO. 65 provides that property assessment on certain land cannot be increased more than 50% in one assessment year.

The bill if enacted, will provide grants of municipal funds-in-aid to a taxpayer whose property, which has been owned by him for a decade or more, is rapidly increasing or has substantially increased in value.

There are two existing property tax relief programs available to taxpayers: The Farm and Agricultural Land Use Value Assessment Program, AS 29.53.035 and the Senior Citizen Property Tax Exemption Program, AS 29.53.020(e). Property tax reverue lost to the municipality in the operation of these programs is reimbursed in full by the State. House Bill No. 65 makes no provision for the reimbursement of lost property tax revenue because of the 50% limitation factor.

The policy statement adopted by the Alaska Municipal League states as follows:

> Inherent in the power of taxation in Alaska is the responsibility of assessing property at it's fair market value. Local assessors are required by the Constitution, law and regulation to perform this job in such a manner, and adequate administrative procedures for appeal have been established to protect the property owner from any abuse of proper assessing practices. Therefore, the League opposes any further attempts to restrict local assessment procedures without a thorough review of the statewide impact those restrictions might have.

In general, property values in Alaska are increasing approximately 20% per year. Moreover, due to social, economic and political influences, certain property, because of its strategic location, increases substantially more than property in general. Examples of influences which may directly and indirectly effect the value of property include:

1. [illegible]
2. Public utilities, services and schools.
3. Highway relocation and access.
4. Capitol relocation initiative.
5. Commercial and industrial developments.
6. Pipline transportation, construction, and maintenance.
7. Harbors, docks, storage and shipping.
8. [illegible]ransportation and communications.

The value of land may double or treble overnight and in some cases continue to escalate in value as a result of a zoning change approved by the assembly, or by the selection of the Capitol relocation site or a new highway access right-of-way or an industrial development site.

Municipalities are required by State Law to assess property at full and true value. The courts have approved, and the public appears to be satisfied with, property assessments administered locally on a sectional basis. The sectional basis of reassessment permits the municipal assessor to reassess a percentage of the total municipality each year, completing the cycle in three to five years depending upon the time frame selected and the funding made available. This procedure reduces substantially the annual cost of the property assessment function while at the same time providing an acceptable level of uniformity within the taxing jurisdiction.

The uniformity aspect, referred to above, is in the form of a tax break which is enjoyed by all taxpayers in the jurisdiction during the period of the fixed assessments.

An assessed value limitation placed by State Law on property defined under this act would provide grants-in-aid to certain taxpayers in an amount in proportion to the year in which the last reassessment occurred. An eligible taxpayer holding property which is rapidly increasing in value would, in numerous cases, enjoy a substantial tax break in perpetuity or until the property was sold.

The bill as written, would be almost impossible to administer. First, the bill is not clear regarding the ten year period of ownership. How can the assessor know about continuous ownership of property which has not sold in ten years, when ownership interests, in whole or in part, may have been transferred by an unrecorded contract or other instrument? (1)

Secondly, the bill is not clear regarding the use of the property by the owner as his permanent place of abode. The language of the bill indicates that an owner of property is eligible without being a resident of the State of Alaska. (2)

Thirdly, what is meant by "improvement" to the property? If a swamp or wet land is drained by no action of the owner of the property, which increases the value of the property, is that an improvement? Or, is a zoning change, say, residential to commercial, an improvement? (3)

will be involved in computing fractional assessments for the majority of property qualifying for reduced assessment under provisions of the bill.

One of the major arguments in support of HB No. 65 appears to be that the bill provides the leverage desired by taxpayers to compel members of the assembly to appropriate sufficient monies for the assessor to provide revaluation of taxable property on a more current basis.

If leverage is in fact, the intent and purpose of the bill, there are few methods which would accomplish the desired result without causing a major breakdown of the existing equalization process.

1. Amend House Bill No. 65 to require a systematic reevaluation of all taxable property at least every two years. House Bill No. 65 would then be amended to read:

> Sec. 29.53.095 Reevaluation. A systematic reevaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the assembly directing a systematic reevaluation of all taxable property within the borough every two years (OVER THE SHORTEST PERIOD OF TIME PRACTICABLE, AS DETERMINED BY THE ASSEMBLY) and fixed in the resolution or other act of the assembly.

2. Amend House Bill No. 65 to provide a grace period of two full years for all municipal taxing jurisdictions to arrange for the substantial financing required for completion of the reevaluation of all tangible property before the bill takes effect. House Bill No. 65 would then be amended to read:

> Sec. 2. This act takes effect on January 1, 1978 (THE DAY AFTER ITS PASSAGE AND APPROVAL OR ON THE DAY IT BECOMES LAW WITHOUT APPROVAL).

The first suggested method has the effect of promoting a high degree of equalization and is preferred, as the amendment to AS 29.53.095 clearly indicates that the legislature is concerned about the dramatic increases in assessed property values caused by the three to five year sectional reevaluation program and has in effect, applied substantial leverage on municipal officials to properly fund more frequent reevaluation projects.

The second method applies some leverage but will promote numerous inequities, especially to individual properties and thus adversely affects the equalization process.

[illegible] permanent place of abode, then a provision in the bill is recommended to include an annual application filed by the taxpayer on a form prescribed by the State Assessor, with the Department of Community and Regional Affairs, and further that a provision should be made in the bill for determining eligibility, appeal, and for reimbursement by the State for revenue lost to the municipality in the operation of the program.

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: Jack Chenoweth
Director

DATE: March 5, 1975

FILE NO:

TELEPHONE NO:

FROM: S. Robert Dozier SRD
State Assessor

SUBJECT: Sponsor Substitute for House Bill No. 65. An act relating to assessment of real property for local taxation.

SS for HB No. 65 amends AS 29.53.035 the Farm and Agricultural Land Use Value deferred tax program by extending the scope and intent of the program to include virtually all undeveloped land in Alaska 2½ acres or more in size not used for commercial purposes.

The farm use value deferred tax program was first enacted by the First Session of the Fifth State Legislature with an effective date January 1, 1968 (ch 82 SLA 1967). The program's popularity has increased each of the seven years of its existance and in 1974 involved 64 farms ranging from 20 to 900 acres in size, averaging 176 acres each, consisting of 11,250 acres. The majority of which is situated within the Matanuska-Susitna Borough. In 1974 the program involved an assessed value loss of 4,737,290 and $44,000 in deferred tax revenue.

An exerpt taken from the latest publication available prepared by the State Division of Agriculture, entitled "Alaska Agricultural Statistics, 1973", explains current agricultural activity in Alaska.

> The total land area of Alaska is approximately 375 million acres, of which 1.6 million acres were listed as land in farms in the 1969 U. S. Census of Agriculture. Most of the land in farms consists of grazing lands leased from the U.S. Government, most of which is located in the Southwest and West. Excluding the acreage in the large grazing leases, approximately 72,000 acres are included in land in farms, a fourth of which is in crops for harvest and the balance in pasture and uncleared lands. Very few farms have been entirely cleared of brush and trees. The number of farms in Alaska according to the U.S. Census increased from 12 farms in 1900 to a peak of 623 in 1939, and has declined since then to an estimated 310 farms in 1972.
>
> Agricultural production in Alaska is confined to relatively small areas, the major one being District 2 -- the Matanuska Valley around Palmer, including a few farms around Anchorage and a few in the adjoining Susitna Valley.

The basic elements of the original program AS 29.53.035 enacted in 1967 were as follows:

1. One Fourth of the applicant's yearly gross income must be derived from the farm use land.

The farm income provision is the only meaningful definition of farm land which effectively describes land actually used for farm purposes.

2. An application prescribed by the local assessor must be filed by the applicant on or before February 1, of each year in which exemption is sought.

3. The assessor is required to maintain two assessment roll records on the property (a) full and true value and (b) the economic value of the land as a farm. Which varies from a low of $50 to a high of $180 per acre and construction and use of dwellings and other buildings customarily provided in conjunction with the farm use.

4. Taxes levied on the eligible applicant's farm use property were computed by applying the current rate of tax against the farm use value assessment. The balance of the tax was deferred.

5. When the property was sold, developed, or used for a non-farm purpose the owner was required to pay to the municipality the deferred portion of the tax accumulated over the past two years. The balance was forgiven.

The scope of the program was increased substantially by the Second Session of the Eighth State Legislature, (ch 90 SLA 1974) effective January 1, 1975.

The basic elements of the improved program are as follows:

1. Application must be made on forms presented by the State Assessor within the Department of Community and Regional Affairs for use of local assessors,

2. The required farm use income was reduced from 25% to 10% with added provisions for three year income averaging and estimating the current year's income,

3. Eligibility was extended to include an owner/lessee applicant and to a lessee applicant to permit continuity of the farm use assessment, should the owner himself not wish to farm the land,

4. The pay back provision was extended to seven years plus 5% interest,

5. A state reimbursement clause was added whereby the owner is required to pay to the state to the extent of its reimbursement to the municipality, the balance of the payment including 5% interest shall be paid to the municipality. This provision automatically requires the Department to adopt Alaska Administrative Code Regulations.

Under the provisions of Chapter 90, SLA 1974 effective January 1, 1975 it is estimated that the 1975 program will involve approximately 195 farms consisting of 30,000 acres of land and a loss of $150,000 in deferred municipal revenue which under the provisions of the bill will be reimbursed by an appropriation of the First Session of the Ninth State Legislature.

Sponsor Substitute for House Bill No. 65 removes from the provisions of AS 29.53.035: (1) the farm income eligibility requirement (2) the state reimbursement provisions (3) forms prescribed by the state assessor (4) extends the scope of the farm use value assessment provision to include tracts of unimproved land 2½ acres or more, and (5) the pay back provision at time of sale or development is extended to 10 years.

Under the proposed legislation the only requirement for eligibility is that the applicant purchase and own a parcel of farm or undeveloped land 2½ acres or more which is not used for a commercial use and file an application with the local assessor on or before February 1, of the year in which the farm use value is sought. The deferred tax loss is absorbed by the municipality.

We were unable to determine the potential number of eligible property owners which would file application; however, we were able to estimate the value of farm and undeveloped land parcels within all taxing jurisdictions 2½ acres and more.

Based on actual assessed values as of January 1, 1974 and effective rates of tax for all taxing jurisdictions in Alaska the property tax produced approximately $75 million and the sales tax produced approximately $15 million. The value of taxable property listed on both local and state assessment rolls as of January 1, 1974 amounted to 4.5 billion, 85% of which was assessed by the local assessor and 15% by the State Deparment of Revenue.

The assessed value of all local assessed vacant land amounted to 1.18 billion. The assessed value of farm and unimproved land, 2½ acres and over, qualifying for deferred taxation under provision of the proposed bill, is estimated to be 231 million.

Farm use value statewide is estimated to be 20% of the full and true value assessment which amounts to 188 million. The statewide average tax rate for rural farm and undeveloped land is 11.8 mills which equals $2.2 million annually in deferred taxes.

Only vacant land parcels have been considered in the estimates provided. Land 2.5 acres or over in urban areas on which residential improvements have been constructed could amount to 8% of the total land value or 100 million in assessed value, 80% of this figure @ 11.8 mills would result in an additional $944,000 in potential deferred taxation for a total value of 3.1 million.

If applications had been filed in 1974 under provisions of the proposed bill, on all property qualifying for deferred taxation within the Matanuska-Susitna Borough, an additional levy of six mills on the remaining property would have been required to meet the FY 75 borough budget.

It is estimated that 96% of the deferred tax revenue loss is attributed to the four boroughs listed. These boroughs represent 84% of the total statewide tax revenue attributed to the assessed value of property locally assessed.

	% of Total Borough Tax Base	% of Total State Tax Base	Deferred Tax Revenue Loss
Anchorage	.04%	67%	38%
Matanuska-Susitna	32 %	4%	36%
Kenai	9 %	5%	12%
Fairbanks	4 %	8%	10%
Total		84%	96%

Based on the above data and adding the assumption that property values are increasing 20% per year, in 10 years, 1984, farm and unimproved land eligible for deferred taxation would be valued at 1.15 billion and involve $13.5 million in deferred tax revenue. Future incorporations of additional boroughs in the areas of the unorganized borough would substantially increase the above estimated figures.

In theory, the municipality will retrieve deferred property tax revenue at some future period. However, the present worth of the deferred revenue must be discounted substantially, especially when considering that the shortfall in the current municipal budget must be funded either through issuance of general obligation bonds or by increasing substantially, the current mill rate on the remaining taxable property. Compounding the problem of retrieving deferred tax revenue locally, consideration must be given to the ad valorem tax limitations per AS 29.53.045 and AS 29.53.050, enacted in special session of the Eighth State Legislature.

The larger boroughs, with a substantial amount of land classified as farm use will be in gross financial trouble unless State assistance is provided by an appropriate method. The impact of any exemption or preferential assessment prescribed by State law, whether deferred or not which adversely affects the uniformity of value concept, property tax equalization or revenue derived from the property tax must be considered in light of a direct impact appropriation from the State's general fund.

The demand for and valuation of property in Alaska is at an all time high and is expected to accelerate even more in the next few years due to the construction of the trans-Alaska pipeline and other proposed oil and gas lines and related facilities.

When property is appreciating this fast there is a question whether a reduction in property taxes would be any real incentive to the owner to hold undeveloped land under the farm use classification status, more likely, it would simply be a means of financing the holding of land for a longer time for a higher price.

A plan adopted by the State of Vermont and which is under serious consideration by legislative bodies of several other states, Chapter 155, Section 6301, Laws of Vermont, appears to be a realistic and logical land use control method for promoting orderly growth and development of urban rural and remote areas of the State, to encourage and assist the maintenance of the present and potential uses of agricultural, forest, and other undeveloped land, prevent accelerated residential and commercial development thereof, and preserve and enhance scenic natural resources, which are an important aspect of the recreational industry.

To accomplish these worthwhile purposes as outlined above, the Vermont plan provides the tools necessary for the state or municipality, upon approval of the land use planning authority to purchase, accept by gift and sell full or partial ownership interests in property. The ownership interests are called conservation easements or development rights.

Property assessments are then adjusted downward to reflect the market value or full and true value of the property in conformity with the rights of private ownership remaining with the property.

At such time in the future as development of the property is considered to be in the best interests of the community and the State, the Land Use Planning Authority may authorize the sale of development rights either to the original owner, or at public auction.

The right to own property is one of our basic freedoms. Land is a free and basic commodity, the value of which is determined by demand, purchasing power and scarcity which can be measured only by the actions of buyers and sellers in the market. Effective demand is the desire for position or ownership coupled with the financial means to implement and sustain that desire.

Many states have yielded to the strong arguments offered by speculators, disguised as do-gooders, and have implemented deferred taxation programs without adequate land use planning controls, in an effort to curtail urban sprawl with its demand for isolated municipal services.

The deferred taxation alone has been helpful in a very few circumstances; in general, it has been proven to be a tax haven for individuals, corporations and syndicates.

Enclosure: Farm and Agricultural Land
AS 29.53.035
Program Summary

FARM AND AGRICULTURAL LAND

AS 29.53.035

Table I 1974 Actual Data
(25% of yearly gross income requirement)

	Number of Applicants	Total Acres	Av. Acres Per Claim	Assessed Value Loss	Av. Loss Per Acre	Mill Rate	Loss of Revenue
Matanuska-Susitna	59	8,073	137	3,977,240	493	9.0	35,979
Faribanks	9	3,130	340	363,350	116	6.5	2,362
Kenai	1	1.5	1.5	2,500	1,667	5.0	13
Anchorage	2	35	17.5	394,200	11,263	14.45	5,692
TOTAL	64	11,240	176	4,737,290	420	9.30	44,046

Table II 1975 Estimate

AS 29.53.035 am ch 90 SLA 1974
(10% of yearly gross income requirement)

Matanuska-Susitna	125	17,125	137	8,442,625	493	10.0	84,425
Fairbanks	30	10,200	340	5,028,600	493	7.0	35,200
Kenai	30	4,110	137	2,026,230	493	6.0	12,155
Anchorage	10	175	17.5	2,012,500	11,500	15.0	30,185
TOTAL	195	31,610	162	17,509,955	554	9.26	161,965

Prepared: September 6, 1974

By: S. Robert Dozier
State Assessor
Division of Local Government Assistance
Department of Community & Regional Affairs

MEMORANDUM
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

State of Alaska
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: JACK CHENOWETH
DIRECTOR

DATE: APRIL 2, 1975

FILE NO:

TELEPHONE NO:

FROM: S. ROBERT DOZIER
STATE ASSESSOR

SUBJECT: COMMENTS ON CSHB 65(SB 170)

As of November 1, 1973, 31 states have enacted some form of differential or use value assessment law relating to farmland, forest land, open space land, recreational land or lands of unusual historic, scenic or ecological importance.

These laws fall within three classifications: preferential assessment, deferred taxation and restrictive agreements which may be defined as follows:

Preferential Assessment means property is valued or taxed according to its current use or a defined use rather than full and true value.

Deferred Tax means property is valued according to preferential assessment with a penalty tax levied against the owner or the property when the land use changes.

Restrictive Agreement means the property owner and the local government agree on terms for restrictive land use in return for preferential assessment. A change in land use by either party requires several years prior notice. Serious penalties are imposed for noncompliance, and the classification of land as farm use, scenic, recreational, parks and open space is granted subject to the municipal comprehensive plan and subject to municipal option for selection of these lands for future development.

Recommended Amendments:

1. The Department of Community and Regional Affairs shall prescribe and supply uniform statewide application forms.

2. The Department shall develop Alaska Administrative Code Regulations for local administration of a uniform program in conformity with the planning and assessment departments of each municipality.

3. The State shall reimburse tax revenue lost to municipalities in the operation of the program.

4. That the amount of the reimbursement is a lien on the property in favor of the State to the extent of the reimbursement.

5. Set up a separate budget request unit with an appropriation of $1,000,000 for revenue lost in the operation of the program.

Xref SB 127

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

JAY S. HAMMOND, Governor

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B-JUNEAU [redacted] 99811

March 6, 1975

The Honorable Samuel R. Cotten
Chairman
House Community & Regional Affairs
Committee
Pouch V
Juneau, AK 99811

Dear Representative Cotten:

For your information, enclosed are copies of two letters dated February 25, 1975 commenting on Sponser Substitute for House Bill No. 65 (SB 170) relating to farm and unimproved land deferred taxation, and Senate Bill No. 127 relating to deferred taxation for sewer and water special assessments on property owned by a senior citizen.

The Director of Property Assessment and Management Department, Pat McKee, Greater Anchorage Area Borough, has outlined the GAAB and Eagle River Chugiak Borough situation in relation to SS HB No.65 (SB 170) and some ramifications of the proposed legislation.

The GAAB Attorney, Gary Thurlow has made comment to Senator Roddy, Chairman, Senate Community & Regional Affairs Committee, in regard to SB 127 which may be pertinent; although, CS for SB 127 has substantially expanded the scope of the original bill.

Very truly yours,

S. Robert Dozier
State Assessor

SRD:nc

Enclosures

GREATER ANCHORAGE AREA BOROUGH
3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507
PROPERTY ASSESSMENT AND MANAGEMENT DEPARTMENT

MAR 06 1975

March 4, 1975

Mr. S. Robert Dozier
State Assessor
Department of Community & Regional Affairs
Pouch B
Juneau, Alaska 99801

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Dear Bob:

The main problem I see with Senate Bill 170 is not so much the farm use portion, but the undeveloped land portion under Section C. If you look at the Bill, Page 2, Third line, it refers back to farm use land; either they should talk about undeveloped land or farm use land, there is a difference. They also, on the next line down, did not indicate the rate of interest I am assuming it is the 5% rate referred to in the farm use land section.

Whereas land used for farming is actually producing, I feel that undeveloped land, under this Bill, would benefit speculators It would also, in my opinion, add to inflation in that, at the time of sale, someone is going to have to pick up the back taxes and possibly the interest on those taxes. Either the seller is going to be forced to take a reduced value, or he will add the cost of taxes and interest to the property value at the time of sale. Land in this area is increasing in value at the rate of between 1% to 3% per month. This Bill would, in my opinion, increase this rate by actually adding to the value of those lands not placed under the protection of Senate Bill 170. There is only so much land left in the Anchorage area and, if a goodly portion of it is sheltered, the remainder will increase much more rapidly thereby placing a much heavier burden on the taxpayers who can not qualify for Senate Bill 170.

For instance, one of the appraisers in my office still has 130 acres of land left in his homestead. He is living on this tract of land, and at the present time it is worth approximatelv $1,000,000 or about $8,000 per acre. For farm use land, as the law now reads, we have been allowing a maximum of $750 per acre. This would give him an assessed value of $97,500 for his undeveloped land whereas extremely marginal land with a 10 to 15 foot peat overburden at market value is bringing $130,000 an acre. If a number of people were to take advantage of this Bill and, I'm sure they would, it would place the burden on the legislative body to increase the mill rates to make up the difference in support of a budget. An increased mill rate would affe

the "little man" while the person holding large blocks of land would, even if temporarily, be paying on less than 10% of the value of his property. The homeowner and businessman would pick up the difference.

As an example, I took a tract of land containing approximately 2.4 acres and another containing slightly over 2.55 acres. We have many such tracts. If we assume that both of them were valued on the open market at 21¢ per square foot, this would give us a value on the 2.4 acre tract of $21,955 and $23,310 on the 2.55 acre tract. Again assume that both properties are being used for residential sites. By discounting the value of the buildings and just speaking to the land, at 18 mills the person owning the 2.4 acre tract would pay $395 tax on the land while his neighbor taking advantage of Senate Bill 170 would pay $41.95. This, in my opinion, is discrimination and should not be allowed. The Chugiak/Eagle River Borough has hundreds of such parcels, and it would be severely affected, especially in the first few years.

If inflation continues as it has in the past, a person who decides to convert his land to another use rather than leaving it in its native state would be paying the back taxes on a highly inflated dollar. Again, he would have the benefit over the next door neighbor who had to pay taxes as he went along on a current basis.

Another problem I see is that we have a new residential zoning that makes it mandatory to have five acre tracts for a single family residence. These properties would never be assessed at more than 10% of their full and true value and, by law, could not be used in any other way. This would give us a value of approximately $3,750 to the land while the person living on a normal single family residential lot is paying on a value of between $12,000 to $20,000. I fail to see the equity in this situation.

Another example comes to mind, which is somewhat different. Just outside the central area of the City of Anchorage lies a large 20 acre tract of land, zoned R-4. Next to this property is approximately 20 acres of B-3 zoned property. These properties for all practical purposes are still in their natural state and they have been zoned for many years and not used. If I read Senate Bill 170 correctly, they would also be included under Section C as undeveloped land. They are at this time prime for development, but the owner has chosen for reasons known only to him not to proceed to develop them.

I'm sure we have many millions of dollars worth of property

in this Borough that would fall under Senate Bill 170, and I know that the Chugiak/Eagle River Borough would be hurt even worse. The Bill may be fine for some areas in Alaska, but I think the more urbanized you get the more those people who can't qualify are going to be hurt. If we assume a one or two mill increase because of this type of Bill, it would be easier to pay that on 10% of your value rather than all of your value.

I would suggest it be permissive rather than mandatory.

Very truly yours,

Glenn M. McKee
Director

GMM:ma

cc: Mayor's Office

GREATER ANCHORAGE AREA BOROUGH
3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW
279-8686

February 25, 1975

Received

Senator Pat Rodey, Chairman
Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99801

FEB 26 1975

BOROUGH ASSESSOR

Re: Senate Bill No. 127 - An Act Related To Special Assessments

Dear Senator Rodey:

Greater Anchorage Area Borough assessment revenues would not be affected by Senate Bill No. 127 because of the reimbursement provisions of A.S. 29.53.020(E)(I) which Senate Bill No. 127 incorporates.

However, you may want to place some income and property valuation limitations on persons who can qualify under the act. There are currently several residents 65 years of age or over in the Greater Anchorage Area Borough who have properties on which they live, which properties are of a value in excess of $2,000,000. These persons are already exempted from real property taxation under A.S. 29.53.020 and the annual state subsidy for these persons in the Anchorage area runs as high as $5,000 per year per property owner.

If such properties are presently unsewered, and become sewered, a property could easily be worth many times its value in an unsewered state.

For example, if a 40 acre tract of ground, worth $400,000 in an unsewered state, upon which the owner has his permanent place of abode, is sewered and is zoned R-1, as many as 120 lots could be carved out of the property. This is three lots per acre. If each lot were sold at $20,000 each, which is a common price for a lot in the Anchorage area, and if the development cost for each lot were $10,000 each, the total net profit for the lots would be $800,000 ($2,400,000 in gross sales less $400,000 in land costs less $1,200,000 in development costs).

Very often the difference between large lot zoning and small lot zoning is the availability of municipal sewage systems. It is very common in the Anchorage area for property to triple and quadruple in

Copy to Bob Dos

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value because of the availability of municipal sewerage and because of a change in zoning from large lot to small lot zoning which municipal sewerage permits. For some years now one of the greatest opportunities for profit in the Anchorage area has been conversion of land from less intense use to more intense use.

To avoid use of Senate Bill No. 127 by those who are interested in holding or acquiring land for speculative purposes, I suggest a maximum gross income limitation of $15,000 per property owner plus an acreage limitation sufficient to just cover the area reasonably required for use by the resident's place of abode, say one-half acre.

As you know, assessments are totally different than taxes. An assessment for federal and state income tax purposes is regarded as a capital improvement to property, and the taxpayer cannot list it as a tax deduction. The theory is that the value of the owner's property is increased by an amount equal to or greater than the amount of the assessment.

To my knowledge, all recent sewer assessment districts in the Greater Anchorage Area Borough have been initiated by property owners. They have petitioned the local governing body for laterals on the basis that either their properties are being damaged because of lack of municipal sewers or that they could make better use of their properties with municipal sewerage. Typically, there will be twenty to forty property owners in a lateral improvement district, and typically it takes approximately one half of the property owners in a proposed district to satisfy the statutory requirements for initiating a petition (property owners owning one-half in value of the property in the proposed district must sign the petition). Sewer assessments for laterals are virtually always initiated at the neighborhood level. They are not imposed by the Assembly.

In the Anchorage area, once an area is in a special assessment district, it will be subject, not only to the lateral improvement district assessments, which generally run from 10 to 25 cents per square foot (for the first 150 feet behind the property line), but will also be subject to a trunk line assessment which currently runs at three cents per square foot (for the first 150 feet behind the property line).

I know that you and members of your committee are aware of the distinctions between taxes and assessments, but I thought that it

might be well if I wrote this letter to emphasize the opportunities to speculate with land at the state's expense if sewer assessments are subsidized by the state for a particular property owner.

An older property owner could easily make a profit in excess of several hundred thousand dollars purely on the basis of the state assuming the assessment costs for improvements benefiting his property. This opportunity for a profit would be denied to a person under 65.

Very truly yours,

Gary Thurlow

Gary Thurlow
Borough Attorney

GT/kj

Pat, d notice that CS for Senate Bill 127 is quite different than the bill as originally introduced. Even so, I thought you would be intrested in some of the observations on the origina bill so I Gary will send this letter anyway.

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: JACK CHENOWETH
DIRECTOR

DATE: March 24, 1975

FILE NO:

TELEPHONE NO:

FROM: S. ROBERT DOZIER
STATE ASSESSOR

SUBJECT: PROPOSED PROPERTY TAX BASE AND STATE POLICY STUDY CONCERNING AD VALOREM TAXATION

A number of bills have been introduced in the First Session of the Ninth State Legislature which if enacted will change substantially the concept and philosophy of administration of the property tax in Alaska.

It is apparent that members of the legislature are concerned about property tax relief and reform and that a statewide ad valorem tax study should be conducted before the majority of these measures be adopted, with recommendations completed. for consideration at the Second Session of the legislature in 1976. The scope of the study, as outlined below, will require a legislative appropriation of $300,000 and include the following:

1. The present and future interdependence of municipal government on revenue generated by ad valorem taxation.
2. The type or classes of property, real and personal, which because of their sociopolitical and economic benefit to society as a whole should be classified and granted partial or full exemption, use value assessment, and/or deferred taxation status with partial or full state reimbursement provisions.
3. The revenue impact of existing and recommended preferential taxation measures on organized boroughs and cities and on the unorganized borough as a whole.
4. Land use planning objectives and controls both state and municipal necessary to promote and maintain orderly growth and development of urban, rural and remote areas of the state. (See H.B. No. 169) Land Use Plan
5. An ad valorem tax base study to determine the value of taxable real and personal property situated within the unorganized borough. The study would provide for the first time a realistic potential tax base figure on which to base planning and research efforts relating to future development of potential orgainzed boroughs and cities and of areas of the unorganized borough which should seriously be considered for incorporation.

Proposed bills pending legislative action to date as itemized below:

A. Senior citizen property tax state reimbursement programs
   1. HB No. 227 owner occupied housing
   2. HB No. 168 tenant occupied housing (HB No. 272-SB No. 218)
   3. SB No. 127 sewer and water special assessments

3/26/75 – Chenoweth in agreement with concept

B. Farm agriculture and undeveloped land
   4. SSHB No. 65 special use value deferred taxation programs (SB No. 170)
   5. SB No. 14 agricultural land classification
   6. SB No. 227 disposition of borough agricultural land

C.- 7. SB No. 229 residential property (optional exemption) (HB No 261)

D.- 8. SB No. 109 exemption of pollution abatement equipment

E.- 9. HB No. 85 am. exemption of conservation easements SCS for HB 85 Sam,

F.--10. HB No. 277 in lieu tax payment on state buildings

G.- 11. HB No. 173 indemnification of investment capital as a result of the capitol relocation

SRD:nc

SS HB 65 (SB 170)

A Tillion suggestion — have the payback provision be 10 years worth of differential payments, plus interest, at present figures (assessment of land & mill rate)

GMAB Assessor McKee suggests this be permissive rather than mandatory legislation

GMAB Mayor Reckinck's suggestions: ① this should be permissive legislation, and allow local govt to consider on a case by case basis ② local govt should be able to decide within which areas lands can be considered for this program — consistent with municipality's Comprehensive general plan ③ the land could be converted to non-open space without a minimum of 5 yrs. previous notice

CS for SS HB 65

-035-

29.53.040 - Undeveloped land -

(a) A person owning and Residing on a parcel a tract of undeveloped land ~~By or lease.~~ 2 1/2 acres + not to exceed 10 ~~40~~ acres, may apply for assesment under this section.

(b) Undeveloped land shall be assessed on the Basis of its full & true value as undeveloped land or for the purpose for which it is actually being used, and shall not be assessed as if sub-divided or used for some other purpose. The assessor shall maintain seperate assesment records evaluating undeveloped land for other purposes, if applicable. When ~~do~~ the land is developed, the owner at the time it is developed is liable To pay ~~the~~ TO THE MUNI. deferred TAX + 5% interest OR SOLD for the preceding 10 years or for the period of time it was assesed as undeveloped land. The amount of deferred tax shall be based on the full & true value of the land & current mill rate at the time of development.

Farm vs. Undeveloped

would a farm automatically also qualify as undeveloped.

2953.040 — undeveloped lands

a.

(1) limit of minimum acres
" " max acres

(2) residency & owner on property

(3) deferred taxes payable upon development at current rate

(4) Notice time? required to get permits

(5) STATE pay Back of revenue lost to municipality

(6) consideration of local planning

(7) define undeveloped land

(8) often each transaction the seller must make the taxes good.

(9) - Banking interest —

(10) is the house also qualifying for the special assest.

(11) Rich folks on 5 n mor. acre

~~In the event the land is converted to open space use~~

Pl Line 29 Pg 2 Line 1 ~~In~~ The event the land is developed, The owner of the time it is developed, is ~~shall be required~~ liable to pay the additional tax for the preceding 10 yrs. of for the period of time it was assessed as undeveloped land, if less than 10 yrs, plus 5% interest, as though the land had not been assessed under this section. The assessed value of the land at the time the development takes place shall be ~~used~~ considered the value of the land for tax purposes for the preceding 10 yrs. of that period of time it was assessed ~~under this section~~ (as undeveloped land)

Title 29 chapter 53 is amended by adding a new section to read:

29.53.040. UNDEVELOPED LAND. (a) A person owning a parcel of land of at least 2 1/2 acres and not exceeding 10 acres, on which the owner had resided for at least 5 years, may qualify for assessment under this section.

(b) Undeveloped land shall be assessed on the basis of its full and true value as undeveloped land or for the purpose it is actually being used, and shall not be assessed as if subdivided or used for some other purpose. The assessor shall maintain seperate assessment records evaluating undeveloped land for other purposes, if applicable. When the land is developed or sold, the seller or developer shall lose the special assessment and a lien shall exist in favor of the municipality in the form of the deferred tax plus 5% interest for the preceeding 10 years or for the period of time it was assessed as undeveloped land. The amount of deferred tax shall be based on the full and true value of the land and the [current] mill rate at the time of development.

(c) To secure the assessment under this section, an owner of undeveloped land must make application to the appropriate assessor before February 1 of each year in which the assessment is required. 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.

(d) DEFINITION. In this section (1) undeveloped land means land which has remained substantially unchanged in character from its natural state as evidenced by a lack of industrial or ecomonic use, construction or other utilization; however, inconsequential personal uses incidental to the ownership of the land are not considered land development under this section. Use of the land for not more than one single family residence shall not be considered development for purposes of this section.

HEARINGS

Received CRA 1/24/15

	HB65	Notified	Present	Testified
2/14/15	CRA, Dozier (State Assessor)	X	X	X
	AML	X	X	
	Rep. Willard Bowman	X		
2/19/15	CRA, Dozier	X	X	X
	AML	X	X	
	Rep Willard Bowman	X	X	X
	SSHB 65			
3/5/15	CRA, Dozier	X	X	X
	AML	X		
	Rep. Willard Bowman	X	X	X
	Rep Kimona Kelly	X	X	X
3/26	CRA, Dozier	X		
	AML	X		
	Bowman	X		
	Kelly	X		
4/3	Dozier	X	X	X
	Berry	X	X	
	Bowman	X	X	X
	Waring	X	X	X
4/8/15	Miles Schlossberg, Dir. Div of Banking			
	Banking Lobby: Kenneth Hume (3818 Drake Drive, Anch)			
	Alaska Bankers Assoc. 279-5914			
Deputy Dir	Cadwick 2533			
	Wm. Coffman - alaska federal 6-1010			
4/10	Open			

CS SS 11 EL 5

Leave farm use land as is in the current statutes

Create 29.53 .040 Undeveloped land

~~Zoning U. PATHBUS~~

~~Exempt to Utilize~~

1) Residency requirement on land

Maximum Minimum amount of land

Lien on property - Left to Keon - notice to platting authority

Idea would a lending institution (mortgage co. say - if you defaulted they'd have to pay the supplemental because they couldn't get a lien on land, lien come due)

Call Miles Schlossberg & Lending lobby

HB-22

"An Act creating the Alaska Municipal Bond Bank Authority and prescribing its organization, powers and duties; and providing for an effective date."

1/24/75 COMMITTEE REPORT FINANCE

HOUSE

Mr. Speaker: Date 1 25 75

The Committee on CRA has had HB 72 under consideration. A Majority of the members of the Committee

(X) recommends it DO PASS

( ) recommends it DO NOT PASS

(X) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Mike Hershberger

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs Committee

To: Amend HOUSE BILL No. 72

SENATE BILL No. _____

PAGE: 21 LINE: 23, 25, 27

On Page 21, line 23, after the word "legislature" delete the word "shall" and insert "may".

On Page 21, line 25, after the word "governor" insert the words "and to the chairmen of the House and Senate Finance Committees".

On Page 21, line 27, after the word "January" delete "2" and insert "30".

On Page 21, line 28, after the word "governor", insert the words "and to the chairmen of the House and Senate Finance Committees'.

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs Committee

To: Amend HOUSE BILL No. 72

SENATE BILL No. _____

PAGE: 22 LINE: 6, 7, 8, 9

On page 22, lines 6, 7, 8 and 9, delete the words "however, at the end of each fiscal year any amount representing earnings or income received on account of money appropriated to the reserve fund shall be transferred to the general fund." and insert the words "subject to the terms of any act appropriating money to the reserve fund."

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
February 25, 1975
9:00 am

Meeting was called to order by Chairman Cotten to continue the discussion of the Municipal bond bank authority, HB 72 and 73. Present were:

Rep. Sam Cotten
Rep. Al Ose
Rep. Glenn Hackney
Rep. Oral Freeman
Barbara Englert Thomas, Staff
Don Berry, Municipal League
Ginny Kline, President, Municipal League

The purpose of this meeting was for the Committee to have a work session on the Municipal Bond Bank. Chairman Cotten questioned the provision for surety bonding of the Authority members. Rep. Freeman responded that this is pretty standard—it is like an insurance against dishonesty.

Rep. Hackney asked if we had a fiscal note. Cotten said no, but we could get one if the Committee felt this to be necessary. REp. Freeman stated that the real problem with the fiscal aspect of this will come up in the Finance Com. Our Committee should be looking at the philosopy behind the bill. He stated that he has been in favor of it for 6 years or ever since the Municipal League began supporting it.

Chairman Cotten questioned sec. 44.58.090 (13). Freeman answered that this allows the Authority to invest extra money they have on hand - all in short-term investments by the nature of the provision. This just gives them a tool for prudent money management. Section 44.58.090 (18) allows them to purchase standard insurance. Section 44.58.170 is included because one government cannot tax another.

Mr. Freeman moved and Hackney seconded to pass the bill out of Committee today. Ose objected and wanted to hold it for the rest of the Committee; he withdrew his objection. Mr. Cotten suggested the Committee consider the amendments proposed by Mr. Wohlforth and Commissioner Gallagher. The Committee voted to vote the bill out of committee as amended (five do pass with attached amendments, one no recommendation).

TAPE #3
side 2
335-1228

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
February 21, 1975
2:30 am

Meeting was called to order by Chairman Cotten for discussion of HB 72. Present were:

Representative Sam Cotten, chairman
" Al Ose
" Mike Hershberger
" Kathryn Ostrosky
" Larry Davis
Representative Mike Miller
Fran Ulmer
Stirling Gallagher, Commissioner of Revenue
Eric Wolforth, Ex commissioner of Revenue, designer of bill
Robert Yeastings, bond consultant from Seattle
Jack Chenoweth, Director of LOcal Government Assistance
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff

335- Chairman Cotten makes a short introduction.
375- Yeastings makes some opening comments. "Alaska has different situation than most of the other states. Much greater need for this kind of vehicle. The Bond BAnk provides substantial improvement in borrowing credit that would be available to municipalities. This is particularly true here because you've got a lot of small geographically and economically isolated communities where it's difficult to borrow at all or on a reasonable basis. The credit of the State is becoming better recognized--upgraded in eyes of lenders. He thinks the gap between what its going to cost the smaller communities to borrow and what the State can borrow at is widening and going to stay wide. Bond Bank provides means of the State going out on the market with a relatively high quality bond that will command a good interest rate and be widely accepted nationally by all types of investment institutions. Permits you to borrow at a quality bond rate. The funding of the reserve fund is important--provides backup for losses or temporary slow downs in income into the bank. With all things put together, this is a high quality bond instrument. Substantial savings to communities and means of financing to smaller communities that may not be able to borrow at all.
492- Eric stated that the same bill passed the House in 1971 and went through the first Committee referral in the Senate but got lost. There has been testimony over the years on this kind of legislation and its merits. The differnce between this legislation and ones on books in other states is the contemplation that there would be an appropriation into a debt service fund of enough dollars to provide a fund to secure a certain amount of bonds. This is called for in Alaska because many of the communities which aren't credit worthy have a lot of existing potential resources, have such a small population basis that the major rating services don't give them the kind of credit they should get. This is one financing vehicle that would package local government bond issues. BAnk which loans money to municipalities on a package basis, when enough bonds have been purchased sells its own bonds enabling those municipalities to achieve the benefits of a lower rate. Appropriate vehicle for State action.

Two technical points have come up since the first drafting. He has a redraft for The committee.

1) page 21, subsec g and h--language currently says that the Legislature shall appropriate annually any amount the reserve fund may be in deficit. Should take out shall and add may. A Legislature shouldn't attempt to direct what a future Legislature does.
2) HB 73-The suggestion is to provide for an appropriation of enough to the reserve fund for 50 million in bonds. $4,445,000 appropriation to debt reserve fund--1 years debt service on 50 million bonds of the Authority. Earnings on that amount go to the general fund. The Legislature has the opportunity to see if the Bond Bank is functioning in the proper way. Can increase or not appropriate further monies.

640-Chairman Cotten asked if the 2.6 wasn't enough to support 50 million in bonds? Eric said it would support 30 million. Commissioner Gallagher said that there are already 56 million authorized but unissued and 34 million anticipated for a total of 90 million.
656-Representative Miller said the amendment has his full concurrence.
711-Hershberger asked if the Authority will pick and choose among the applicants. Gallagher replied yes, they have set up criteria. Schools are #1, waterways treatment #2.
722-Mr. Cotten remarked that priorities would naturally be set up with 90 million requested. He asked what was the 10% figure that Gallagher mentioned earlier. The reserve fund is approximately 10% of total bonds outstanding. (its actually closer to 8%). With reserve fund of around 8% the leverage we get off of that, half returned to treasury. The earnings come back to treasury.
752-Gallagher remarked that the appropriation method was a good way for the Legislature to control the quality.
762-Sam wanted to know what would happen if the Legislature didn't appropriate enough. Would that affect the bond rating? The Bond consultant, Mr. Yeastings, said it would if it dropped below an amount equal to average annual debt service on the obligation of the bank. It depends on a lot of things but would probably adversly affect it. Under ideal circumstances the reserve fund would never change anything, Sam thought.
786-Representative Miller said that people usually think of spending money when the word appropriation is mentioned but actually this money will probably never be spent. We're really setting up a separate savings account of which we won't draw on the principal, only on the interest.
808-(Cotten) 4 1/2 million would actually be an investment by the State and we would be making money on it.
814-(Gallagher) All we're doing is freezing the principal. The earnings still come back to the treasury every year.
817-Mr. Yeastings said that normally when a community gets into trouble and can't make their payments its only temporary. They will eventually pay it back.
835-(Cotten) Would you be able to count that as accounts receivable for a certain amount of time? Not really, but you could consider it that way. (Cotten) There would have to be an appropriation to fill the gap if there was a default. Bob said that when the money eventually came back the reserve would rise above the requiremnt.
850-(Eric) If you had a half million in deficit it would be unlikely that you would issue any more bonds.
862-(Cotten) Would you expect 50 million to be taken care of right away? Gallagher said that they would go through 30 million the first year but don't anticipate more than 50 million.
882-Hershberger said that there would be issues popping out of the woodwork since the money is there. Mr. Gallagher said thats why they set up criteria (pg 14). We don't want to finance everything.
912-Representative miller said that the criteria weren't iron clad. Up to the discretion of the Commissioner of Revneue. Gallagher said that the other criteria was they be in an economically depressed area.

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958-(Miller) What bond rating do you expect this to give to these communities? Hopefully an A rating, Yeastings said.
972-(Cotten) If the full faith and credit of the State were behind it it would be an A-1 rating.
984-(Yeastings) An A rating is probably as good as you could hope for. Many issues would be non-rated mostly because of small population or isolated economy.
1000- Chairman Cotten asked Mr. Chenoweth if he had any comments. Jack said he didn't.
1007-REpresentative Ostrosky asked about the staffing. Mr. Gallagher said there was an investment officer in the Dept. of REvenue called a debt manager. The Bond Bank would be one of his duties.
1031-Cotten asked what difficulties the bill had in the past so they could avoid the pitfalls.
1037-Eric said the House Finance Committe in 1971 thought the earnings on funds should go back to the general fund. We've changed that this year to provide for that. The bill never was a high legislative priority.
1065-REpresentative Miller pointed out that it was never enough of a project. This bill has everything to gain and nothing to lose.
1083-(Eric) You're not likely to receive any support from the Anchorage Borough or the Fairbanks borough because they probably wouldn't use it.
1095-Cotten wondered about the similar bill in the Senate. Eric said they tried to coordinate and hopes the Senate will use the same bill that comes out of this committee.
1117-Mr. Hershberger likes the idea.
1129-Mrs. Ostrosky had a question about sec 9 on page 6.(grants).This was just an excess of caution. Have to plan for everything just in case, Eric said.
1170-Chairman Cotten askeed for recommended reading. Eric said he would supply the Committee with materials.
1190-Kathryn asked if this would eliminate the need for communities to hire a financial consultant. Bob said it would as far as assistance in issuing actual issuance of bonds. There might be a consultant bringing the community up to the point of issuance of bonds.

Meeting adjourned.(end 1228)

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
February 19, 1975
4:00 pm

Meeting was called to order at 4:15 by Chairman Cotten for discussion of HB72.

Present were:
Representative Cotten, Chairman
" Ose
Hershberger — Ostrosky—absent
Hackney
Freeman
" Davis
Commissioner Gallagher, Revenue
Mark Erteschek, Dept. of Law
Jack Chenoweth, Direcotr, Local Government Assistance
Representative Bradley
Senator Rodey
Senator Willis
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Pat Corbett, Senate Staff

Commissione Gallagher started by giving a run down of the bill. "Municipal bond bank is a state agency type financing that can help the communities to finance their debt in the open market. A lot of the communities are shut out, even though they're credit worthy, by being that the issue size is too small; situation like the new Eagle River Borough who don't have bonded indebtedness history, people don't know how they're going to perform in market, so initially when they go into the market they have a problem selling their debt. Quite often a New York house will not rate a bond until it's 2 years in the existence. Eagle River-Chugiak will probably have bonded indebtedness needs within the first 2 years of it's existence. Also because of the size of the credit it costs just as much to underwrite a large credit as it does to a small credit so we have whole series of smaller communities who find high borrowing costs just because their borrowing costs are not that large. They have a hard time selling. The answer to that problem of course is the Municipal Bond Bank and its an agency financing and we purposely put it funded reserve behind this agency to make it sell better on the market. Hopefully designed the bill to sell at one credit rating below the State credit. State credit is a Al rating and we think this credit will sell like an A bond. Anchorage and Fairbanks are A rated communities, so are Ketchikan and the' North Slope. All the rest are BAA rated bonds. These communities have a stable economic base. Other communities, for example the Matanuska-Susitna Borough, who although they have a stable economic base, as a bedroom community for Anchorage, they're very leverage credit. The bill wouldn't help Fairbanks because its average debt is $250 per person. Anchorage is $1100 per person and Mat-Su is $1,000.

With the funded reserve behind this authority, it will raise the bond from a BAA, the weakest link in the series of bonds, to a level of one stop underneath the State. You've put some commitment behind those credits. It will save the State

money by doing this. We set out criteria under which what projects should be considered in this bill. The #1 project are schools--it helps the community and also helps the State because we have 50% funding requirement under the foundation program for school construction. So any money you save the school district the State also saves. Other criteria are water waste treatment.

The bond bank has 5 members on the board: Commissioner of Revenue; Commissioner of Community and Regional Affairs and 3 others. Under the dept. of Revenue we have a man called a debt manager for the State. We sell $300 million bonds every year. There should be a man charged with the responsibility of debt management. The man will also get the applications for the Municipal Bond Bank, as the executive secretary. The dept. of Community and Regional Affairs will have a lot of input about which credits we accept.

Poweres of the bond bank are to make loans or to purchase bonds of a community to sell into the market at a reasonable rate of interest with the proper safe guards built into it, making sure the monies are paid properly into the reserve fund.

We limited the Bond Bank from getting into other sorts of investments. We only want them in investments of communities. Not in the bill to buy revenue bonds of cities--maybe at some later date if the program is successful. We need a successful program with general obligation bonds first."

1465- Freeman: Will these be tax exempt bonds? Gallagher replied yes.
1468- Cotten: When you talk about savings between an A1 and A rating what are you talking about? Gallagher said that most communities are a BAA rating; A rating-50-70 basis points (basis points 7%-7.01). 70 basis pointson $10,000,000 is worth $1,000,000 on 20 year issue. 70 points=7 tenths of 1 percent. 20 difference between A and A1.

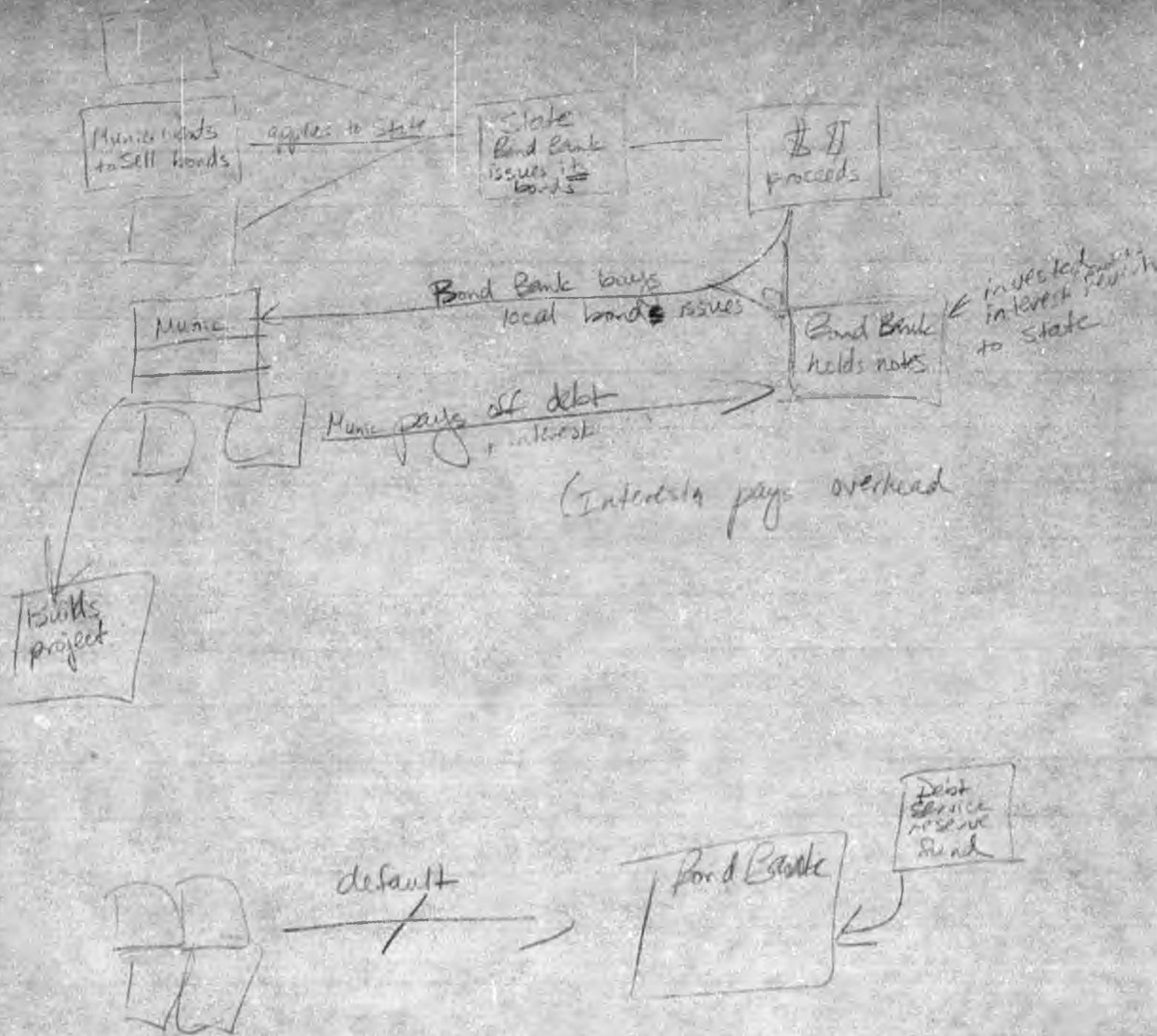
1486-Willis: Will Fairbanks and Anchorage still be allowed to go independently to market? yes, they don't have to use the state agency. Will the Bond Bank cover individual service areas in municipality? yes, it could.
1527-Freeman: What backing? Mark Entteschek answered: Bill will create independent corporation which will be under control and be in an administrative sense under the dept. of Revenue but will have separate legal existence. This organizaton will pledge its own credit to the bonds. Its credit will be based on: 1) reserve fund which will contain sufficient money to give bonds the rating that we want to market them at and will be funded out of appropriation from the Legislature; 2) actual funds of authority itself. Authority will generate revenue from its own purchase of municipal bonds. Authority will sell its bonds and take money and buy municipal bonds. Municipal bonds will be paid off by municipality and the funds coming into the bond bank authority from the municipalities will be used to pay off its own bonds which it sold in the larger money markets and behind it all sits the reserve fund to make payments in the event of a possible default. This device will not give municipality a source of money that hey won't have to pay back. It will save them administrative expenses of making sale on their own. We will give them better bond rating when they actually do make a sale.
1560-Freeman: If you don't put full faith and credit of State behind it what gives the bond authority better credit rating than Ketchkan has right now? Mark replied: Reserve fund gives betrer bond rating. What if reserve fund used up? The State will have obligation to replenish reserve fund. When we refuse credit of State it means bond holder will not be able to sue state of Alaska on that bond if its defaulted but State is pledging moral obligaton but not in a legal sense.

1614-Freeman: The less guarantee there is the highter the interest rates. Gallagher: That's why there's a reserve. Aimed at communiites who have some economic problems and that's why there's a funded reserve behind it.
1622-Hackney: What is the amount of funded reserve or would reserve be general fund of State? Gallagher: no. Funded reserve in HB 73 is one years annual debt service. We don't want to finance everybody, only those who are truly in need. In order to finance those: 1) annual appropriation of money we think can finance us next year; 2) lid on financeing that can be done by Authority. There are 2 lids- mount appropriated and total lide of $150,000,000.
1639-Freeman: What is the ratio of percentage of reserve? Gallagher: Minimum of annual debt service.
1662-Bradley: Why not pledge the full faith and credit of State. GAllagher: Can't without having everyone in State vote on each particular issue provided by constitutional provision.
Bradley: Are there any instances of municipal bonds going into default? Gallagher: 30 issues since 1932. Alaska has had 1 (Dillingham).
1713- Cotten: Are many other states in same need? Gallagher: 20 or 30 have municipal bond banks. Vermont and Maine have been successful, probably because of small towns.
1727-Cotten: question about base rates figures charged by bonding house to assess whether or not bonds are saleable. Gallagher: Expensive because they have to bring in consultants etc.
1754-Hackney: Asked about expansion of hospital in Fairbanks. Gallagher: The focus of the bill is on urgent needs. Public health would be one of them.

Tape #3 side 2

51-Hackney: But you would still have to have voters approval?
127-Freeman: larger communities wouldn't probably ever use it? Gallagher: no, except for small projects.
148-Ose: Would any municipality be refused? Mark: Bill geared towards credit worthy municipalities. They have not excluded 2nd class cities with limited debt bub they still have to be credit worthy.

end 335. Meeting adjourned a t 5:00.


Municipalities to sell bonds
applies to State
State Bond Bank issues bonds
$ II proceeds
Bond Bank buys local bonds issues
Munic
Bond Bank holds notes
invested funds with interest to State
Munic pays off debt + interest
(Interstate pays overhead
builds project

default
Bond Bank
Debt service reserve fund

(1) Municipalities wants to raise money to build projects & can't easily float a bond issues

(2) Municipalities Applies to State Bond Bank

(3) Bond Bank issues bonds in its own name

(4) " takes the proceeds from that sale and buy up local bond issues

(5) Municipalities build projects & begin to pay back debt & interest

(6) Interest payments cover bond banks overhead

(7) Default — if the municipality cannot pay off its debt to the bond bank the loss will be covered by the debt service Reserve Fund

(8) Bond Bank pays off its debts (whoever bought their bond issue) with what municipalities pay them

---

What is Net Interest Cost?

Bond Buyer Index?

Basis points? (BBI - NIC = 100 BP) ex 5.24% - 4.74% = 50 bonus pts.

~~call a bond? (p. 12)~~

p. 7 sec. 12
what interest rate are the cities paying to the State?

2/19/15

This is about the most uncontroversial bill we've heard

Municipal Bond Bank

Auth, Pbles, etc - aren't forced to use this bond bank — they can go directly to bond market

A ~~borough~~ service district can get bonds w/o the full faith & credit of the total borough going behind.

Eric Wohlforth

Robt Yeastings, Bond Consultant

Stirling Gallagher

1971 - passed House & go through 1st committee of referral in Senate

2 technical pts - redrafts

① p. 21 l. 23 change "shall" to may

② HB 73 - enough to support $50 million in Bonds

[$2,665,000 - would support $30 million in Bonds]

Wohlforth - supply background reports

Very close to statutes in Vt, Me, NY

02-001B (REV. 08-73)

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Larry Eppenback
Deputy Commissioner of Treasury
Department of Revenue

DATE: December 13, 1974

FILE NO:

TELEPHONE NO:

FROM: Jack Chenoweth
Director
Local Government Assistance Division

SUBJECT: Municipal bond bank: reported authorized but unissued and anticipated general obligation bond issues.

Questionnaires directed to some 40 Alaska municipalities inquired as to anticipated general obligation bond issues. The information returned is summarized below. The Cities of Anchorage and Fairbanks, the Greater Anchorage Area Borough and the Fairbanks North Star Borough are excluded.

	AUTHORIZED BUT UNISSUED	ANTICIPATED	PURPOSE
Juneau	$ 2,500,000		School
		$ 4,000,000	Fire facilities and equipment
Sitka	-0-	1,000,000	Roads
Kenai Peninsula Borough	-0-	3,500,000	Schools
Kodiak Island Borough	35,000		Schools
		None	
Matanuska-Susitna Borough	15,500,000		Schools
		None	
North Slope Borough	20,000,000		Schools
	2,900,000		Roads
	650,000		Public housing
	50,000		Water/sewer
	50,000		Utilities
	7,650,000		Other capital improvements
		None	
Bethel	None		
		250,000	Dock improvements
Cordova	1,000,000		Civic center complex
		5,500,000	School

@85307

	AUTHORIZED BUT UNISSUED	ANTICIPATED	PURPOSE
Ketchikan	$ 1,250,000	$	Sewer treatment facility
		None	
Kodiak	1,380,000		Water and sewer/streets
		None	
Nome	1,000,000		Schools
		2,000,000	Port facilities
Pelican	None		
		58,500	Sewage treatment facility
Petersburg	None		
		5,500,000	School
Seward	600,000		Water/sewer/sewage treatment
		50,000	Dock improvement
Skagway	200,000		Sewer
		None	
Soldotna	1,400,000		Water/sewer
		None	
Wrangell	750,000		Sewer
		350,000	Pool
Valdez	None		
		12,500,000	School

Other municipalities contacted but indicating no unissued bonds or anticipated projects are:

Bristol Bay Borough
Haines Borough
Ketchikan Gateway Borough
Barrow
Craig
Dillingham
Haines
Homer
Hoonah
Hydaburg
Kake
Kenai
King Cove
Klawock
Kotzebue
Nenana
Saint Mary's
Seldovia
Unalaska
Yakutat

Totals of the bonds listed are:

Authorized but unissued	$ 56,715,000
Anticipated	$ 34,708,500

JBC:bg

HB72

Amendment proposed by Wohlforth & Gallagher 2/21/75

(g) In order to assure the maintenance of the required debt service reserve in the reserve fund, the legislature may appropriate annually to the bond bank authority for deposit in the fund, the sum certified by the chairman of the bond bank authority to the governor and to the chairmen of the House and Senate Finance Committees, that is necessary to restore the fund to an amount equal to the required debt service reserve. The chairman annually, before January 30, shall make and deliver to the governor and to the chairmen of the House and Senate Finance Committees his certificate stating the sum required to restore the fund to that amount, and the sum so certified may be appropriated and paid to the bond bank authority during the then current state fiscal year. Nothing in this subsection creates a debt or liability of the state.

(h) All amounts received on account of money appropriated to the reserve fund referred to in (a)(3) of this section shall be held and applied in accordance with (b) of this section; subject to the terms of any act appropriating money to the reserve fund.

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

February 5, 1975

Tayloe Murphy Institute
Graduate School of Business Administration
Univrsity of Virginia
Charlottesville, Virginia 22903

Dear Ladies and Gentlemen:

The Alaska Legislature is presently considering legislation concerning a municipal bond bank. A copy of your October 1973 publication "Bond Banks: Their Role in Assisting Municipalities in Obtaining Funds for Public Improvement Purposes, with Particular Application to the Commonwealth of Virginia" by Eleanor G. May would be helpful in our study of this matter.

As our Legislature generally adjourns in May, your prompt attention to this matter will be greatly appreciated.

Sincerely,

Barbara Englert Thomas

Barbara Englert Thomas
Staff Assistant

BET:asg

STATEMENT ON HB 72
Submitted by Don M. Berry
Executor Director
Alaska Municipal League
February 20, 1975

Mr. Chairman, Members of the Committee:

For the record, I am Don M. Berry, Executive Director of the Alaska Municipal League, an organization representing cities and boroughs throughout Alaska. On behalf of the League members, I wish to express our appreciation for this opportunity to present testimony in support of HB 72, an act establishing the Municipal Bond Bank Authority.

The League has spent several years reviewing and drafting the concept of assistance to local governments by the creation of a financing agency within the State which could provide a viable means of aiding these local governments to overcome many of the high cost problems incurred in the capital markets and which could aid communities in the financing of needed capital improvements. We feel that HB 72 as it appears before this committee adequately meets these needs.

As you are well aware, many communities in Alaska have experienced extreme difficulty in obtaining necessary funds to construct civic improvements due to existing bonded indebtedness or high interest rates. Because of the extreme costs of normal local government responsibilities, vitally needed capital improvements such as streets, sewers, water systems, hospitals, parks and recreation facilities, pollution control, libraries, etc. have become inferior claimants in the competition for the local tax base. Therefore, the only recourse has been to go to the bond market with its nearly prohibitive costs. While many plans have been advanced by the U. S. Treasury, Congress and others to aid such communities, one thing that all proposals have in common is the powerful involvement of the federal government one way or another. The League believes that state involvement is not only more appropriate but much more beneficial.

This involvement could take two courses - outright grants to political subdivisions for capital improvements or the creation of a municipal authority such as you now have before you. Since HB 72 does not deal with outright grants, we will confine our remarks to the bond authority.

Unlike most states with their numerous political subdivisions issuing bonds in large volume, Alaska has relatively few issuers, with most of the volume in the City and Borough of Anchorage, the City of Fairbanks, the Fairbanks North Star Borough, and, to a lesser extent, the Kenai Peninsula Borough, the City and Borough of Juneau, and the City of Ketchikan and Ketchikan Gateway Borough.

However, with the rapid increase of economic activity over the next few years, Alaska may anticipate that its smaller cities such as VAldez and Cordova and less populous boroughs such as the Matanuska-Susitna and North Slope Borough will begin to borrow on a volume comparable to the larger population centers. In addition, villages or communities may be expected to incorporate or attain corporate status permitting bond issuance, and other pockets of growth will develop. These new growth pockets will have capital demands, initially for schools and later for other municipal purposes.

Alaska may expect then over the next few years a number of potential bond issuers who have never approached the municipal bond market. Many of these will obviously be unrated on their initial financings. Thus, some of the local issues will not gain nearly the investor attention they might deserve because of the difficulty of analysing the credit of a new municipality or a municipality which has not heretofore borrowed. Particular economic, political or social problems might be present in a given situation which would preclude any reasonable expectation of obtaining funds by borrowing. Local officials in many of these budding communities may find that readying an issue for market is beyond their capabilities because of inexperience.

A Municipal Bond Bank Authority, such as envisioned in HB 72, could be of immeasurable help to first time borrowers if only because of the advice it could render on the techniques of preparing bonds for market.

In addition, the concept of packaging a number of issues from new or smaller municipalities in effect reoffered through the new uniform sucurity of the Municipal Bond Bank Authority could be of great help in local debt management. The primary analysis of the local bond security could be undertaken by the Bond Authority and the burden relieved from outside municipal bond purchasers. It may be expected that the Municipal Bond Authority operation could result in interest cost savings to the smaller municipalities since the uniform security it offers to bond holders would obviate the difficult issue-by-issue bond analysis now necessary and because the State, although not legally obligated to support the bonds would be considered to be involved, nevertheless, in assuring its successful operation. These obvious advantages would also accrue to the larger and more experienced municipalities if they chose, under the terms of HB 72 to issue their bonds through the Authority rather than on the public market.

An additional feature of the Municipal Bond Authority, available to all Alaskan Communities, is the fact that it would help provide a continuing staff to assist in local finance operations. It is realistic to assume that, with a specific bond purchase and marketing function assigned to the Authority, progres could be made for the first time in securing and keeping current a uniform accounting and information system from municipalities - the lack of which has heretofore proved a problem to our local government operation in Alaska.

Thus, it is obvious that the Municipal Bond Bank Authority as established by HB 72 offers much more far-reaching assistance to local governments than just the capability of securing lower interest rates on local bond issues. It provides the essential tools which might eventually enable each community to attract investor interest on its own. It could assist in developing financial stability in local governments which in turn would enhance the credit of the State at all levels.

The League realizes the tremendous responsibility with which the Committee has beencharged. Your decisions here will have a lasting effect on Alaska and its citizens for years to come. So too will the decisions of local government as they plan vitally needed capital improvements not only for the present but for the generation of Alaskans who will require and utilize these facilities in the future. We sincerely feel that an investment now in the schools, hospitals, roads, environmental pollution control facilities of the future would be

a wise and judicious investment of the State's resources to assure its continued growth and the development of its bright prospects in the decades to come.

In conclusion, I wish to express the thanks and appreciation of the entire Alaska Municipal League for the opportunity to present this statement of strong support of HB 72. We are anxious to assist you in your important task and stand ready to help you in every way possible.

Thank you very much

Respectfully submitted,

Don M. Berry
Executive Director

DMB/jf

Hearings

Received CRA 1/24/75

HB 72

		Notified	Present	Testified
2/19/75	Fran Ulmer, Gov's Legis. Assistant	X		
Information 4pm	Chenoweth, CRA	X	X	X
	Comm. McAnerney, CRA	X		
	Comm. Stirling Gallagher, Revenue	X	X	X
	Larry Eppenbach, Dep. Comm. for Treasury	X		
	Eric Wohlforth, Anch	—	—	—
	Mark Ertischek, Dept. of Law	X	X	X
	Tony Motley			
	✓ Mike Schlosberg (dep't)			
	Mike Miller			
2/21/75 2:00pm	Ulmer	X	X	
	✓ Chenoweth	X	X	X
	✓ Gallagher	X	X	X
	Wohlforth	X	X	X
	Ertischek	X		
	Motley	X		
	✓ Mike Miller	X	X	X
	Bob Yeastings, Seattle Bond Counsel			
2/25/75	Gene Kline, President AK Municipal League	X	X	
	Don Berry, AK Municipal League	X	X	

HB-23

"An Act making a special appropriation to the reserve fund of the Alaska Municipal Bond Bank Authority; and providing for an effective date."

1/24/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speake

Date 2-25-75

The Committee on C&RA has had HB 73 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

(4) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam R Cotten — Tilne Hirshberger — _____

Freeman — _____ — _____

Jean Dickey — _____ — _____

Peter A Gray — _____ — _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam R Cotten Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs Committee

To: ~~XXXXX~~ Amend HOUSE BILL No. 73

SENATE BILL No. _____

PAGE: 1 LINE: 10, 11, 12 - 17

On page 1, line 10, after "sum of" delete "$2,665,000" and insert "$4,445,000".

On page 1, line 11, after "Authority." insert the words 'The appropriation is for the period of the existance of the fund."

On page 1, delete the entire Section 2, lines 12 - 17, and insert "*Section 2. At the end of each fiscal year all earnings or income received on account of the appropriation made by this act shall be transferred to the general fund. Whenever at the end of each fiscal year after the fiscal year ending June 31, 1977, the balance in the reserve fund derived from the appropriation made by this act exceeds the maximum amount of principal or sinking fund installments and interest required to be paid on outstanding bonds of the Bond Bank Authority in any succeeding fiscal year, the excess amount shall lapse to the general fund."

HEARINGS

Received CRA 1/24/75

HB 73

	Notified	Present	Testified
Stirling Gallagher, Commissioner of Revenue			
Larry Eppenbach			
Mark Erteschek, Dept. of Law			
Jack Chenoweth, Dept CRA			
Eric Wolf for th			
Rep. Mike Miller			
Commissioner Lee McAnerney, Dept CRA			
Commissioner Tony Motley, Commerce			
Mike Schlosberg			

HB-85

"An Act allowing municipal property tax exemption of recreational or conservation land, and providing for an effective date.

1/29/75

COMMITTEE REPORT

HOUSE

Mr. Speaker: Date 2-11-75

The Committee on C&RA has had HB 85 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

[illegible]	[illegible]	
[illegible]		
[illegible]		
[illegible]		

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[illegible] Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: Community and Regional Affairs Committee

To: amend HOUSE BILL No. 85

SENATE BILL No. _____

PAGE: 1 LINE: 14

On page 1, line 14, after the word "governmental" delete the words "or private nonprofit".

HB 85 — tax exemption for recreation land

line 15 - add "right-of-way" easement?

The easement would have to be approved by the municipality - hopefully they would only do this when it was for the public good.

H/B-88

"An Act providing for the levy and collection of fees for removal and disposal of vehicles."

1/28/75 COMMITTEE REPORT FINANCE

HOUSE

Mr. Speaker: Date 4-25

The Committee on CARA has had HB 38

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #11
side 2
0-1063

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 25, 1975

Meeting was called to order at 9:00 to discuss CS for HB 88. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Hackney	Andrea Guernsey, STaff
Rep. Ostrosky	Don Berry, Municipal League
Rep. Freeman	Dennies Robertson, Public Safety (late)
Rep. DAvis	Mike Miller, Sponsor, (late)

Mr. Hackney wanted to hear from Mr. Robertson on the vehicle inspection law. Perhaps this could be worked in with that in some way.

Mr. Davis wuld like to see the people vote instead of by ordinance. Hackney thinks it might by inequitable because trucks would be paying for something they wouldn't collect on.

REPORT OUT — Hackney makes a motion to pass out with individual recommendations. So moved. (435)

PIPELINE IMPACT (510) — The Committee talked about pipeline impact funds for a minute. Hacney would like to see the funds on a loan basis. the municipality will be able to tax the pipeline property for years to come.

Freeman has objected to moneis from the beginning. Thinks it's a rip off. Relates the example of Valdez.

VEHICLE INSPECTION (745) — Dennis Robertson gave a summary of the Vehicle Inspection law situation. They have developed a whole new Title 28 to be introduced at end of session.

Meeting was adjourned at 10:00.

TAPE # 11
side 1
1010-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 24, 1975

Meeting was called to order at 9:00 to discuss HB 88. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Davis	Andrea Guernsey, Staff
REp. Ostrosky	Phil Wall, Dept of Revenue
Rep. Hershberger	Rep. Miller, Sponsor
Rep. Freeman	Dennis Robertson, Public Works
Rep. Ose	Rep. Tim Wallis
Rep. Hackney	

ABANDONED MOTOR VEHICLE FUND

Cotten brought up the possibility of using the abandoned motor vehicle fund already on the statutes which takes care of cars outside the municipality. Fund has never been funded. Money reimbursed to municipalities in porportion to cars picked up. Miller said the fund just wouldn't do the job.

Freeman suggests passing law allowing municipality to levy $5 to take care of cehicles. Delete line 13 and 14. Miller said the problem with that is you would have two collection agencies. The municipalities wuld have to set up office to collect when the State is already doing it. The municipalities don't have the tools to get %100 compliance.

ADMINISTRATION

Wall said his major concern was the administration. How to tell where the owner actually lives. He suggests setting up a system with a fund and paying the billings submitted by the municipalities out of the fund.

Freeman says why not just make an appropriation. Miller doens't want to see an across the board State appropriation because it wuldn't be equitable. Anchorage probably wouldn't need it or not as much as smaller communities. This is permissive legislation that will allow the communities to meet their individual needs.

There was some discussion of using personal property tax, or earmarking some of the funds collectd on licen-e plates or registration. Although someone thought there was a problem with dedicating fends.

AMENDMENT

Suggestion to add and "administration" on line 29 after collection. Plus new section: "Fees collected under this act sahll be used for the purpose of

implmenting the ordiance for removal and disposal' of vehicles.

There will be a committee substitue drawn up.

Meeting adjourned at 10;00.

TAPE #4
side 2
0-1176

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 11, 1975

Meeting was called to order by Chairman Cotten at 9:00 for discussion of HB 88.
Present were:
Rep. Larry Davis
Rep. Kathryn Ostrosky
Rep. Mike Hershberger
Rep. Oral Freeman
Rep. Glenn Hackney

Phil Wall, Dept. of Revenue
Don Berry, Municipal League
Cinny Kline, " "
Robertson, public Safety

Rep. Mike Miller, Sponsor
Barbara Englert Thomas, Staff
ANdrea Guernsey, Staff

3-Cotten gives short introduction.
32 - Mr. Miller, Sponsor, made short comments. Said the bill was purely permissive, not mandatory.
111 - Mr. Berry comments.

154 - Rep. Hackney asks why not levy $25 against each vehicle instead of 5. Sec 2 para C- What is the cost of collection? Would be a good rip off for the State, he sees lots of holes.
202 - Cotten comments. Miller says that that sort of standard collection appears in many places in the statutes. Doesn't think the State would rip off.
243 - Rep. Ostrosky asked in what other areas the State does this. Mr. Berry said there was a problem with business licenses.
277 - Rep. Ostrosky commented on what Hackney said about not wanting to pay for someone elses vehicle. Part of community responsiblity and pride.
292 - Hackney thinks guy who abandons car should pay. Chairman Cotten said that often the person responsible can't be found. He then asked if department in the bill meant the Dept. of Revenue. Yes it did.
325 - Mr. Wall heard a rumor of possible money for hiway beautification coming from the feds but that still wouldn't take care of the State wide problem. He sees administrative problems with the bill--where does the person actually live; which municipality qualifies; and who shares.
418 - Cotten-The fiscal note says $5 X 275,000. 275,000 is the total number of vehicles registered in the State. Wall said 97% of the vehicles are within municipal boundaries and 67% of those are in Anchorage.
454 - Rep. Hackney asked about travel of the motor vehicle investigator. What does he do? Mr. Wall said that the vehicles need to be looked at closely before being rec yled. Determination of whether to resale or scrap.
483 - Hackney-What makes determination to resale? Wall-REcongized evaluation or blue book.
543 - Cotten-Isn't it already a State responsiblity? Wall said that Anchorage had a crusher and then they sell the junk to a place in Seattle. IT pays its own way but not if they go outside borough limits.
595 - Cotten-Anchorage is the only one who could afford to do that.
614 - Berry feels the cities will have the responsiblity, not the State.
632 - Rep. Freeman asked if the cities didn't already have the authority to levy the $5.

Yes, what we're really talking about is collecting the money. He doesn't want to see the State involved.

648 - Miller comments. Freeman thinks it's too complicated.

688 - Cotten wonders about the address problem. Mr. Wall said they would have to write the person or talk to him.

706 - Rep. Ostrosky thinks it would take care of the problem to get the persons address when they apply for their license or plates. Wall said that 50% of the renewals are by mail. That's where the problem lies.

741 - Cotten asked if they included the cost of determination in the fiscal note. Yes.

767 - Cotten asked what is being done abut the problem now. Private industry mostly, Wall said. Cotten wanted to know about the $47,000 spent in the first year. Why was it half the second year. First year will have extra expenses, Wall said. Mail costs and computer costs. Cotten said there would be no real loss of State money because the money was recoverable.

826 - Hackney-How will the cost incurred by the Department be determined? Separate coding and accounting system. They will also be audited by another state agency.

853- Hackney-The State never gets backs the true cost. There is no way to determine the true cost.

859- Wall agrees with Hackney. No way to measure the intangibles.

886- Cotten-Problem with the city decides to and the borough decides not to.

894 - Hackney commented on the address problem again.

951 - Cotten asked Mrs. Kline if there was an ordinance in Juneau about vehicles. Kline said there wasn't one against them in your own yard.

963 - Wall-There is a wave of environmental ordinances. Kline said the problem was cars on the side of the road and not on personal property. Hackney asked for figures. Mrs. Kline said she would get them.

986 - Wall said that 400 vehicles were picked up in Juneaus first clean up.

996 - Cotten-Now responsiblity of state to assist municipalities. Wall said Anchorage will probably continue contracting with private industry.

1034 -Freeman doesn't think it will solve problem. The State should have the responsiblity. Needs to be on State wide basis with State wide agency.

1141 -Cotten-Earmark funds? Another means for municipalities to raise funds.

1156 -Berry-HB 88 doesn't say that you have to raise the registration fee.

1169- Freeman-Amounts to an extra five bucks. Wall-Line 24 says "in addition to".

Meeting adjourned at 10:00. (1176)

Periodic Motor Vehicle Inspection (PMVI)

Consider possibility of having inspection stations at borders

Is it an infringement of right to interstate travel?

M E M O R A N D U M

TO: Representative Sam Cotten

FROM: Representative Mike Miller

DATE: April 18, 1975

Sam -- I thought you might be interested in the enclosed information which I received from Ford Motor Company in support of House Bill No. 88.

March 25, 1975

Governmental Affairs Office
Civic and Governmental Affairs
Ford Motor Company

Suite 260 – 925 L Street
Sacramento, California 95814
Telephone: 916/442-2929

Honorable Mike Miller
House of Representatives
State of Alaska Legislature
State Captiol
Juneau, Alaska 99801

RE: House Bill 88
SUPPORT

Dear Representative Miller:

I am pleased to advise you that Ford Motor Company supports passage of your House Bill 88, relating to removal and disposal of vehicles.

The one modification we would recommend — a reduction of the fee — is contained in the attached Request for Policy on State Legislation. I am also enclosing the Ford Motor Company position concerning state junked vehicle legislation for your information and use.

Feel free to use our name in support of your measure and contact me if I can assist with passage of House Bill 88.

Sincerely,

Richard L. Dugally

RICHARD L. DUGALLY
Regional Manager
Governmental Affairs

RLD:cme

Attachment

FORD MOTOR COMPANY POSITION CONCERNING STATE JUNKED VEHICLE LEGISLATION

Junked vehicles are part of the nation's overall solid waste problem. This is true despite the fact that, on average, a large percentage -- 80%-85% -- of the vehicles "retired" from service each year are recycled through existing scrap recovery channels. Approximately 8 million vehicles are scrapped each year in the United States, of which about 6.6 million are recycled. The national accumulation of junked vehicles is estimated at 14 million in the scrap recycling system and another 10 million outside it. Junked vehicles not recycled constitute an aesthetic and environmental concern, and represent a waste of natural resources, as well as energy (it takes about one-third as much energy to melt scrap to make steel as it takes to use iron ore).

There are many reasons why all junked vehicles are not recycled. These include: people's lack of interest in getting their worn out vehicles to the auto processors, an insufficent demand at the steel mills and iron foundries for motor vehicle scrap, an insufficient profit motive to have auto wrecking firms go out and collect abandoned or derelict vehicles, and the cumbersome detitling procedure that must be followed in many communities for vehicles that are of little or no value. As the result of these primary factors together with other secondary reasons, the business enterprise system has not operated well enough to keep pace with the ever increasing supply of obsolete vehicles.

An exception to this occurred this past year. Because of the high demand for scrap in 1973, including motor vehicle scrap, the number of junked vehicles recycled approximately equaled the same number of vehicles "retired" from service. This is the first time this has happened in nearly a decade. Despite this, however, the national inventory of junked vehicles was not reduced and, with respect to the future, scrap demand will likely slow as steel production is adjusted to the lower level of economic growth in the country. Thus, we believe in order to rid the country of obsolete vehicles it will be necessary to raise monies to gather the "abandoned" vehicles, especially from rural areas, and ship them to the nearest recycling plant.

Some state legislators have proposed the imposition of a fee of $10 to $25 on the sale price of every new motor vehicle. This approach would place the cost of disposal on the first purchaser, who is usually not the title holder when the vehicle is ready for disposal. The Company believes that a more equitable way of raising the funds is by means of a state imposed surcharge on the annual vehicle registration or title transfer fees. In this way, the respective owners of the vehicle pay during its operation for its ultimate disposal. The amount of the surcharge would vary from state-to-state depending upon the nature and severity of the problem, but generally would not exceed $3 per year. California, Hawaii, Illinois, Maryland, Minnesota, Montana, and North Dakota have already adopted programs of this kind (a brief description of each of these states' plans is contained in an attachment plus a general discussion of Minnesota's abandoned motor vehicle program by Mr. Donald Kyser of the Minnesota Pollution Control Agency, as well as a copy of the Minnesota law covering their junked vehicle program).

February, 1974

Attachment

STATE PROGRAMS TO FINANCE THE REMOVAL OF JUNKED VEHICLES

State	Program
California	A fee of $1 collected at the time of registration, or renewal of registration, of every vehicle during the 1973 calendar year.
Hawaii	A fee of $.50 collected at the time a vehicle is registered each year. (Applies in any county with a population of 100,000 or more.)
Illinois	One dollar of the $3 collected for a certificate of title for a motor vehicle is for vehicle recycling.
Maryland	A fee of $1 collected at the time a vehicle is registered each year.
Minnesota	A fee of $1 on the transfer other than transfers for resale purposes of every motor vehicle, new or used, weighing more than 1,000 pounds.
Montana	A fee of $4 collected for each new certificate of title and on each title transfer for all vehicles having a G.V.W. of under 8,001 pounds, plus a $1 fee collected at the time a vehicle in the same weight class is registered each year.
North Dakota	A fee of $3 on each initial certificate of title issued to a motor vehicle.

February, 1974

Request for Policy on State Legislation

MAR 24 1975 D. I. VAN BLOIS

Cat. 1 (29)

1. Identifying Data

Category of Legislation	Bill number	State
MISC: Junk Vehicles	HB 88	Alaska

Bill summary

Provides for a levy and collection of fees for removal and disposal of vehicles.

☐ Immediate reply requested	Signature	Date
	RL DUGALLY R L Dugally	2-20-75

2. Company Position Recommendation ☒ Support ☐ Oppose ☐ Neutral

Comments

The Company should support this legislation with one modification as it would provide the kind of locally organized junked vehicle collection program that makes sense and one that the Company has advocated for sometime. Although this plan is designed for implementation at the municipal level rather than state-wide, the basic reasons for the Company supporting it are the same and are explained in the state legislative issue paper on resource conservation and recycling. (A brief summary of the Company position is attached.)

The one modification that the Company should recommend is that the funding provision in the proposed legislation should be changed because, in our opinion, it would permit the imposition of too high a fee -- up to $5 could be added to the annual vehicle registration charge. As shown in the attached summary, the states of Hawaii and Maryland, which use the annual registration surcharge approach, are collecting only $.50 and $1.00, respectively. Even though transportation costs of moving junked vehicles to recycling centers are probably higher in Alaska, we believe the upper limit should be set at no higher than $2 until there is sufficient evidence from actual experience by the municipalities to warrant higher surcharges.

D. I. Van Blois

Concur: I. J. Rubin

Department	Signature	Date
Legislative Planning		3/12/75

3. Governmental Affairs Office Review

Comments

To R. L. Dugally

Signature	Date
	3/13

Civic Jan 72 4706

STATE
of ALASKA

MEMORANDUM

TO: Charles A. Smith
Federal Projects Coordinator
Alaska Traffic Safety Bureau

DATE : March 12, 1975

FROM: Dennis Robertson
Consultant DR

SUBJECT: HB 88

This memorandum, relating to municipal vehicle removal fees added to State license fee and subsequently reimbursed, partially reverses the position taken in my memorandum to you, dated 3 Feb 75 on the same bill. The reversal is made because at the earlier writing, the intent of the bill was not fully clear. Now our only reservation would be implementation and "gearing-up", as you said, while relocating and consolidating vehicle and driver services into a single division in this department.

However, for uniformity of law and procedure, perhaps only, State law should prevail as proposed in our AS 28.11 bill; otherwise a "consistency" reference should be made to AS 28.01.

As discussed this morning at testimony on this bill before the House Community & Regional Affairs Committee and subsequently by telephone with Ken Simpson (Motor Vehicle Division, Anchorage), problems may occur (1) when the State withholds administrative costs prior to reimbursal, (2) when one municipality enacts the necessary ordinance but a neighboring municipality does not, (3) when Glennallen or some other site is selected as a virtual junk yard (disposal center) probably against the desires of residents living at or near such sites, (4) when a vehicle registrant gives only a box number address and his actual residence must be separately determined, and (5) when computer programming must involve four or five levels of government (cities, boroughs, state, general law, home rule).

In a fiscal note presented by Phil Wall (Dept. of Revenue), nearly $50,000 in State monies will be needed to "gear-up" during the first year of implementation, afterwhich State costs should drop to half that value before undergoing "normal growth". Mr. Wall also stated that two-thirds of all registered vehicles in the state are to be found in the Anchorage area where the sole auto crushing device in Alaska is located. The crushing device, however, might be dismantled and transported about the State to various disposal centers during one massive initial "clean-up". It was also stated that (outside of stripping and selling copper, chrome, gas tanks, radiators, etc.), the entire operation from pick-up of vehicle along a highway to sale of the crushed hulk in Seattle is probably only "breaking-even".

In light of these matters, it may indeed be preferable for the State to oversee and control all vehicle disposal, contracting out the actual physical work to municipalities or other appropriate persons or agencies. As Ken Simpson relates, from the day of sale of a vehicle until its final disposition, the vehicle is a liability to the State. Therefore, attaching an abandoned vehicle fee to the license fee may be justified as a form of insurance.

Relating to license fees, it must be remembered that the Periodic Motor Vehicle Inspection program may also attach additional fees to the yearly re-registration. Presently, M.V.D. collects license fees for the Department of Revenue which is statutorily charged with the collection of taxes, fees, and income for the State, which necessarily includes the $30 (and other) yearly license fees. When MVD is moved over to Public Safety, however, the licensing function comes under a department whose statutory mandate is to protect life and property. Therefore, the "new" commissioner may opt to de-emphasize the revenue-gathering aspects of the license fee and emphasize, instead, safety and law enforcement aspects so that the fee levied against vehicle owners might be applied to administrative expenditures, abandoned vehicle programs, vehicle inspection programs, etc. Whether or not such shift of emphasis would vary the fee presently charged in an upward or downward fashion is not determined at this time. [Hopefully, the State would be able to possibly charge the vehicle owner and taxpayer even less than the present $30 yearly fee, obviously a potential "tax-break" under the current economic conditions.]

COGNIZANT & GENERAL FUNDS REQUIREMENTS

FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST
Bill No. HB 88
Title: Providing for the levy of fees for disposal of vehicles
Requested by: Chairman Cotten, Hse Comm. & RA Date: March 7, 1975
Return Date Requested: March 11, 1975
Agency: Revenue Program: Motor Vehicle

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Motor Vehicle Registration
A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100	PERSONAL SERVICES		19.3	22.0	24.2	26.6	29.3
200	TRAVEL		1.5	1.5	1.7	1.9	2.1
300	CONTRACTUAL		24.4	2.5	2.8	3.0	3.3
400	COMMODITIES		.5	.7	.8	.9	1.0
500	EQUIPMENT		1.6	.2	.3	.4	.5
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		47.4	26.9	29.9	32.8	36.2

B. FUNDING: (Thousands of dollars)

GENERAL FUND		47.4	26.9	29.9	32.8	36.2
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See attached analysis

IV. ATTACHMENTS

See attached Comments

V. DATE: March 7, 1975 PREPARED BY: P. A. Wall
Director
Administrative Services Division

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

ANALYSIS - HB 88

100	2 Clerk Typist III	=	19.3
200	Travel for D.M.V. Investigator	=	1.5
300	E.D.P. system analysis - 3 mo.	=	9.9
	E.D.P. programming - 6 mo.	=	11.8
	Space 100 sq. ft. @ $125/sq. ft.	=	1.2
	Mail	=	1.5
400	Forms	=	.5
500	2 desks	=	.3
	2 chairs	=	.15
	2 typewriters	=	.6
	2 filing cabinets	=	.15
	Microfilming cassettes	=	.4
700			
	TOTAL		47.4

The E.D.P. system analysis and programming requirement is a one-time cost. Includes procedures and computer program changes and updating.

The program will realize $1,375,000 in calendar year 1976 ($5 X 275,000 vehicles).

COMMENTS - HB 88

We see problems in administering the bill. Particularly in defining where people live so that a determination can be made of whether to collect the fee and the corresponding problem of distributing the fees to the proper municipality. A mandatory statewide fee would solve the collection problem but not the sharing problem.

work addresses applies

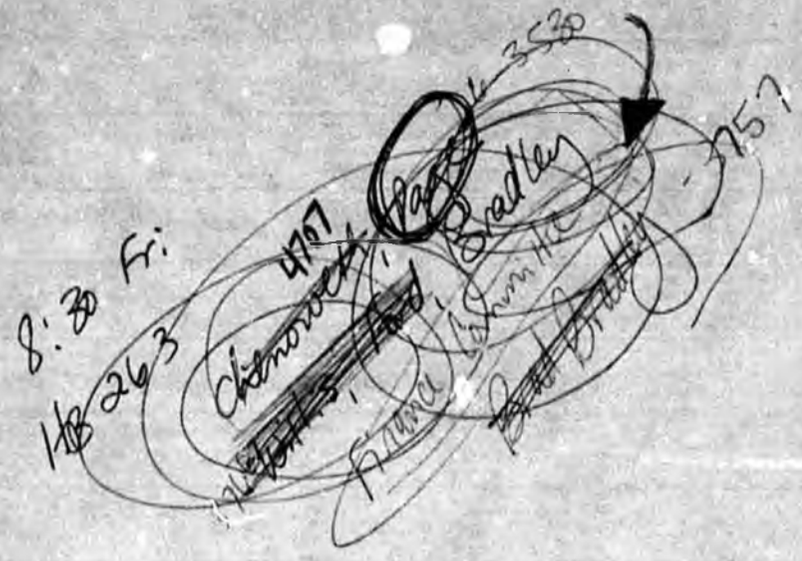
The Motor Vehicle Registration file is computer maintained. Some type of location code system will have to be developed, coded on the registration forms, and entered into the computer. ZIP Code or city will not work. The cost of this work will require 2 additional clerk positions. In addition, the computer program will require updating each year with definition of who is participating that year.

Section 28.10.203(c) beginning on line 27 permits the State to recover collection costs. The administrative costs should be recoverable also.

The effective date of the bill should be January 1, 1976.

HB 88 – levy and collection of fees for removal & disposal of vehicles

$5 per motor vehicle registered and licensed to a person residing in a municipality that has adopted & implemented an ordinance for the removal & disposal of vehicles



Problem w/ present language
what if cities & boroughs decide to do it, & if the city does & the borough doesn't
Statewide – how many abandoned vehicles

AS 28.31.065 – 070 Abandoned Motor Vehicle Fund
Proceeds from sale of abandoned motor vehicles;
Dept. of Rev. shall prorate the money in the fund to each general law municipality bound by the procedure specified in this chapter in proportion to the number of abandoned vehicles disposed of within its boundaries

~~How many municipalities have adopted~~

Phil Wall – Juneau Dept of Revenue
Dir Admin Services

2313

HB88

Ginny Kline 3/12/75

Annual Drive – 100 cars a yr. – most of the cars picked up each year are during this drive. The problem here is [redacted] cars abandoned along the side of the road not those left derelict in someone's yard.

HB 88

This would allow a municipality that adopts & implements an abandoned vehicle ordinance to collect up to $5 per motor vehicle registered and licensed to a person residing in that municipality.

This fees would be collected by the Dept. of Revenue, who would remit them, less the costs incurred for collection, to the municipalities.

AS 28.31.065 - 070 provide for an Abandoned Motor Vehicle Fund to be funded by legislative appropriation and/or proceeds from the sale of abandoned vehicles. There have been no appropriations; [redacted] the cost of taking the car from where it was abandoned, smashing it and shipping it to Seattle just about equals the scrap metal price.

The are approximately 250,000 motor vehicles registered and licensed and the Dept. of Revenue anticipated at least 90% are registered within municipalities.

Phil Wall, Dept. of Rev., Admin. Services (#2313)

Hearings

received by CRA 1/28/75

HB88

		Notified	Present	Testified
3/~~10~~5 S	CRA, Chenoweth	X		
no mtg	Phil Wall, Dept. of Revenue (2313)	~~X~~		
	Rep. Mike Miller	~~X~~		
	Ak Municipal league	X		
3/11/75	CRA, Chenoweth	X		
	Phil Wall, Revenue	X	X	X
	Rep Mike Miller	X	X	X
	Ak Municipal league, Don Berry & Ginny Kline	X	X	X
	Bureau of Traffic Safety, Dept. Public Safety	X	X	~~X~~
	Dennis Robertson			~~in support of the bill~~)

4/24	Chenoweth	X		
	Phil Wall (2313)	X	X	X
	Miller	X	X	X
	M.L.	X		
	Dennis Robertson, Public Safety (4375)	X	X	X

HB-100

"An Act relating to organization grants to defray the cost of transition to borough or city government; and providing for an effective date."

1/29/75 FINANCE

COMMITTEE REPORT

HOUSE

Mr. Speaker: Date 2-11-75

The Committee on CRA has had HB 100 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

THIS ☒ BILL ☐ RESOLUTION

has been prepared by the staff of the Legislative Council in response to the request and at the direction of the sponsor. The staff has attempted to place it in proper legal and clerical form subject to any special limitations or instructions of the sponsor. Member requests are kept confidential by the staff and any announcement of intent to have a document drafted or introduced remains the prerogative and responsibility of the sponsoring member in dealing with colleagues and other persons. The Council or its staff may not endorse or comment on policy matters involved in a bill or resolution. The substance and merits of a bill or resolution are the responsibility of the sponsor.

Delivered to sponsor: 2-6-75

HEARINGS:

received CRA 1/ 175

HB 100

	Notified	Present	Testified
2/3/75 Joint Senate/House — Jack Chenoweth, Dept CRA	x	x	x
Dave Jensen, Dept. CRA	x	x	
Cheryl Probst, Anch. Times		x	
Richard Smith, Dept. of Admin.	x	x	
Gary Peska, Legislative Auditor	x	x	
Mary Van Nimwegen, spectator		x	
Don Berry, Alc. Municipal League	x	x	
Lee Jordan, Mayor, Chugiak-Eagle River Borough	x	x	x
Bill Overstreet, Assoc. Alaska School Bds.	x	x	
Norm La Vecque, GAAB	x	?	x

HB-101

CZV
06063 NL JUNEAU ALASKA 121/112 02-13 1100P PST
PMS ROBERT KINBY, DIRECTOR, DIVISION OF STATE PLANNING
AND REGIONAL AFFAIRS
1010 MADISON
RICKMOND VA 23219 "
DEAR MR KINBY, THE ALASKA LEGISLATURE IS CURRENTLY
STUDYING THE PROBLEM OF DIVISION OF ASSETS AND
LIABILITIES WHEN PART OF AN INCORPORATED MUNICIPAL
VOTES TO SEPARATE AND INCORPORATE ITSELF. THIS
IS UNPREDEDENTED IN ALASKAN HISTORY AND WE ARE
SEARCHING FOR SOME GUIDELINES FOR DECIDING WHICH
MUNICIPALITY RECEIVES WHICH ASSETS AND WHICH
LIABILITIES. ME GEORGE W. REINHART OF THE
INTERNATIONAL CITY MANAGEMENT ASSOCIATION REFERRED
US TO YOU AS A POSSIBLE SOURCE OF INFORMATION.
ARE THERE ANY ESTABLISHED GUIDELINES FOR ASSET AND
LIABILITY SEPARATION? ANY ASSISTANCE OR INFORMATION
THAT YOU COULD PROVIDE US WITH, WILL BE GREATLY
APPRECIATED. TIME IS OF THE ESSENCE SINCE WE ARE IN
THE MIDDLE OF A LEGISLATIVE SESSION. SINCERELY
SAM COTTEN, CHAIRMAN, COMMUNITY REGIONAL AFFAIRS
COMMITTEE, ALASKA HOUSE OF REPRESENTATIVES,
POUCH V, JUNEAU 99801

CONFIRMATION COPY

1975 FEB 14 AM 1 08

#

Nightletter sent 2/5/75 to:

Ralph Tabor
National Association of Counties
1001 Connecticut Ave, N.W.
Washington, D.C. 20036

The Alaska legislature is presently studying the division of assets and liabilities when part of an organized political subdivision votes to separate and incorporate in its own right. This is unprecedented in Alaskan history, and, as far as we can determine, in United States history.

Assuming no theoretical studies have been done on the mechanics of such a division, you may be able to refer us to appropriate authorities in any jurisdiction that has undertaken a similar separation.

Any assistance or suggestions you can offer will be greatly appreciated. Time is of the essence, since we are in the middle of the legislative session.

Sincerely yours,
Sam Cotten
Chm, Committee on Community & Regional Affairs
Alaska House of Representatives
Pouch V
Juneau, Ak 99801

this should arrive this morning (2/6) at 8 a.m.

~~Sam - what's your credit card #?~~

Robert Kirby, Director
Division of State Planning & Regional Affairs
1010 Madison Building
Richmond, Virginia 23219

Dear Mr. Kirby:

Mr. George W. Reinhart of the International City Management Association referred us to you as a possible source of information.

The Alaska legislature is currently ~~grappling with~~ studying the problem of division of assets and liabilities when part of an incorporated municipality votes to separate and incorporate itself. This is unprecedented in Alaskan history and we are searching for some guidelines for ~~other~~ deciding which ~~town~~ municipality receives which assets and which liabilities.

Mr. George W. Reinhart of the International City Management Association referred us to you as a possible source of information. Are there ~~Because of the Virginia annexation situation~~ any established guidelines for asset and liability separation? ~~If so you would greatly appreciate receiving a copy of them.~~

Any assistance or information that you could provide us with, will be greatly appreciated. Time is of the essence since we are in the middle of a legislative session.

Sincerely,

Sam Cotten, Chairman
Community & Regional Affairs Committee
Alaska House of Representatives, Pouch V
Juneau, Ak 99811

Sent 2/13/75 llpr

HB 10

NACO NEW COUNTY U.S.A. NATIONAL ASSOCIATION OF COUNTIES

February 11, 1975

Mr. Sam Cotten, Chairman
Committee on Community and Regional Affairs
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Cotten:

In response to your request on information concerning the division of assets and liabilities when part of an organized political subdivision votes to separate and incorporate in its own right I am unable to offer you much assistance. NACo generally is involved in the opposite process: that of consolidations of governments.

I have investigated the possibility of gaining information from the Advisory Commission of Intergovernmental Relations (ACIR). Unfortunately, they have no information on this topic either. George Reinhart form the International City Managers Association (ICMA) is looking into your question and will be contacting you shortly. The only separation of political subdivisions which may be helpful to you are found in Virginia. The Commonwealth of Virginia Constitution permits cities to become independent of the county. Although I have no information on the process may I suggest you contact that state directly. Their state offices are located in Richmond, Virginia. Much to my regret I am unaware of the particular office in Virginia which handles your question.

The best of luck in your endeavor.

Sincerely yours,

Carol A. Goldfarb

Carol A. Goldfarb
Research Associate

CAG/mld

1735 New York Avenue, N.W. / Washington, D. C. 20006 / Area Code (202) 785-9577

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B-JUNEAU 99801

January 24, 1975

The Honorable Sam Cotten
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Cotten:

You have asked our perceptions with respect to interim financial assistance for the Chugiak-Eagle River Borough during the period of its transition.

The Chugiak-Eagle River Borough was incorporated under procedures set forth in Chapter 145, SLA 1974. In August, 1974, a majority of the voters approved separation of the area from the Greater Anchorage Area Borough and organization of a second-class borough. Subsequently, on December 3, 1974, residents elected a mayor, seven-member assembly, and five-member school board. Pursuant to AS 29.18.180, the Department has transmitted to the officers of the municipality an organizational grant of $25,000. This is the limit of direct assistance to the municipality currently authorized by State law.

It is understood that the Alaska Supreme Court has taken under advisement arguments offered in behalf of certain residents of the municipality directly challenging the incorporation process. Plaintiffs-appellants allege that ch. 145, SLA 1974 is local and special legislation adopted in violation of a constitutional prohibition against such legislation where general law procedures have been established. Defense of the challenge has been undertaken, in part, by the municipality. A portion of the organizational grant has been used to retain services of counsel.

Department comments are confined to two general matters.

By section 9(b) of Chapter 145

> Upon incorporation of a borough . . . as provided in this Act, the local boundary commission, after due notice and hearings to parties concerned, shall prepare an order providing for an equitable allocation between the Greater Anchorage Area Borough and the municipality incorporated [i.e., the Chugiak-Eagle River Borough] of assets and liabilities, whether real or intangible, and including but not limited to bonded or other indebtedness, respecting the area incorporated as to a power or function succeeded to by a municipality . . .

To date, faced with the challenge to the Borough's incorporation, the Department has been reluctant to initiate, in behalf of the Commission, an extensive effort in satisfaction of this requirement. I tell you frankly that the research that would underlie an allocation is beyond the capacity of the Department; had we the resources, we would undoubtedly engage a consultant to complete the necessary work. Our approach would, most likely, embody retention of a consultant familiar with the internal accounting processes of the Greater Anchorage Area Borough and ask that, in satisfaction of the requirement imposed by the above-quoted language, he recommend alternative methodologies which would produce equitable allocations. The several recommended methodologies, with comments as to their appropriateness by officials of the affected municipalities, would be offered to the Commission. We would ask that the Commission select one, incorporating its features into an intial order directing officials of the respective municipalities to complete the allocation consistent with the guidelines described. The burden of action would fall on the municipalities but, when they could not agree, we would ask the Commission to retain jurisdiction and dispose of remaining elements. I am advised that the cost of entering into agreement with a third party to examine Greater Anchorage Area Borough records and suggest alternative methodologies, retaining the services of the consultants through the period of entry of final order by the Commission, should approximate twenty to thirty thousand dollars. Additionally, to defray the costs of review of alternative methodologies by the municipalities, the Legislature may want to consider direct financial support.

One alternative to this relatively "limited" approach would be a full-fledged examination of Greater Anchorage Area Borough funds with detailed recommendations involving allocations from each. Third-party examination of these funds would involve considerably more effort by a contractor and, concomitantly, considerably more cost. Finally, should the Department and Commission operate without benefit of expert opinion, as laymen it is likely that any final order would invite judicial review.

Our second concern is for the new municipality itself. By section 9(c) of Chapter 145

> . . . [A] power or function which is being exercised on the effective date of this Act by the Greater Anchorage Area Borough within an area incorporated under this Act and which is succeeded to by the borough . . . incorporated [i.e., the Chugiak-Eagle River Borough] shall continue to be exercised by the Greater Anchorage Area Borough until the [new borough] incorporated under this Act assumes the power or function which shall be not later than the close of the fiscal year of the Greater Anchorage Area Borough during which incorporation occurs [i.e., June 30, 1975]. However, in the case of incorporation of a borough under provisions of this Act, the Greater Anchorage Area Borough shall continue to assess and collect borough taxes levied within the municipality for the borough fiscal year in which incorporation occurs until the close of that year, and thereafter as necessary to enforce collection of the taxes, and shall also collect, or receive, other revenues pertaining to the area incorporated for that fiscal year; the taxes and other revenues collected or received shall be remitted as promptly as possible, consistent with this subsection, to the new municipality on a basis fairly reflecting the division of powers and functions during transition between the Greater Anchorage Area Borough and the municipality. The Local Boundary Commission shall by order determine the allocation of tax and other revenues under this section.

Thus, until the Local Boundary Commission renders a final order anent allocation of assets and liabilities, including current tax receipts and shared revenues, or until June 30, 1975--whichever is earlier--the Chugiak-Eagle River Borough may expect to receive no income.

Please note, however, that section 8 of the Act compels the new municipality to enter decisions with respect to exercise, in FY 76, of mandatory areawide powers and directs that decisions be made with respect to assumption or relinquishment of all other powers currently exercised by the Greater Anchorage Area Borough. The GAAB's responsibility in the area lapses on June 30, 1975. Section 9(c). Thus, within a very constricted time frame, officials of the Chugiak-Eagle River Borough must concern themselves with assumption of current optional powers, implementation of all functions assumed, and construction of a FY 76 budget. This is no small task for a community with but $25,000 of cash assets to its credit. Additional interim financial assistance has been publicly discussed and I would respectfully suggest that officials of both affected municipalities may want to be heard on this subject. The Department is, of course, within the resources allocated to it, ready to assist officials of both municipalities in the problems of transition although, as you may know, direct support by the staff of the division specifically charged with responsibility for technical assistance is rendered more difficult because of the absence of staff available in an Anchorage-area office.

I would like to take this opportunity to advise you that this request has the full endorsement of the Local Boundary Commission.

I would welcome the opportunity to examine the matter in more detail with you. If the Department may be of further assistance, please contact me.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

By: John B. Chenoweth
John B. Chenoweth
Director, Division of Local
Government Assistance

LMcA:JBC:mw

HEARINGS:

received CRA 1/15

HB 81

		Notified	Present	Testified
2/3/75 Joint Senate/House	Jack Chenoweth, Dept. CRA	X	X	X
	Dave Jensen, Dept. CRA	X	X	
	Cheryl Probst, Anch. Times		X	
	Richard Smith, Dept. of Admin	X	X	
	Gary Peska, Legislative Audit	X	X	
	Mary Van Ninwegen, spectator		X	
	Don Berry, Ak. Municipal League	X	X	
	Lee Jordan, Mayor, Chugiak-Eagle River Bo-	X	X	X
	Bill Overstreet, Assoc. Ak. School Bds.	X	X	
2/4/75 House	Chenoweth	X	X	X
	Richard Smith	X	X	X
	Gary Peska	X	X	X

HB-109

"An Act making a supplemental appropriation to the Department of Community and Regional Affairs for the Eagle River-Chugiak Borough; and providing for an effective date."

1/31/75 COMMITTEE REPORT FINANCE

HOUSE

Mr. Speaker: Date 2-3-75

The Committee on CRA has had HB 109 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(/) recommends it BE REPLACED WITH CS FOR HB 109 AND THAT CS FOR HB 109 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Samuel A Cotter	Chairman	Mike Heutheger
Jacquot	No Rec	
Steve Glanz		
Lorraine Rhein		
Al Ose	Do Pass	

Members NOT concurring in the Majority report:

Glenn Godfrey recommends: No Recommendation

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Samuel A Cotter Chairman

HEARINGS:

Received CRA 1/31/75

HB 109

	Notified	Present	Testified
2/3/75 Joint Senate/House			
Jack Chenoweth, Dept. CRA	X	X	X
Dave Jensen, Dept CRA	X	X	
Cheryl Probst, Anch Times		X	
Richard Smith, Dept. of Admin.	X	X	
Gary Peska, Legislative Audit	X	X	
Mary Van Nimwegen, spectator		X	
Don Berry, Ak. Municipal League	X	X	
Lee Jordan, Mayor, Chugiak-Eagle River Borough	X	X	X
Bill Overstreet, Assoc. Alaska School Boards	X	X	

HB-121

"An Act relating to retirement credit for military service; and providing for an effective date."

COMMITTEE REPORT

FINANCE

2/14/75

HOUSE

Mr. Speaker: Date 3-5-75

The Committee on CPA has had HB 121 under consideration. A Majority of the members of the Committee

(✓) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

[signature]		
Mac Heckheyer		
[signature]		
[signature]		

Members NOT concurring in the Majority report:

Freeman recommends: DO Pass

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[signature] Chairman

Tape #4
side 1
855-941

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 5, 1975

Meeting was called to order at 9:05 by Chairman Cotten for discussion of HB 121. Present were: Representatives Ose, Davis, Freeman, Hershberger and Cotten. Also present were Representative Parr, Sponsor of the bill, Mr. VanHoute, National Education Association, Barbara Englert Thomas, Staff and Andrea Guernsey, Staff.

Mr. Van Houte gave a short testimony on the bill. He said one of the problems was a person that didn't return immediately to teaching after the military would lose the credit. This was also not a free credit bill. the people would have to pay in the money that they would have had they been teaching.

Chairman Cotten asked who administered the funds. Rep. Parr said the Dept. of Revenue did the bookkeeping and the Dept. of Administration handled the rest.

Rep. Freeman made a motion to move the bill out of Committee. Ose, Davis, Cotten and Hershberger signed due pass—Freeman no rec.

Meeting adjourned at 9:20.

HB121

Mr. Charley Griffin
Box 1069
Soldotna, Alaska 99669
February 26, 1975

Representative Cotten
State of Alaska
House of Representatives
Juneau, Alaska 99804

Dear Sir:

This is regarding Senate Bill 342 which was passed in 1974 to expand the credit for Military Service to teachers under the Teachers Retirement System.

According to the interpretation that has been placed on Senate Bill 342 many of the teachers of the State of Alaska who served their country with honor during the military conflicts have been excluded from the benefit because they had taught in the public schools ten years prior to coming to this great State.

Now your attention is called to House Bill 121 which will broaden credit in retirement for Military Service by allowing any Military Service to be counted within the 10 years of outside credit.

Both bills will discriminate against all teachers in this great State who taught in the public schools 10 years prior to coming to Alaska.

It is respectfully requested and recommended that Senate Bill 342 and House Bill 121 be amended so that every teacher of this great State who served their country with honor, during the military conflicts will receive this benefit in addition to the 10 years outside teaching service.

With deep respect and kind regards, I am sincerely,

C Charley Griffin
Principal

Hearings

HB 121	Notified	Present	Testified
Bob Van Hout, NEA	X		

H/B-127

(§2 ch 118 SLA 1972)
(§4 ch 1 FSSLA 1973)

HB350 - see AS 29.53.060 (6) Business inventories can be taxed on the average monthly method of assessment up to borough assembly

Somewhere in statutes a city can do what a borough can in assessing

---

Tax limits - no tax, or combination of taxes, may be collected in 1 year which exceeds

(1) #/1000 per capita

(2) (2.25 x average per capita assessed full & true value statewide) x # residents in taxing municipality

Quiet Heir
out of Town.
2/17

HB127

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / *POUCH S—JUNEAU 99801*

March 18, 1975

The Honorable Samuel Cotten
Chairman
House Community and Regional Affairs Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Re: House Bill No. 127

Dear Mr. Cotten:

House Bill No. 127, an Act relating to taxable property under the oil and gas exploration, production and pipeline transportation tax was introduced in the House on February 6, 1975 and was referred to the House Community and Regional Affairs Committee and Finance Committee.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a memorandum from Gerald Heier, Director, Property Tax Division of the Department of Revenue from Anchorage indicating estimated valuation and net state revenues and costs of administration. For purposes of revenue estimating Mr. Heier has assumed an effective date of January 1, 1976.

Very truly yours,

R. D. Stevenson

R. D. Stevenson
Special Assistant

RDS:eh

cc: The Honorable Hugh Malone
Chairman
House Finance Committee

MEMORANDUM State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue
Juneau, Alaska

DATE: March 4, 1975

FILE NO:

TELEPHONE NO:

FROM: Gerald D. Heier
Director
Property Tax Division

SUBJECT: Senate Bill No. 186
House Bill No. 127

I have reviewed the two subject bills together since they are identical and call for state taxation of refineries and LNG plants.

At the present time there are two existing refineries in Alaska and one LNG plant. The refineries would be taxable as of the effective date of the bill, assumed to be January 1, 1976, for FY 77. The L.N.G. plant is currently covered by the Industrial Incentive Act through 1978, which exempts it from an ad valorem tax . It would be taxable for FY 80.

It is anticipated that an additional refinery will be built in the Fairbanks North Star Borough starting in 1976. It is further anticipated that Pacific Alaska L.N.G. will start construction on a new L.N.G. complex in 1976. Both of these anticipated construction projects have been built into the review and analysis of the subject bills. The spread sheet has been set up so that the anticipated construction figures can be readily deleted.

Costs of administration for FY 77 are estimated to be $9,500 based on 30 days consultant fees for a qualified industrial property appraiser at $250 per day, plus $2,000 for travel and per diem.

GDH:rb

R63072

ESTIMATED VALUATION AND NET STATE REVENUES (in thousands)

	FY77	FY78	FY79	FY80	FY81
Socal Refinery	10,000	9,500	9,000	8,500	8,000
Tesoro Refinery	20,000	19,000	18,000	17,000	16,000
Kenai LNG				30,000	30,000
Fairbanks Refinery		20,000	40,000	40,000	40,000
Pacific Alaska LNG		50,000	200,000	400,000	600,000
Total Valuation	30,000	98,500	267,000	495,500	694,000
*10 mills net to state	x10	x10	x10	x10	x10
Net State Revenue	300	985	2,670	4,955	6,940

$7 million

* Since all properties are located within a municipality a ten mill local levy has been estimated against each property.

Hearings

[HB 127]

	Notified	Present	Testified
Randy Phillips 3711	X		
R.D. Stevenson 2397	X		

HB-136

TAPE #10-Mary Froney
side 2
end

TAPE #11
side 1
0-1005

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 23, 1975

Meeting was called to order at 9:00 to discuss HB 136. Present:

Rep. Cotten	Andrea Guernsey, Staff
RNp. Ostrosky	Barbara Englert Thomas, Staff
Rep. Hackney	Bob Pavit, Planning Consultant
Rep. Ose	Kevin Waring, Director, Community Planning
Rep. Hershberger	Senator Orsini
Rep. Davis	Rod Pegues, A.G.'s Office

MARY FRONEY — Before HB 136 was taken up Mary Froney from the ANchorage Borough wanted to make a few comments to the Committee on taxation. She said that ad valorem taxes weren't promoting good. They provided momentary gain but a long tim e loss. TAxes are paid out of usable income, land does not have income. Pressure is put on land to have income. In Anchorage in the lowlands it costs $9-10,000 per acre for sewer, and is usually three times as much in the hills. Small areas should be responsible for service needed. INcome tax should cover people caused needs: education, libraries, health--not land.

HB 136, SB 358 — The Committee now took up HB 136. Mr. Waring said that the companion bill, SB 358, came out of considerable discussion and was agreeable to the State. He wanted to parallel the two bills. The committee may want to substitute 358 for 136.

HB 136	SB 358
1) SEC. 44.47.150- Director of Local government administers	Deletes Director and uses Commissic
2) paragraph (b), (c)-Section1. land will be identified by the village corporations	Deletes paragraph (b) and (c) altb-gether
3) para (d) is same as (b) in 358	para (b) sets up conditions to be satisfied by Commissioner before transfering land. "His" should be deleted in line 20.
4) page 2, subsec (2)-concurrence by Commissioners	4)deleted, too cumbersome.

HB 136	SB 358
5) page 2, para (e)-fiscal not clear	5)para (c) qualifies fiscal-"state"
6) para (f)-"a separate account" "within 30 days"	6)para (d) "separate accounts"--each individual account handled separately, not one big account. "Within 90 days"
7) para (g):director	7)uses Commissioner instead of "Director' Add "and interest" after "profits" on line 7.
	8)new section not in HB 136-para (f) merely clarifies no adverse possession. Restates what is already in the law.
	9) para (g) is also new-defines municipality for purposes of this act. Clarifies federal legislation. Although Pegues suggested maybe leavi this section out. Federal gov't created problem and State can't inter ret.

"SHALL ACCEPT"

Mr. Pegues also said theat the language "shall accept" on line 13 may cause problems. It implies that it is the duty of the Commissioner to accept whatever is offered. Can't meet trust responsibility with "shall".

APPROPRIATE VILLAGE ENTITY

"appropriate village entity"--requiring approval vilates trust responsiblity. Court will probably rule it out.

ADJOURN

Meetmng was adjourned at 10:00. (1005)

TAPE #5
side 2
1155-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 20, 1975

Meeting was called to order at 9:15 for discussion of HB 136 (land conveyed in trust). Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Oral Freeman
Rep. Mike Hershberger
Rep. Larry Davis
Rep. Glenn Hackn ey
ANdrea Guernsey, Staff
Barbara Englert Thomas, Staff
Jack Chenoweth, Director, Local Governmetn Assistance
Senator Joe Orsini
Kathy Jacobson, Natural Resources

Mr. Chenoweth passed out a proposed substitute which was drawn up by Mr. Waring of Community Planning and the A.G.'s office. (1158) Mr. HACKNEY didn't like it; no mention of who selects the land. It was pointed out that selection is covered in the Native Claims Act.

(1171) Chenoweth talks about an interim document that would be issued by the BLM to be used as a title to the land.

(1196) There was considerable discussion of the meaning of the words "adverse possession" and "prescription". It was decided after discussion and looking at the law dictionary that they both meant basically "squatters rights".

(1219) Cotten and Orsini discuss what "profits" might mean. Senator ORSINI said that since it was free if you sell any land at all it would be a profit. The State might sell a lot.

(1259) Rep. Hackney wanted to know if this included subsurface rights. No it does not.

(1319)Paragraph B of the new draft was discussed. Hackney wanted to know the procedure behind the village transfering land. Was it a legal prodedure? Chenoweth answered that it would mean a public hearing or show transfer of title a benefit to the community. Para B covered transfer of land after selection, Orsini said.

(1395) Rep. Ostrosky asked if this draft had the endorsement of the AFN. Chenoweth didn't know for sure since the draft was just finished last night.

(1415) Senator Orsini would like to see language included concerning professional planning in selection of land. (1470) Ostrosky said that according to the Act, the Regional Corporations are involved and this is where the expertise would come from.

Chairman Cotten wants to talk further with Roger Lang and Shively of AFN before anything further is done.

Meeting was adjourned at 10:00.

TAPE #4
side 2
1176-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 13, 1975

Meeting was called to order at 9:00 for discussion of HB 136 and HB 259. Present:

Rep. Kathryn Ostrosky
Rep. Oral Freeman
Rep. Larry Davis
Rep. Al Ose
Rep. Glenn Hackney
Rep. Mike Hershberger
Rep.Sam Cotten, Chairman
Barbara Englert Thomas, Staff
ANdrea Guernsey, Staff
Michael Harper, Deputy Commissioner, Dept. of Community and Regional Affairs
Roger Lang, President, AFN
John Shively, Vice President, AFN Fairbanks.
Don Berry, Municipal League
Jack Chenoweth, Director. Local Government Assistance, C&RA
Pat Corbett, Staff, Senate Committee on C&RA
Senator JOe Orsini

1182 - Harper started by saying that there were approximately 115 communities that the State would be trustee for. He suggested several changes: rather than the Director of Local Government Assistance administering they want the commissioner of Community & REgional Affairs. The Director already has too many other things to take care of and can't devote enough time. 2) In sec B, they want to change village corporations to some member of the State, preferably C&RA to identify the land. This person would have equal weight on a committee of the president of the village corporation concerned, the president of the regional corporation.
1230 - Rep. Hackney asked why they wanted the State in on the decision. Harper said the State has the obligation as trustee so they should have part of the decision.
1237 - Hackney-How do you identify the land? Basically surveying, Harper said.
1243 - Freeman-Is this all new language? yes. Is there anything on the books now? No. Why do villages want to convey land to the State in trust? Harper answered that there was a provision in the land Claims Law.
1269 - Hackney-The mechanism is not included in the Act? Harper said no, its a matter of debate.
1282 - Hackney thinks they're doing what the State is trying to avoid.
1299 - Freeman asked if the State will have to also take on the expense. Yes.
1305 - Ostrosky asked if these amendments were suggested by the Dept. of C&RA. Yes.
1314 - Harper reads a passage from a letter from the A.G.
1329 -Freeman asked if there was going to be testimony in opposition to this bill. Yes.
1338 - Mr. Harper continued with his suggested amendments: change sec D, a public hearing held in the community by theCommissioer would suffice; 2) add a new section H to allow the Dept. to employ legal counsel when dealing with other State agency to avoid conflict of interest. (1378) Hackney asked if the mechanics would be to contract for legal counsel.
1393 - End Harper.
1394 - Chairman Cotten asked Mr. Lang for his comments but he deferred to Senator Orsini.
1402 - There were a few things that Senator Orsini was concerened with. He also wants C&RA involved in sec 1, subsec B. IN line 24 and 25 he wants to delete the wording excluding private dwellings and commercial activities. Defeats the purpose of the bill which is for the community to expand.

TAPE # 4
side 2
1176-end

Chairman Cotten asked Orsini for his opinion on Harper's amendment concerning conveyance. Orsini didn't have any particular opinion.

1486 - Orsini continued with amendments: Conveyance in section D should be defined. "Surface resources" should be used instead of "materials". 2) sec D, subsec 1- The public is living in the area so they should decide what to do withland. Delete village corporation--doesn't include non-native. 3) sec D, subsec 2- the process is cumbersome, C&RA should do it in consultaion with the Commissioner of Natural Resources and the Director of Planning and Research. 4) sec E- define fiscal year--who's. DEfine municipality--under the law that includes cities and boroughs. If it's for just the village then you should change the wording. 5) sec F--definition of investments; staatment should also be sent to village council. (1564) sec f-administrative costs.

1575 - Orsini had said that these recommendations were made by a Mr. Katz. Freeman asked who he was. The Attorney for Federal State Land use Planning Commission.

1582 - Mr. Lang now presented his comments. As for Orsini's comments about private dwellings on line 24, Lang said that was put in there last year by the State and AFN had no qualms with removing it. He has no qualm with deleting village corp. for transference but he does with restricting to public hearing.

1660 - Hackney-1280 acres X 112 villages

1673 - Lang- Transfer of lands basis of Act. He has qualms about the State being part of the land selection process.

1712 - Cotten & Shively-Village lands and BLM.

1726 - Ose asked if it was possible to take land from unincorporated cities. No, may only select from vacant or unappropriated lands. (1747) Does the land have to be in one area? Yes, has to be compact.

1751 - Freeman still doesn't get it. This bill is talking about mechanics of a Federal law.

1778 - Ostrosky asked about the private land part again. Shively responded. (1796)(TApe ran out)

Lang talked about working out a system iwth the Feds for an interim document.

Ose brought up the subject of selecting lands in piece meal. GAve the example of Tok. Shively answered that there were a few times when this happened. One was when the State picked a lot of land near by or when there were private lands.

Meeting was adjourned at 10:00. HB 259 was not taken up today.

ALASKA FEDERATION OF NATIVES, INC.
1675 "C" Street
Anchorage, Alaska 99501

March 13, 1975

Samuel Cotten, Chairman
House Committee on
Community and Regional Affairs
Juneau, Alaska 99811

Dear Mr. Cotten:

As a result of the testimony heard by your Committee on House Bill 136, the Alaska Federation of Natives, Inc. would like to offer the following comments.

Section 1.

Sec. 44.47.150. (a) As far as we can tell there is no opposition to this subsection and it should be left as is.

Sec. 44.47.150. (b) The State feels that they should participate in the selection process of the lands to be conveyed in trust. We strongly disagree. The Land Claims Act states in Section 14(c)(3): "the Village Corporation shall then convey to any Municipal Corporation in the Native Village or to the State in trust for any Municipal Corporation established in the Native Village in the future, title to the remaining surface estate of the improved land on which the Native Village is located and as much additional land as is necessary for community expansion, and appropriate rights-of-way for public use, and other foreseeable community needs: Provided, That the amount of lands to be transferred to the Municipal Corporation or in trust shall be no less than 1,280 acres:"

As you can see from the language in the Act, Congress did not intend that the Municipal Corporations of the State participate in the identification of land to be conveyed. The State's trust responsibility begins after the Village Corporation conveys the land to the State.

We belive that there are other good reasons for having the lands identified by the Village Corporation. The Administration and the Legislature is moving away from having policy decisions made at the State level and towards policy making at the local level. Having the Village Corporation identify the lands to be conveyed would seem to be in keeping with the philosophy of "local control."

Your committee should also recognize that, if the State becomes involved in the process of identifying the lands to be conveyed for over 100 villages which now have no municipal government, the cost of the trust lands program would rise considerably. This is not a time in our State's history when we should be thinking of ways to increase the budget.

Therefore, we believe Sec. 44.47.150. (b) should be left as is.

Sec. 44.47.150. (c) We recommend the committee use the language which is in the Land Claims Act so that Subsection (c) would read: "The land to be acquired under this section would, to the extent feasible, consist of the remaining surface estate of the improved land on which the Native Village is located and as much additional land as is necessary for community expansion and appropriate rights-of-way for public use, and other foreseeable community needs: Provided, That the amount of lands to be transferred shall be no less than 1,280 acres.

We believe this change in Sec. 44.47.150. (c) would address the concerns expressed by Senator Orsini and the State.

Sec. 44.47.150. (d) We are strongly opposed to the State's suggestion that the Commissioner be allowed to convey trust lands after holding a public hearing. Again, we believe the decision should be made at the local level in keeping with the State's philosophy of "local control."

However, we would agree to several changes in Subsection (d). The term "Village Corporation" could be deleted. The term "materials" should be changed to "surface resources". The term "conveyances of land..." could be changed to "Transfer of land including transfer of surface resources by sale, lease, right-of-way, easement, or permit...".

There are a couple of other issues which the Committee might want to address. It has been suggested that the term municipality be defined to include only First, and Second Class Cities. We concur with this suggestion and believe that such a definition to be in keeping with the intent of Congress.

The State has suggested need for authority to contract for legal services in cases where the Department of Law might have a conflict of interest. We have not given this idea a

great deal of thought, but it might be beneficial.

We would be happy to work with you in redrafting House Bill 136.

Sincerely,

Roger Lang

Roger Lang
President

cc: House Committee on Community and Regional Affairs
Representative Nels Anderson
Senator John Sackett
Senator Joe Orsini
Deputy Commissioner Mike Harper

Federal-State
Land Use Planning Commission
For Alaska

733 W. FOURTH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99501

March 21, 1975

Honorable John Sackett
Alaska State Senate
Pouch V
State Capitol
Juneau, Alaska 99801

Dear Senator Sackett:

This letter is written in response to your request to John Katz for our comments on Senate Bill No. 139 entitled, "An Act relating to land to be conveyed to the state in trust for the future cities under the Alaska Native Claims Settlement Act; and providing for an effective date."

We share your view that legislation implementing Section 14(c)(3) of the Settlement Act should be enacted within the reasonably near future so that at the time when village corporations must reconvey municipal lands pursuant to this subsection, the State is in a position to exercise the trust responsibilities assigned to it therein. Our specific comments regarding SB 139 are as follows:

1. We believe that the bill would benefit from the inclusion of a section stating the general objectives of the Legislature in enacting this legislation. While much of the Legislature's intent can reasonably be implied from the language of Section 14(c)(3), the inclusion of such a section would help the director of local government assistance, the residents of affected villages, and the courts to know more precisely what the Legislature expects of the State trustee. In our opinion, the most important element of a statement of policy or purpose would be a declaration that the trustee's actions should be tested against the standard of what is best for the body politic now and in the future in each village under his jurisdiction. In turn, this consideration translates itself into a careful study by the trustee of all factors bearing upon a particular decision, including the relevant economic, social, cultural, environmental, and land use consequences. Such an analysis might include an informal examination of short and long term costs and benefits and a scrutiny of reasonable alternatives, including the possibility that no action should be taken. In short, what we are suggesting

is that it might be helpful for the Legislature to list some of the relevant criteria that the trustee should utilize in making decisions pursuant to the authority granted to him in the bill.

2. While subsection (c) does contain mitigating language, subsection (b) of SB 139 can be read to imply that the village corporation has the unilateral, unconstrained right to designate the lands which the State will receive in trust. Clearly, the village corporation is responsible for granting the land referred to in Section 14(c)(3). However, we do not think that this decision can be made unilaterally. Rather, the land which is to be conveyed must be generally suitable for municipal purposes and, where applicable, must meet the general and specific criteria provided in Section 14(c)(3). To avoid any misconceptions which might be created by the present language of subsection (b), we suggest that a comma be substituted for the period after the word "corporations" and that the following language be added: "after consultation with the director of local government assistance and for the purposes specified in subsection (c) below."

3. Given the language and intent of Section 14(c)(3) of the Settlement Act, we do not think that implementing State legislation can exclude land for private dwellings and commercial activities from the categories of land which the village must reconvey. Section 14(c)(3) itself refers to "the improved land on which the Native village is located and as much additional land as is necessary for community expansion." This language seems to indicate that grants of land for private dwellings and commercial activities, among other things, were contemplated by Congress. This conclusion is buttressed by the fact that many municipalities in Alaska do own lands which are chiefly valuable for these purposes. Additional support can be derived from the fact that Congress required the allocation of not less than 1,280 acres to each municipal corporation. Yet, in most instances, the amount of land needed for the functions referred to in the first part of subsection (c) will total far less than this amount. The difference between the two allocations may well be lands suitable for commercial activities and private dwellings. Given one of the purposes of the Act to enable Native village and regional corporations to become viable economic units, we do think that lands for resource production may properly be excluded from the reconveyance requirement specified in subsection (c).

As a collateral matter, we are aware that an amendment has been proposed to delete subsection (c) from SB 139 on the theory that the Supremacy Clause to the U.S. Constitution will require adherance to the criteria specified in Section 14(c)(3) whether or not such criteria are explicity referred to in implementing State legislation. While the Supremacy Clause will operate as indicated, we believe that any implementing State law should include the governing criteria

wherever possible. In this way, State officials and others will be guided by a mandate coming from the Alaska Legislature, which we believe is the appropriate entity to translate the criteria specified in Section 14(c)(3) of the Settlement Act into the Alaska context. In addition, if sufficient guidance is provided in the Alaska Statutes, persons desiring information concerning the matter of municipal land grants will not be required to research Federal law or to know how it should be interpolated into State law under the Supremacy Clause. In this regard, it is worth noting that the position which we are contending for here was the one apparently utilized by the Legislature in passing complementary legislation creating the Land Use Planning Commission.

4. While the Supremacy Clause to the U.S. Constitution will operate to insure that each municipal corporation will receive not less than 1,280 acres, as specified in Section 14(c)(3) of the Settlement Act, we think that any implementing State legislation should also indicate the minimum quantum which may be transferred. Our reasons for this suggestion are identical to those discussed in section 3 above.

5. The word "conveyance" in subsection (d) of SB 139 could be read narrowly to require use of the procedures specified therein only in situations constituting an actual transfer of title. We believe that the intent of this subsection is broader in scope. Accordingly, it is recommended that the first portion of subsection (d) be deleted and the following language inserted in lieu thereof: "Any sale, lease, permit, easement, or other transaction disposing of an interest in land or creating a right of use in land may be made by the director only after approval of ...."

6. While it may be possible to imply adequate authority from existing State law or from the use of such terms as "lease" and "permit," we believe that subsection (d) should be amended to empower and direct the director, in effecting sales or other transactions pursuant to this provision, to include any covenants, stipulations, restrictions, reservations, or other provisions which he deems necessary to protect and promote the health, safety, and general welfare of present and future inhabitants. Inclusion of such language would give the director the flexibility to take cognizance of the varying conditions and needs existent in different village situations and would put the Legislature on record as explicitly favoring the utilization of appropriate protective measures.

7. If the present language is to be retained, we believe that the words "surface resources" should be substituted for the word "materials" in the first line of subsection (d). The word "materials" is too narrow and is susceptible of many meanings. Use of the term "surface resources" would more clearly include land resources such as timber within the ambit of the procedure established in subsection (d).

8. With respect to subsection (d)(1), we do not think that the village corporation is an appropriate entity to make the type of decision required by this provision. In most if not all instances, the village corporation will be a profit-making entity whose purpose will be to maximize profits for its shareholders. It cannot be expected to speak for all village residents, some of whom may not be stockholders in that corporation, or to have the community perspective which would be reflected by the other entities and mechanisms referred to in subsection (d)(1). Accordingly, we suggest that the words "village corporation" be deleted from this provision.

In further regard to the present language, it might be appropriate to establish a priority of entities and mechanisms with the capacity to approve the director's decision. Thus, you may wish to indicate that one or the other of the mechanisms referred to in subsection (d)(1) will have preference over the others and that the other alternatives will be utilized only if circumstances preclude the preferred entity or group from making the decision. Such an approach would avoid future confusion and conflict about which approach to utilize in a particular instance. In situations where a traditional council exists and can speak for all the residents of a village, it might be inappropriate and destructive to create a new decisionmaking process. If such an entity does not now exist, we think that the village meeting would be the best device for promoting dialogue and informed decisionmaking.

9. With respect to subsection (d)(2), it seems to us that the approval function specified therein is needlessly cumbersome and therefore might delay the implementation of decisions clearly of benefit to village residents. For this reason, we suggest that the Commissioner of Community and Regional Affairs or the director (see below) be permitted to make the decision required by subsection (d)(2) on his own or after consultation with (not the approval of) the Commissioner of Natural Resources. Either one of the procedures just described should adequately protect State interests. As a corollary matter, we suggest that the Director of Planning and Research be deleted from this aspect of the decisionmaking process. His role, as we understand it, is to assist the Governor in developing rather broad public policy. If so, he would not have any real interest in or knowledge about individual decisions respecting relatively small parcels of land. As previously noted, subsection (d)(2) requires the Commissioner of Community and Regional Affairs to approve contemplated land transactions. Yet, other portions of SB 139 allocate various responsibilities to the director of local government assistance within the Department of Community and Regional Affairs. We believe that this apparent discrepancy should be resolved by consistently giving either the Commissioner or the director the authority to carry out the responsibilities which are assigned to the Department of Community and Regional Affairs.

H/B-140

"An Act relating to the adoption of official maps by home rule and first class cities outside organized boroughs and first and second class boroughs."

2/11/75

COMMITTEE REPORT

HOUSE

Mr. Speaker: Date 4-7-75

The Committee on C&RA has had HB 140 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(X) recommends it BE REPLACED WITH CS FOR HB 140 AND THAT CS FOR HB 140 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam R Cotten

Kathryn Cotton

Laurie Day

Mike Hershberger

Members NOT concurring in the Majority report:

Glenn Godwin recommends: NO REC

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam R Cotten Chairman

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
February 26, 1975
9:00 am

Meeting was called to order at 9:10 by Chairman Cotten for discussion of HB 140. Present were:

REp. Sam cotten, Chairman
Rep. Kathryn Ostrosky, Vice Chairman
Rep. Al Ose
Rep. Oral Freeman
Rep. Larry DAvis
Rep. Glenn Hackney
Rep.Mike Hershberger
Don Berry, Municipal League
Jack Chenowe[illegible], Director,Local Government Assistance
Kevin Waring, Director, Community Planning
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff

Mr. Freeman started by saying again that he wanted to change the word "shall" to "may" in line 12. He doesn't like mandatory laws for municipalities. He said 99% of the problems with local government seem to occur in Anchorage for some reason and then they impose a law on the rest of the State to correct thier problem. Chairman Cotten asked Mr. Waring if other areas of the State besides Anchorage had problems. Kevin answered that other areas of the State, mostly the large boroughs, support this kind of legislation. This bill serves to clarify because the statutes don't define an official map or give a time limit

Mr. Cotten wondered if they couldn't do it by ordinance.

Mrs. Ostrosky, sponsor of the bill, said it calls attention to the need for advance planning.

Chairman Cotten said if there was no time limit anyway it wouldn't make any difference if we did change shall to may. Kathryn said her cosponsors objected to using may.

Rep. Ose thought the Mat-Su Borough would have a hard time of it, surveying and staking all the undeveloped land. Rep. Hershberger thought the crux of the bill was in line 14-the map shall show existing and future streets etc. They aren't required to map the whole borough only the municipal center.

Mr. Cotten asked Mr. Berry if the Municipal League had any comment on the bill. He replied, no it was not on their policy statement. Mr. Berry then left at 9:30.

Mr. Freeman stated that he had spent some time on the executive board of the Municipal League and that they liked the idea of self government and the individuals in the Legislature weren't necessarily qualified to tell them how to run their business.

Mr. Hackney wanted to know what would happen to the municipalities if they don't comply? The bill doesn't provide for a time limit or any penalities; its more a directive, Cotten said.

Rep. Hershberger asked Rep. Davis what impact this would have on the North Slope Borough. Larry said it would be hard to plan and map out.

Chairman Cotten left at 9:35 and Vice Chairman Ostrosky took over the meeting.

Mr. Ose doesn't favor the bill. It might be good for Anchorage but not the Mat-Su Borough. Glenn thinks if it is directed towards Anchorage they should say for themselves and it should not be put on the whole state.

Mr. Hershberger suggested amending the bill to restrict the areas covered by the map. After the word "ordinance" on line 12, take out the word "an", add an s to the word "map" and then add "of incorporated or non-incorporated cities, villages and townsites". Mr. Waring commented that this would still address the areas with the prblem.

Mr. Hackney doesn't see the reason for the bill. Doesn't seem to be any over-riding good. Chairman Ostrosky reiterated that the reason was advance planning,' to put emphasis on having a comprehensive plan. Glenn didn't think you could forsee the future adequately enough to plan. Kathryn asked Kevin how other states have dealt with the problem. Kevin said that many states have legislation like this. The map is a document for use in planning. We need further definition because different legal interpretations have arisen. Paragraph A defines what the map should contain; Paragraph B sets down the procedures and paragraph C states that the map doesn't involve taking of property. Rep. Ostrosky says this is a chance for a new state to plan out its communities and avoid ugly cities an urban sprawl.

Mr. Hackney made a motion to table the bill; seconded by Al Ose. Vice-Chairman Ostrosky called for a vote. Infavor to table were: Davis; Freeman; Ose; Hackney and Hershberger. Ostrosky was opposed.

Meeting was adjourned at 9:50.

TAPE #6
side 1
0-1022

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 21, 1975

Meeting was called to order at 9:00 for discussion of HB 16 and HB 140. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Oral Freeman
Rep. Glenn Hackney
Rep. Larry DAvis
Rep. Al Ose
Rep. Mike Hershberger--absent
Barbara ENglert Thomas, Staff
Andrea Guernsey, Staff
Kevin Waring, Director, Community Planning
Don Berry, Municipal League
Rep. Jim Duncan, Sponsor, HB 16
Al Judson, Firemen

HB 16

Duncan said this was the same bill as in the Senate, only the figures were different.

(58) Mr. Judson gave a small dissertation on why fire protection needed more money: shortages, all costs have gone up tremendously.

(166) Rep. Freeman asked if communities are required to spend X dollars for fire protection out of revenue? Not now, Duncan said, but HB 15 would earmark for fire.

(203) Freeman-If there is a village that gets only fire protection revenue sharing the increase from $5 to $15 would mean a lot of change, but for Anchorage the money would be the same but percentage wise would be smaller.

(368) Ose explains. If they raise fire protection to $15 the increase would be %300 but Anchorage would have to take a decrease in other areas. (400) the top figure would have to go up equally.

(536) Mr. Berry suggests a committee substitute for the Senate bill.

(643) Freeman has reservations but moves to report HB 16 and SB 40 out.

The Committee amended SB 40 to $15 and moved it and HB 16 out of committee.

HB 140

(873) Rep. Ostrosky moves to untable. Suggested amendments: line 12-change shall to may, delete "an", add an "s" to map. After map add"of cities and townsites". Line 23-add after "building", "or other structure located within a bed of a".

She asked Mr. WAring for comments but he had none.

(967) Freeman would rather see a committee substitute.

CSSB 111am

Committee moved the bill out. (EAgle River) (1026)

TAPE #6
side 2
0-1130

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 25, 1975

Meeting was called to order at 9:00 for discussion of HB 140, 265, 266. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Al Ose
Rep. Larry Davis
Rep. Mike Hershberger
Rep. Glenn Hackney
Rep. Oral Freeman
Barbara Englert Thomas, Staff
ANdrea Guernsey, Staff
Bob Pavitt, planning consultant
Don Clocksin, Alaska Legal Services'
Dave LeBlonde, A.G.'s office
Mike Harper, Deputy Commissioner, C&RA

HB 140

(15) Mr. Pavitt gave testimony saying that 42 states now had some sort of official map act. The committee substitute is good, changing shall to may is OK. It's good for the planners and subdividers to be pre-advised of the plans of the municipality. He offered a suggested amendment to be placed after paragraph A.

(291) Cotten asked about the intent of section E. Bob said in essence what they're talking about is a tax rebate. He thinks the bill should clarify the tax status of the land to avoid a rip off.

(373) Why is the amendment necessary, Cotten asked. There should be a statement as to the effect of the map, what it does and what it doesn't do. (442) Rep. Ostrosky, sponsor, thinks the suggestion is good.

(463) end discussion of HB 140.

HB 265, 266

(480) Mr. Clocksin gave a short run down of the background of the bill. It cam e out of the Bush Justice Conference held in Minto. Addresses the problem of a lot of un-incorporated villages who don't have enough sufficient funds to pay for an attorney.

(570) Cotten asked if he expected many first class cities to make requests. Clopksin didn't think so but knew of one request right now(ANgoon).

(586) Mr. Harper made a few comments. His Department endorses the project. ON the question of additional staff he said that the local government specialists weren't prepared to answer qustions about legal problems.

(653) Ose wondered how many hours of legal time $50,000 would buy, and how many villages will request. There won't be a lack of equests Harper said, but there is no way of telling how many projects themoney will fund. In order to determine if they need assistance the Dept. will have to set requirements. (760) Clocksin noted that there was no way to set the exact costs right now, it will have to be on an

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 7, 1975

Meeting was held at 9:00 to discuss HB 140, official maps. Present:

Rep. Cotten, Chairman
Rep. Ostrosky
Rep. DAvis
Rep. Hackney
Rep. Hershberger
Barbara Thomas, Staff
Andrea Guernsey, Staff
Kevin Waring, Director, Community Planning
Bob Pavitt, Research and Planning

First Class Cities	Rep. Ostrosky said that the last section on page 2 of the original was left out of the Committee substitute which she had drawn up. Should be there. She read a letter from the Association of Realtors who favor the bill.
Option to buy	It wasn't clear in the original who had the option to buy. Clear in the Substitute. The owner is not required to pay taxes if the land is encumbered by the offical map. the Municipality has 18 months to decide to purchase or not.
18 month reserve period	Does the municipality really need 18 months, Hackney wondered. Pavit said this was a common period of time. It may take 18 months to make the final decision. Waring brought up the point that 18 months fits the budget cycle. The municipality may have to include the expense of purchasing in the next year's budget.
First Class cities	Section 2 on page 2 is not necessary because first class cities outside the organized borough already have planning powers.
Report out	Rep. Ostrosky moved to report out CSHB 140 due pass. So moved. Meeting was adjourned at 9:40.

Tape #3
side 2
1285-1780

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
February 24, 1975
9:00 am

Meeting was called to order at 9:25 by Chairman Cotten. Present were:

Representative Sam Cotten
" Al Ose
" Oral Freeman
" Mike Hershberger
" Kathryn Ostrosky
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Kevin Waring, Director, Planning Division, C&RA
Art Hartenberger, Director, Planning, Juneau borough

Meeting was for discussion of HB 140-Official maps. Mr. Waring began.

1300-Waring-This bill is identical with the one introduced last year. The Municipal League does not necessarily support this particular bill but supports the concept of official maps. Also endorsed by the Planning Association of Alaska. This bill defines what an official map is. Title 29 already authorized for official maps. Map lays out the futurre development plans of city and provides notice to property owner of what the municipality will eventually want. Bill is beneficial to both parties—municipality reserves the right and has the time to acquire and the owner knows where and when he can build. The bill is a sound concept and provides fair provision for informing property owners.

1350-Cotten-Does a municipality already have the power to condemn?
Waring-Yes, they have the power of eminent domain. As condition of plat approval they can usually require dedication of streets, etc.

1370-Cotten-Say a person contructs a warehouse on their property. That would probably influence the decision of the planning commission, wouldn't it?

1390-Waring-Yes or else it would cost municipality money to reroute whatever they planned on putting there, or having to condemn and acquire a fairly new structure. (Gave example of 5 years ago in Anchorage when they didn't have an official map someone built a hotel on the land they wanted to put a hiway and the city had to reroute the bypass. Situation could have been avoided with official map.)

1423-Freeman-Is there anything in the law which prevents people from adopting an official map? Mr. Waring replied no. The bill clarifys existing legislation.

1435-Freeman-He is suspicious of mandatory legislation. Doesn't like the word "shall". Local people don't have much of a choice.

1449-Waring- The statutes already require an official map along with a comprehensive plan.

HB 140 cont'd

1458-Art said the official map in Juneau is basically the comprehensive plan in map form. There are lots of communities with comprehensive plans which have not been adopted by ordinance.
1479-Chairman cotten observed there seems tc be a lack of requirements.
1482-Mr. Freeman said the reason for that was because many of the comprehensive plans were ridiculous and the municipalities didn't want to adopt them by ? ordinance.
1510-Art said it was in the best interest to have an official map, otherwise the State wuld come in and tell the municipality what to do.
1537-Representaive Cotten that in Section D the State could already do that.
1544-Mr. Waring thought that the language didn't mean the Borough had to but that they would have the same consistent policy. Keeps the pfoperty owners from being surprised by the muncipalitites. Main purpose of map is right of ways.
1570-Mr. Freeman asked if the map could be amended. Kevin said yes it could and was quite common to update it. Oral thought that was not really protecting the public then if the map could be so easily changed. Kevin said the map could be modified but the original represented the best plan.
1608-Representative Ostrosky remarked that it forces the community to take a long long range look at plan.
1616-Mr. Cotten asked what is the process for amending the map. Art said that through a series of public hearings recommendations are made to the planning commission who inturn recommend to the borough assembly and it is adopted by ordinance.

Art also brought up the point that the communities would have to spend lots of money to have all this land surveyed. What kind of price tage does that require?
1673-Mr. Hershberger thinks that the communities ought to spend the money. There is too much lack of planning.
1686-Mr. Cotten thought sec B contained some confusing language. The 18 month and 5 year figures. Kevin answered that the five years applied to the map itself. The assembly has to review and reapprove the map every five years. The 18 month figure comes from the Greater Anchorage Borough.
1720-Mr. Waring offered a suggestion for line 22. After the word building, add the words "or other structure located within the bed of a street" etc. Left out in typographical error probably.
1741-Hershberger moved that the language be adopted as an amendment.
1750-Chairman Cotten said it could be added without objection.
1756-Mr. Freeman wanted to change the shall to may in line 12. Representative Ostrosky the sponsor, thought that might be too permisive and wan't quite clear on the difference.
1767-Mr. Waring reiterated that existing legislation already made planning , platting and zoning mandatory for first and second class boroughs thus making an official map mandatory.

Meeting was adjouned at 10:00.

OFFICIAL MAP ACT

What Is It?

Amends the Alaska Statutes to specify what types of public improvements may be on a local government's official map.

Enables first and second class boroughs and first class cities in the unorganized borough to reserve land for future streets, schools, park land and trails.

Establishes a reasonable length of time for the acquisition of such sites.

Why Do We Need It?

Local communities need a tool to implement their comprehensive plan in the face of rapid projected growth for the years ahead.

Taxpayers will otherwise bear the brunt for high costs of condemnation if expensive buildings or development are allowed on a site for future public improvements or facilities.

Without site reservation prior to or coincident with development, schools tend to be left with marginal site locations when subdivision development preempts all available good land.

Parks and trails which are the setting for the Alaskan "good life" become prohibitedly expensive if not acquired as part of an overall plan .

Property owners and prospective buyers deserve to know what to expect in the way of future public improvements such as a street, school or park on or adjacent to their property.

How Does It Work?

The local community through its elected body enacts its official map after public input and adequate planning.

The map is effective for a five-year period after which time it is reviewed. Property is released from any reserve restriction automatically unless an additional five-year extension is approved by ordinance. Each local body sets its specific terms and procedures for implementation of the act.

Compliance with the act is obtained by setting an 18-month reservation on any site for future public acquisition if the owner proceeds to initiate development in violation of the map. Specifically this would be from the time of application for a building permit, special exception, or submission of a preliminary plat.

If the local government does not acquire the property within the 18 months, the reservation becomes void. The property owner would receive an option to purchase that would reflect the amount of taxes accruing to the property site during this reserve 18-month period.

The local governing body will establish provision for review of hardship cases.

The local governing body may adopt and modify by ordinance the map upon recommendations of the planning commission and consistent with the general plan.

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

Introduced:
Referred:

IN THE _____ BY _____

_____ BILL NO. ____

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE -- SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the adoption of official maps by first class cities in the unorganized borough and first and second class boroughs."

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

* Section 1. AS 07.15 is amended by adding a new section to read:

Sec. 07.15.345. OFFICIAL MAP. (a) The assembly of a first or second class borough may adopt and modify, by ordinance, an official map based upon the recommendations of the planning commission and consistent with the comprehensive plan. The map may show existing and proposed future streets, schools, park land and trails and the area needed to acquire, widen and enlarge them. It shall be prepared in sufficient detail to permit the establishment of the future acquisition lines on the ground and shall be attested to by a registered land surveyor. After adoption a certified copy of the map shall be recorded in each recording district within which any of the land shown on the map is located.

(b) For the purpose of preserving the integrity of such official map, no plat shall be recorded and no permit shall hereafter be issued for any building in the bed any street, school site, park land or trail etc. shown or laid out on such map except as provided in this section. However, the reservation of particular property for public use under the map shall cease and become void 12 months after an owner of the property reserved makes application for a preliminary plat or for a building permit for the location or construction of a building or structure within the area reserved, unless during that time the borough acquires the property or files eminent domain proceedings to acquire the property. Property reserved on the map but not acquired within five years after the reservation is recorded in the district recorder's office, shall automatically be released from the restrictions

a special exception

of the map unless affirmative action is taken by ordinance to hold or reserve the property on the map for another five year period.

(c) The adoption of an official map does not of itself give the borough a right, title, or interest in areas identified for public purposes but authorizes the borough to acquire an interest without paying compensation for buildings or structures which are erected in those areas without a permit or in violation of the conditions of a permit.

(d) At the request of the state, the assembly may reserve land for the state in the same manner and on the same terms that it reserves lands for the borough.

(e) Any owner of property reserved on the official map shall receive an option to purchase from the municipality at the time the owner files a preliminary plat or requests a building permit. The option should reflect the amount of taxes accruing to the property during the 18 month reserve period.

"Section 2 AS 29.10.244 is added to read:

AS 29.10.244 OFFICIAL MAP. First class cities in the unorganized borough may provide for an official map in the manner provided in AS 07.15.345.

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

Planning Department
November 4, 1969

OFFICIAL MAP
CASE NO. 69-43-OFF. MAP

Addendum to report submitted
December 27, 1968-August 13, 1969

The attached proposed Official Map Ordinance provides for essentially the following:

1. A procedure for initiation and preparation for an Official Map
2. A procedure for adoption of the Official Map requiring:
    a. maps
    b. public hearing
    c. notice to property owners
    d. ordinance
    e. filing the Official Map with the register of deeds
3. A requirement that the officer responsible for issuing building permits shall deny all requests involving the area reserved
4. A procedure for appeal if a permit is denied requiring:
    a. application
    b. referral to the Planning Commission
    c. hearing
    d. findings
5. Opportunity (six months) to acquire the land should it be determined that a building permit must be issued by consideration of justice and equity.

This ordinance has been discussed and developed by both the Planning Director and the City Attorney. Although there is not complete agreement on all sections, it is recommended that this ordinance be approved by the Commission.

PROPOSED OFFICIAL MAP ORDINANCE

ORDINANCE NO. ____

AN ORDINANCE RELATING TO OFFICIAL MAPS AND THE EFFECT THEREOF, AND ESTABLISHING PROCEDURES IN CONNECTION THEREWITH FOR PROCESSING APPROVAL, FILING AND APPEALS THEREUNDER

THE CITY OF ST. LOUIS PARK DOES ORDAIN:

Section 1. Official maps as authorized by Minnesota Statutes, Sections 462.351 through 462.364 shall be regulated as follows:

Section 6:400. Title. This ordinance shall be known, cited and referred to as the "St. Louis Park Official Map Ordinance," except as referred to herein, where it shall be known as "this ordinance."

Section 6:402. Purpose and Intent. Municipalities are faced with mounting problems in providing means of guiding future development of land so as to insure a safer, more pleasant and more economical environment for residential, commercial, industrial, and public activities and to promote the public health, safety, morals and welfare. Municipalities can prepare for anticipated changes and by such preparations bring about significant savings in both private and public expenditures. Municipal planning, by providing public guides to future municipal action, enables other public and private agencies to plan their activities in harmony with the municipality's plans. Municipal planning will assist in developing lands more wisely to serve more effectively, will make the provision of public services less costly, and will achieve a more secure tax base. It is the purpose of the City Council of the City of St. Louis Park to provide a uniform procedure for adequately conducting and implementing its municipal planning for the City of St. Louis Park through proper use of Official Maps as authorized by the laws of the State of Minnesota. Land that is needed for future street purposes and as sites for other public facilities and services is frequently diverted to non-public uses which could have been adjusted to meet the public need or could have been located on other lands without hardship or inconvenience to the owners. When this happens, public uses of land may be denied, or it may be obtained later only at prohibitive cost or at the expense of dislocating the owners and occupants of the land, or it may force the City to forego the needed public facility, or result in the selection of an inferior location. Identification on an Official Map of land needed for future public uses permits both the public and private property owners to adjust their building plans equitably and conveniently before investments are made which will make such adjustments difficult to accomplish. The City of St. Louis Park, through action on its City Council, having adopted a Comprehensive Plan for the City and as a part thereof having adopted a Land Use Plan, a Thoroughfare Plan and a Community Facilities Plan, by this ordinance relating to Official Maps expresses its intent to implement the policies and objectives stated therein.

Section 6:404. Definitions. The following definitions shall apply in the interpretation and enforcement of this ordinance and the following words and terms wherever they occur in this ordinance are defined as follows:

Subd. 1. "Comprehensive Plan" means a compilation of policy statements, goals, standards, and maps for guiding the physical, social and economic development, both private and public, of the City of St. Louis Park and its environs and may include, but is not limited to, the following: Statements of policies, goals, standards, a land use plan, a community facilities plan, a transportation plan. The City's Comprehensive Plan represents policies, aims, and objectives for development of the City of St. Louis Park.

Subd. 2. "Land Use Plan" means a compilation of policy statements, goals, standards, and maps, and action programs for guiding the future development of private and public property. The term includes a plan designating types of uses for the entire City as well as a specialized plan showing specific areas or specific types of land uses, such as residential, commercial, industrial, public or semi-public uses or any combination of such uses.

Subd. 3. "Thoroughfare Plan" means a compilation of policy statements, goals, standards, maps and action programs for guiding the future development and function of streets and highways in the City.

Subd. 4. "Community Facilities Plan" means a compilation of policy statements, goals, standards, maps and action programs for guiding the future development of the public or semi-public facilities of the City such as recreational, educational and cultural facilities.

Subd. 6. "Official Map" means a map adopted in accordance with this ordinance and laws of the State of Minnesota in such case provided showing the location of existing and future public land and facilities, existing streets, proposed future streets and the area needed for widening of existing streets.

Section 6:406. Adoption. The City Council may by ordinance adopted by an affirmative vote of a majority of all members thereof, adopt, amend, or repeal Official Maps in the manner hereinafter set forth.

Section 6:408. Initiation of Proceedings. Proceedings for adoption, amendment, or repeal of Official Map may be initiated by (1) a recommendation of the Planning Commission; or (2) by action of the City Council on its own initiative, recommendation of an Advisory Commission, request of an outside agency, or petition of five (5) or more residents.

Section 6:408. Reference to the Planning Commission. Except in case of an initial recommendation by the Planning Commission, any proposed Official Map shall be submitted to the Planning Commission and its recommendation thereon shall be submitted to the City Council, before further proceedings are taken, provided that the said Planning Commission shall meet, consider said proposed change, and submit its recommendation to the City Council within sixty (60) days after submission of the matter to it. If no recommendation is transmitted by the Planning Commission within sixty (60) days after referral of the proposal to the Planning Commission, the City Council may take action without further awaiting such recommendation.

Copy

Section 6:410. Sketch Maps and Reports. All proposals for proceedings for Official Maps, however initiated, shall be accompanied by a sketch map or plat showing the lands proposed to be included and the public purpose to be served. Prior to the hearing, the City Council may request a report of the City Engineer as to the feasibility of any construction involved, and the City Planner shall submit a written report on the effect of the proposal on the Comprehensive Plan.

LA copy

Section 6:412. Notice. The City Council upon receiving the recommendation of the Planning Commission respecting any proposed Official Map, or after sixty (60) days from the submission thereof to the Planning Commission without a recommendation by the commission, may consider the same, and if a majority of the Council are in favor thereof, notice of a regular or special meeting, at which a public hearing will be had thereon, shall be given by publication at least once in the official newspaper, not less than ten (10) days and not more than thirty (30) days prior to said hearing, stating the time and place thereof, description of property to be included and a general statement of the nature of the purpose of the hearing. Not less than ten (10), nor more than thirty (30) days prior to said hearing, a copy of said notice shall also be mailed by the City Clerk to all owners of said land, as the same appear upon the records of the County Auditor of Hennepin County, and addressed to the last known address, as shown by said Auditor's records. If attempt is made in good faith to serve all persons in the manner and at the times above provided, failure to serve one (1) or more through inadvertance shall not invalidate the proceedings. Proof of service shall be made by the affidavit of the persons serving same and shall be filed with the City Clerk.

Section 6:414. Hearings. At the time set for the hearing, the City Council shall hear arguments for and against such proposed Official Map and may continue said hearing from time to time not exceeding sixty (60) days from the original date specified in the notice of hearing. Final vote on the proposed change shall be taken within said sixty (60) days.

Section 6:416. Maps. The Official Map or maps shall be prepared in sufficient detail to permit the establishment of the future acquisition lines on the ground. In unplatted areas a minimum of a centerline survey shall have been made prior to the preparation of the final draft of the Official Map. The accuracy of the future acquisition lines shown on the Official Map shall be attested to by a registered land surveyor.

Section 6:419. Filing. After adoption, amendment or repeal of an Official Map, a certified copy of the official map, or sections thereof with a copy of the adopting, amending or repealing ordinance attached shall be filed with the register of deeds as provided in Sections 462.351 to 462.364 of the Minnesota Statutes.

Section 6:420. Effect. After an official map has been adopted and filed, the issuance of building permits by the municipality shall be subject to the provisions of this section. The officer responsible for issuing building permits shall deny all applications for permits to expand existing buildings or structures or to establish new buildings or structures within the area identified for a public purpose on the Official Map or on property outside any building lines as shown on said Official Map. Whenever any street or highway is widened or improved or any new street is opened, or interests in lands for other public purposes are acquired by the City, it shall not be required in such proceedings to pay for any building or structure placed without a permit or in violation of conditions of a permit within the limits of the mapped street or outside of any building line that may have been established upon the existing street or within any area thus identified for public purposes. The adoption of an official map does not give the municipality any right, title, or interest in areas identified for public purposes thereon, but the adoption of the map does authorize the municipality to acquire such interests without paying compensation for buildings or structures erected in such areas without a permit or in violation of the conditions of a permit.

St. Louis Park, Minnesota

Section 6:422. Appeals. If a building permit is denied because of the requirements of this ordinance, the City Council shall have the power, upon appeal filed by the owner of the land and upon receiving the recommendation and advice of the Planning Commission, to grant a building permit in such location in any case in which the Council finds, upon the evidence and arguments presented to it, (a) that the entire property of the appellant of which such area identified for public purposes forms a part cannot yield a reasonable return to the owner unless such a permit is granted, and (b) that balancing the interest of the municipality in preserving the integrity of the Official Map and of the Comprehensive Plan and the interest of the owner of the property in the use of his property and in the benefits of ownership, the grant of such permit is required by considerations of justice and equity. Failure of the Planning Commission to report on the proposal within sixty (60) days after such referral or such period as may be designated by the City Council, shall be deemed to have satisfied the requirements of this ordinance. The City Council shall hold a hearing on the appeal and there shall be published a notice of said hearing in the official newspaper once at least ten (10) days before the day of the hearing. If the City Council authorizes the issuance of a permit, the City Council or other boards or commissions having jurisdiction shall have six (6) months from the date of the decision of the Council to institute proceedings to acquire such land or interest therein, and if no such proceedings are started within that time, the officer responsible for issuing building permits shall issue the permit if the application otherwise conforms to local ordinances. The City Council shall specify the exact location, ground area, type of construction, height, building bulk and other details as to the extent and character of the

building for which the permit is granted, provided such specifications are permitted within the zoning district applicable to the site and provided such specifications are not contrary to the building code.

Section 6:424. Separability. Should any section, subdivision, clause or other provision of this ordinance be declared by a court of competent jurisdiction to be invalid such decision shall not affect the validity of the ordinance as a whole nor of any part thereof other than the part so declared to be invalid.

Section 2. Violation and Penalty. Any person, firm, corporation, or voluntary association which violates or refuses to comply with any of the provisions of this ordinance shall be guilty of a misdemeanor, and upon conviction thereof be subject to a fine of not more than Three Hundred Dollars ($300.00) for every offense or to imprisonment not exceeding ninety (90) days, or both. Each day that a violation is permitted to exist shall constitute a separate offense.

Adopted by the City Council _____ 1969.

_____
Mayor

Attest:

_____
City Clerk

Reviewed for administration:

_____
City Manager

Approved as to form and legality:

_____
City Attorney

What happens if it is
dedicated parks - borrowing?
unfair to dev. who keeps
open space in hands of private
homeowners?

density
open space

American Society of Planning Officials
1313 East Sixtieth Street Chicago Illinois 60637 Telephone 312: 324-3400

Planning Advisory Service

September 23, 1970

Miss Donna Matthews
8916 Gloralee Street
Anchorage, Alaska 99502

Dear Miss Matthews:

density, by parcel

This letter is in reply to your inquiry of September 10, 1970, concerning official maps and dedication of land for park/school/open space in subdivisions.

We are in the middle of a report on subdivision dedication and reservation requirements for park land and school sites. Unfortunately, this will not be ready for release for several months. Nonetheless, I will give you what information I can at this time hoping that the report will also be of value to you when it is released.

In establishing requirements for the dedication of land in subdivisions most communities (according to ICMA's 1969 Municipal Year Book) use a formula which fixes the percentage of land to be dedicated. The others rely on other kinds of formulas, the principal one being to relate open space to be dedicated in a subdivision to the density of the development. The requirement based on density of population is probably fairer than a flat requirement--e.g. 5 per cent or 10 per cent of the land to be dedicated for recreational purposes--because a low density subdivision may have sufficient open space provided on the individual lots. On the other hand, you give the community more assurance that developers will dedicate or furnish sufficient recreational land with a density formula for those people who will inhabit more densely developed subdivisions. However, the density formula is technically more difficult to determine and keep up to date than if a flat percentage of land requirement is used.

Philip Green, in his chapter on subdivision from Principles and Practice of Urban Planning (1968), comes out strongly for requiring a provision of certain recreational facilities in subdivisions to be scaled to the number of families to be housed in the subdivision instead of a flat requirement of land. I quote the salient paragraph from his chapter:

> "Once again, to assure the strongest legal basis, the regulations should contain definite standards as to when, where and how much land will be required. It is legally unwise, for example, to provide merely that the plat approval agency may

require dedication of such recreation areas as it deems necessary. On the other hand, a flat requirement that 5 or 10 per cent of the land area of every subdivision be dedicated for recreational purposes, while uniform and perhaps legal, might produce unnecessary land in some large-lot subdivisions and bits and pieces of poorly-sited, difficult to maintain recreational areas in other subdivisions. Perhaps the most reasonable solution is to require provision of certain recreational facilities scaled to the number of families to be housed in the subdivision, coupled with a requirement that land shown on the comprehensive plan as park or school sites be dedicated or reserved, a maximum limit on the percentage of land within the subdivision to be dedicated could be included."

There are some general guidelines for development the provisions which we can recommend, irrespective of which method you employ.

Principles and Practice of Urban Planning states on page 463:

"Several definite guidelines are becoming apparent, however, for those wishing to maximize the changes of a favorable court decision. First, there should be specific statutory authorization for such a requirement, and the requirement should be stated in the written subdivision regulations and not left to the discretion of the plat approval agency. Second, the regulations should provide that any payments received will be paid into a special park and school fund and not mixed with the general revenues of the city (otherwise the courts will probably treat them as a non-uniform tax). Third, the regulations should specify that the payments which are made are to be spent for the benefit of the specific areas from which they come. Fourth, the amount of payment required should be reasonable and bear some relation to the actual costs generated by the subdivision."

We are enclosing a portion of our report to the Connecticut Development Commission, New Directions in Connecticut Planning Legislation, February, 1966. This section provides a good clear discussion of dedication and payments-in-lieu. You will notice that in this report we recommend that the payment provision be computed on the basis of the value of land that otherwise would be required to be dedicated. An example of such an ordinance comes from Saratoga County, New York, which requires a percentage dedication unless the subdivision is too small:

"Owner is required to dedicate 5 per cent of his tract for recreational uses. For any acreage in excess of 5 per cent the owner will be compensated at fair market value prior to subdivisions. If the Planning Board considers an owner's tract too small and that the dedication of 5 per cent would make a site unusable

for public purposes, the Town Board may direct the owner to make a money payment-in-lieu of land. The payment must be equal to 5 per cent of the market value of the total tract prior to subdivision and must be used by the town for the purchase of land to be used for recreational purposes by the neighborhood for which payment was made."

We are enclosing xeroxed copies of official map ordinances. These will illustrate how other communities have handled this method for land reservation. None are especially recommended because, of course, every community will have to design their ordinance to fit their particular needs.

We hope that these comments and references will be useful.

Sincerely,

Karen E. Hapgood

(Mrs.) Karen E. Hapgood
Assistant Planner

KEH/ad
encls: on loan - PAS Report No. 119

to keep - xerox copies of official map ordinances

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

SKIP — CRM

ASPO - (American Society of Planning Officials) 1313 East 60th St. Chicago Illinois

w staff planner - plan staff probably on Subdiv. Reg's

Florida

3.- Public Sites and Open Spaces

a. Provision shall be made for the allocation of areas for school sites, parks, playgrounds, and other outdoor recreational facilities as indicated by the Master Land Use Plan or by the Planning Commission; or if no plans exist, land dedication requirements for residential areas shall be established on a sliding scale, related to the density proposed for (and thus the needs generated by) the specific area involved.

For Densities From:

0 - 5 units per acre	6% of the net residential area
6 - 25 units per acre	12% of the net residential area
25 - 100 units per acre	20% of the net residential area

DELETE

b. No dedication shall be required for public purposes for land in tracts of five (5) acres or more, but an agreement shall be executed with the owner(s) of such property for dedication based upon ultimate densities at the time of subdivision or development for residential purposes.

c. No land or cash dedication for public purposes shall be required from business or industrial properties (the exception is additional street rights-of-way when pertinent to serve the increased traffic generated by such uses over residential development).

SKIP — also not applying — when have recent updated subdiv. regs. Limiting discretion + requirements of

A. No land or cash dedication shall be required in those instances of Planned Unit Development where an equivalent amount of privately owned open space will be provided by the developer for the use of the residents of the development, and where the preservation of such open space is guaranteed.

B. The allocation of areas for public use may be made available by one of the following methods as required by the Planning Commission:

(1) Parks, Playgrounds and Recreational Sites

(a) The dedication to public use on the plat of the parcel proposed for subdivision, of a parcel of land equal to at least the percentage indicated by the net density of said parcel proposed for subdivision.

DELETE

(b) The conveyance by deed to an appropriate public body of a parcel of land equal to at least the percentage indicated by the net density of the parcel proposed for subdivision.

(c) A conveyance or reservation to the owners of land within the proposed subdivision of a parcel of land equal to at least the percentage indicated by the net density of the parcel proposed for subdivision for use of the property owners within said subdivision.

(d) Cash equal to the market appraisal of a parcel of land equal to at least the percentage indicated by the net density of the parcel proposed for subdivision.

(e) Such other method that may be mutually agreeable to the subdivider and to the Planning Commission.

(2) School Sites

A reservation for acquisition by the School Board, within eighteen (18) months, of land in such reasonable amount as may be determined by the Commission. Said reservation shall be made in such a manner as to provide for a release of the land to the subdivider in the event no public agency proceeds with the purchase. The eighteen (18) months reservation shall begin with the date all or any part of the proposed subdivision is officially recorded.

(3) Dedicated Public Sites:

Each public site, roadway, utility easement and/or other area to be dedicated shall be so designated as to indicate the purpose of said dedication, ~~and to whom it is to be dedicated.~~

(4) Scenic & Historical Sites:

Due regard shall be shown for preserving outstanding natural and cultural features such as scenic spots, water courses or historical sites. Dedication to and acceptance by a public agency is usually the best means of assuring their preservation.

RIGHT of REFUSAL of PROPOSED DEDICATIONS

7. - Drainage

a. The Planning Commission shall not approve any subdivision having inadequate storm and/or sanitary drainage as determined by the Borough ~~Engineer~~ Director of Public Works and/or the Borough Sanitary Engineer.

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

OFFICIAL MAP ACT

Enabling legislation is needed to allow the adoption of official maps. The rationale for an official map is described in this selection from Land-Use Controls Quarterly:

> The need for construction of new public improvements is rising continuously as development moves out steadily from urban centers. Reservation of land for future street, school, park, and other public facility sites in areas subject to impending development is vital so that communities may prevent unfortunate developments within these areas. An official map, based on planning studies and approved by the local government, has much potential, for it allows the community to reserve, with the intent of later acquiring, needed public lands in developing areas. From the public standpoint, the official map is designed to delay any proposed development long enough for the community to buy property before construction makes it unduly expensive. An official map should be considered primarily as a short-term regulatory adjunct to a property acquisition campaign. From the private standpoint, the map serves as a notification and warning of the location of proposed public improvements.

We recommend that enabling legislation allow first- and second-class boroughs and first-class cities in the unorganized borough to adopt by ordinance official maps for street, school, and park land reservations showing detail sufficient to permit the establishment of future acquisition lines on the ground. The reservation of a particular property for public use under the map should lapse and become void eighteen months after the owner of the property reserved makes application for a building (construction or land use) permit within the area reserved unless during that time the property is acquired or eminent domain proceedings are filed to acquire the property.

If the land is not acquired within five years after filing the map in the district recorder's office, the property should be released from the restrictions of the map. Provisions should be included for variances and relief under certain conditions. We recommend also that the State have authority to participate with the local governments in planning routes to be reserved and in later acquisition of those rights-of-way needed by the State.

GREATER ANCHORAGE AREA BOROUGH

PLANNING AND ZONING COMMISSION RESOLUTION NO. 8-

A RESOLUTION URGING ENACTMENT OF ENABLING LEGISLATION TO PERMIT ADOPTION BY LOCAL UNITS OF GOVERNMENT OF "OFFICIAL MAPS"

WHEREAS, the need for construction of new public improvements is rising at a rapid rate as development moves steadily out from the urban centers; and

WHEREAS, reservation of land for future street rights-of-way, schools, parks, and other public facility sites in areas subject to development is vital so that communities may prevent development on these sites; and

WHEREAS, an "official map", based on appropriate planning studies and adopted by the local unit of government, as much potential in allowing the local community to reserve these needed lands with the intent of later acquiring them; and

WHEREAS, the "official map" is intended, from the public standpoint, to delay development of these sites sufficiently long enough to permit the local community to acquire said sites prior to construction upon them; and

WHEREAS, an "official map" is to be considered a short term regulatory device adjuncted to property acquisition; and

WHEREAS, from the private standpoint, the map serves asa notification and warning of the impending location of proposed public improvements;

NOW, THEREFORE, BE IT RESOLVED that the Greater Anchorage Area Borough Planning Commission recommends to the Eighth State Legislature of the State of Alaska the amendment of enabling legislation to allow first and second class Boroughs and first class Cities within the unorganized Borough to adopt, by ordinance, an "official map" for street, school, parkland and trail right-of-way reservations, said official map to show projected rights-of-way and areas of use in sufficient detail to permit the establishment of future acquisition lines on the ground;

FURTHER, BE IT RESOLVED, that said enabling legislation should contain provisions whereby the reservation of a particular property for a particular public use should lapse and become void eighteen months after the owner of the property makes application for a building, construction, or land use permit within the area reserved unless during said eighteen months time the property is actually acquired or eminent

domain proceedings are filed to acquire said property by the local unit of government.

FURTHER, BE IT RESOLVED, that said enabling legislation should contain provisions stipulating that if said reserved land is not acquired within five years after the date of filing of the official map in the office of the district recorder, said property shall be released from the restrictions of the map.

FURTHER, BE IT RESOLVED, that said enabling legislation should include proper provsions for a variance and relief from said reservation under appropriate conditions and that the State of Alaska be granted the authority to participate with local units of government in planning highway routes, school and park land use to be reserved and in later acquisition of those rights-of-way.

Introduced:
Referred:

IN THE _____ BY_____

_____ BILL NO._____

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the adoption of official maps by first class cities in the unorganized borough and first and second class boroughs."

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

* Section 1. AS 07.15 is amended by adding a new section to read:

Sec. 07.15.345. OFFICIAL MAP. (a) The assembly of a first or second class borough may adopt and modify, by ordinance, an official map based upon the recommendations of the planning commission and consistent with the comprehensive plan. The map may show existing and proposed future streets, schools, park land and trails and the area needed to acquire, widen and enlarge them. It shall be prepared in sufficient detail to permit the establishment of the future acquisition lines on the ground and shall be attested to by a registered land surveyor. After adoption a certified copy of the map shall be recorded in each recording district within which any of the land shown on the map is located.

(b) For the purpose of preserving the integrity of such official map, no plat shall be recorded and no permit shall hereafter be issued for any building in the bed any street, school site, park land or trail etc. shown or laid out on such map except as provided in this section. However, the reservation of particular property for public use under the map shall lapse and become void 18 months after an owner of the property reserved makes application for a preliminary plat or for a building permit for the location or construction of a building or structure within the area reserved, unless during that time the borough acquires the property or files eminent domain proceedings to acquire the property. Property reserved on the map but not acquired within five years after the reservation is recorded in the district recorder's office, shall automatically be released from the restrictions

of the map unless affirmative action is taken by ordinance to hold or reserve the property on the map for another five year period.

(c) The adoption of an official map does not of itself give the borough a right, title, or interest in areas identified for public purposes but authorizes the borough to acquire an interest without paying compensation for buildings or structures which are erected in those areas without a permit or in violation of the conditions of a permit.

(d) At the request of the state, the assembly may reserve land for the state in the same manner and on the same terms that it reserves lands for the borough.

(e) Any owner of property reserved on the official map shall receive an option to purchase from the municipality at the time the owner files a preliminary plat or requests a building permit. The option should reflect the amount of taxes accruing to the property during the 18 month reserve period.

*Section 2 AS 29.10.244 is added to read:

AS 29.10.244 OFFICIAL MAP. First class cities in the unorganized borough may provide for an official map in the manner provided in AS 07.15.545.

Note Changes (Please return) to S. Stark

dup - Luk file

OFFICIAL MAP ACT

GAME commission request for legislation 1961

Enabling legislation is needed to allow the adoption of official maps. The rationale for an official map is described in this selection from Land-Use Controls Quarterly:

> The need for construction new public improvements is rising continuously as development moves out steadily from urban centers. Reservation of land for future street, school, park, and other public facility sites in areas subject to impending development is vital so that communities may prevent unfortunate developments within these areas. An official map, based on planning studies and approved by the local government, has much potential, for it allows the community to reserve, with the intent of later acquiring, needed public lands in developing areas. From the public standpoint, the official map is designed to delay any proposed development long enough for the community to buy property before construction makes it unduly expensive. An official map should be considered primarily as a short-term regulatory adjunct to a property acquisition campaign. From the private standpoint, the map serves as a notification and warning of the location of proposed public improvements.

We recommend that enabling legislation allow first- and second-class boroughs and first-class cities in the unorganized borough to adopt by ordinance official maps for street reservations showing detail sufficient (SCHOOL AND PARK LAND) to permit the establishment of future acquisition lines on the ground. The reservation of a particular property for public use under the map should lapse and become void eighteen months after the owner of the property reserved makes application for a building (construction or land use) permit within the area reserved unless during that time the property is acquired or eminent domain proceedings are filed to acquire the property.

If the land is not acquired within five years after filing the map in the district recorder's office, the property should be released from the restrictions of the map. Provisions should be included for variances and relief under certain conditions. We recommend also that the State have authority to participate with the local governments in planning routes to be reserved and in later acquisition of those rights-of-way needed by the State.

GREATER ANCHORAGE AREA BOROUGH

PLANNING AND ZONING COMMISSION RESOLUTION NO. 8-71

A RESOLUTION URGING ENACTMENT OF ENABLING LEGISLATION TO PERMIT ADOPTION BY LOCAL UNITS OF GOVERNMENT OF "OFFICIAL MAPS"

WHEREAS, the need for construction of new public improvements is rising at a rapid rate as development moves steadily out from the urban centers; and

WHEREAS, reservation of land for future street rights-of-way, schools, parks, and other public facility sites in areas subject to development is vital so that communities may prevent development on these sites; and

WHEREAS, an "official map", based on appropriate planning studies and adopted by the local unit of government, has much potential in allowing the local community to reserve these needed lands with the intent of later acquiring them; and

WHEREAS, the "official map" is intended, from the public standpoint, to delay development of these sites sufficiently long enough to permit the local community to acquire said sites prior to construction upon them; and

WHEREAS, an "official map" is to be considered a short term regulatory device adjuncted to property acquisition; and

WHEREAS, from the private standpoint, the map serves as a notification and warning of the impending location of proposed public improvements;

NOW, THEREFORE, BE IT RESOLVED that the Greater Anchorage Area Borough Planning Commission recommends to the Seventh State Legislature of the State of Alaska the enactment of enabling legislation to allow first and second class Boroughs and first class Cities within the unorganized Borough to adopt, by ordinance, an "official map" for street right-of-way reservations, said official map to show projected rights-of-way in sufficient detail to permit the establishment of future acquisition lines on the ground;

FURTHER, BE IT RESOLVED, that said enabling legislation should contain provisions whereby the reservation of a particular property for a particular public use should lapse and become void eighteen months after the owner of the property makes application for a building, construction, or land use permit within the area reserved unless during said eighteen months time the property

is actually acquired or eminent domain proceedings are filed to acquire said property by the local unit of government.

FURTHER, BE IT RESOLVED, that said enabling legislation should contain provisions stipulating that if said reserved land is not acquired within five years after the date of filing of the official map in the office of the district recorder, said property shall be released from the restrictions of the map.

FURTHER, BE IT RESOLVED, that said enabling legislation should include proper provisions for a variance and relief from said reservation under appropriate conditions and that the State of Alaska be granted the authority to participate with local units of government in planning highway routes/School and Park Land to be reserved and in later acquisition of those rights-of-way.

PASSED AND APPROVED this 3rd day of February, 1971 by the Greater Anchorage Area Borough Planning and Zoning Commission.

Vernon R. Higgins
Secretary

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 the adoption of official maps by first class cities and first and second class boroughs."

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

* Section 1. AS 07.15 is amended by adding a new section to read:

Sec. 07.15.345. OFFICIAL MAP. (a) The assembly of a first or second class borough may adopt and modify, by ordinance, an official map based upon the recommendations of the planning commission. The map may show existing and proposed future streets, highways, parkways, and the area needed to acquire, widen and enlarge them. It shall be prepared in sufficient detail to permit the establishment of the future acquisition lines on the ground and shall be attested to by a registered land surveyor. After adoption a certified copy of the map shall be recorded in each recording district within which any of the land shown on the map is located.

(b) For the purpose of preserving the integrity of such official map, no permit shall hereafter be issued for any building in the bed of any street, highway, parkway, school or land laid out on such map except as provided in this section. However, the reservation of particular property

for public use under the map shall lapse and become void 18 months after an owner of the property reserved makes application for a preliminary plat or a building permit for the location or construction of a building or structure within the area reserved, unless during that time the borough acquires the property or files eminent domain proceedings to acquire the property. (see page 3 note 2) Property reserved on the map but not acquired within five years after the reservation is recorded in the district recorder's office, shall automatically be released from the restrictions of the map unless affirmative action is taken by ordinance to hold or reserve the property on the map for another five year period.

(c) The adoption of an official map does not of itself give the borough a right, title, or interest in areas identified for public purposes but authorizes the borough to acquire an interest without paying compensation for buildings or structures which are erected in those areas without a permit or in violation of the conditions of a permit.

(d) At the request of the state, the assembly may reserve land for the state in the same manner and on the same terms that it reserves lands for the borough.

(e) If land reserved on the map is not yielding a fair return, the assembly may sit as a board of appeals and shall have power to grant a permit for a building which will as little as practicable increase the cost of opening such street, highway, parkway, or land or tend to cause a change of such official map; and such board may impose reasonable requirements as a condition of granting such permit. Such board shall refuse a permit where the applicant will not be substantially damaged by placing his building outside the mapped street, highway or parkway.

* Section 2 AS 29.10.244 is added to read:

AS 29.10.244. OFFICIAL MAP. First class cities in the unorganized borough may provide for an official map in the manner provided in AS 07.15.345.

(1) Carol Dennis
Jan 1974

FLOODPLAINS

This report will review past and pending floodplain legislation

1968: National Flood Insurance Act authorized sale of flood insurance to areas that used appropriate land use control measures consistent with flood plain management. (This federally subsidized insurance is 10x less expensive than private insurance firms)

1969 13NOV69 GAAB Resolution 322
This resolution recognized that the GAAB had several flood hazard areas (Chester, Campbell & Glacier Creeks). In order to qualify for the new national flood insurance the GAAB said it intended to comply with criteria specified in Federal Register 34: 9553-60 prior to 30 June 1970.

Dec 69
Ammendment to National Flood Insurance Act of 1968
Local land use and control measures which have to be adopted in order to qualify for flood insurance do not need to be enacted before Dec. 31, 1971.

1970 12June70
The Federal Insurance Administration of HUD authorized sale of flood insurance (pursuant to section 1336 of Nat. Flood Act of 1968) for portions of GAAB effective 12June70.

16Nov70 GAAB Ordinance No. 122-70
Added Chapter 23 (Regulation and Control of Flood Hazard Areas) to Code of Ordinances. Established flood hazard areas Chester, Campbell and Glacier Creeks as a result of US Army Corps Engineers reports of June 68, June 68, & Aug 69. Required a permit to develop any lot, structure, or right-of-way within a flood hazard area. A permit would be issued if (1) there was no expansion of flood hazard area due to proposed development and (2) if there was adequate protection from innundation without any appreciable interference with the flow of any water course.

6March70
Federal criteria, to which a community's land use and control measures must conform in order to qualify for flood insurance, was published in Federal Register 35:4200-09.

1972 Sept 25, 1972
The Borough Assembly held a public hearing on am/ Ordinance 136-72 (Floodplain Regulations). The Assembly postponed action on Ordinance 136-72 until specific requests of the Assembly haveb been met. These requests are: (1) Prepare two feet interval contour maps (rather than 10 feet) to show floodway and floodway fringe areas. (2) Prepare a list of numbers and locations of all inadequate culverts and give an indication of replacement costs. ("Inadequate culverts and bridge openings are largely responsible for flooding of all streams in the area"- US Army Corps April 72 report on Chester, Campbell, Fish & Ship Creeks) (3) Notify all landowners affected by floodplain regulations of any new public hearing.

April 72
Special Flood Hazard Report Greater Anchorage Area Chester, Campbell, Fish, & Ship Creeks prepared by Corps of Engineers, US Army

1973 April 73
Meadow Creek US Army Corps of Engineers Flood Plain Information Report

May 1973
Rabbit Cfeek US Army Corps of Engineers Flood Plain Information Report

19Nov 73 GAAB Ordinance 73-167
Ammends Chpt 23 of Code of Ordinances to include Rabbit, Meadow, Fish , and Ship Creeks in flood hazard areas, thus making them eligible for federal flood insurance.
(According to Dick Hart-Borough- the Federal Insurance Administration (of HUD) from Washington, DC has not yet formally accepted Rabbit, Fish, Meadow, & Ship Creek for national flood insurance. He expects them to be accepted

According to Mr. Hart, at present Chester & Campbell (Glacier-?) Creeks are eligible for flood insurance under an emergency or temporary program.

It is possible that BAAB is not complying with the National Flood Act of 68 and its 69 Ammendment because as yet the GAAB does not have a land use control measure for flood hazard areas. This non-compliance may mean that Chester and Campbell Creeks are infact inelibible for flood insurance as would be Fish, Meadow, Ship & Rabbit. Creeks. This I have to check on further.

1974 According to Dick Hart at the Boraugh

(1) The cost analysis of replacing all inadequate culverts has been done

(2) The re-drawing of maps using a 2 ft. contour interval rather than 10 ft. interval is underway. Aerial photography is in progress now. The US Army Corps will redraw (check) maps. This is expected to take until the end of the summer

(3) It is anticipated that the next hearing on floodplain regulations will take place at the end of the summer.

1975 According to Dick Hart

New federal legislation just passed makes it mandatory for a community to have land use control measures with regard to floodplains or lose all federal monies with regard to those flood hazard areas.

This I have to check on further.

TERMS

FLOODWAY: stream channel and adjacent land necessary to carry and discharge floodwaters without increasing flood heights more than one foot above the level of the 100 year flood

FLOODWAY FRINGE: the area of land lying between the outer limit lines of the floodway and the 100 yr. flood

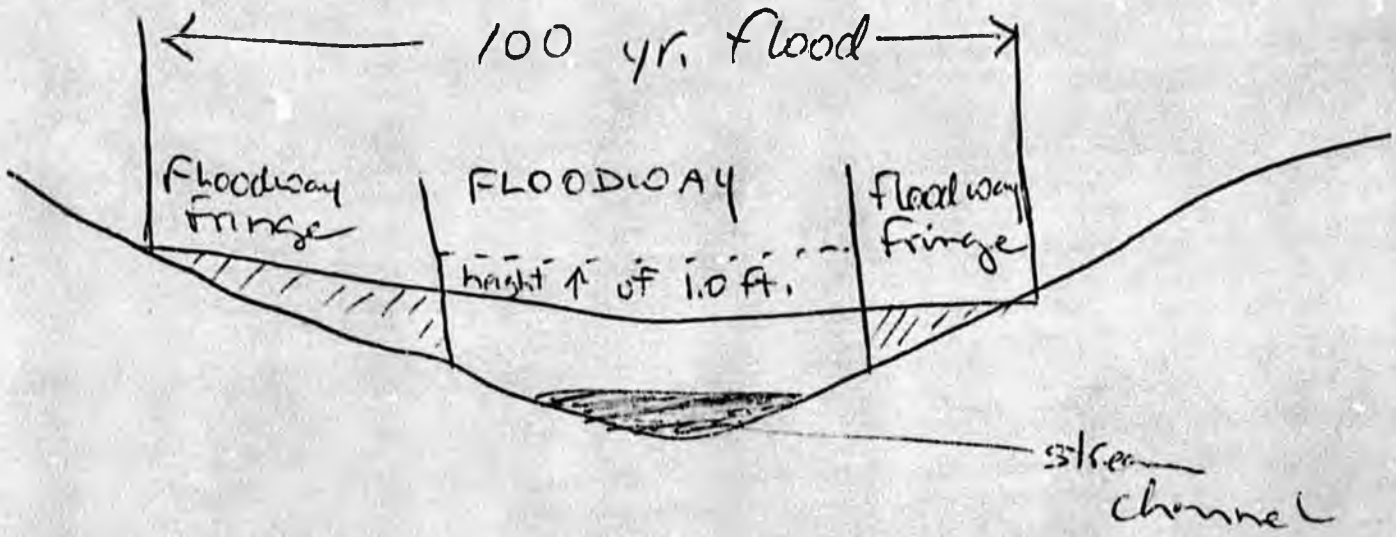
floodway + floadway fringe = floadplain

100 yr flood (Intermediate Regional Flood) a flood that has a 1% chance of occurence in any one year (or an average frequency of occurence of once in one hundred years)

100 gr. flood projections are/~~obtained~~ drawn from data obtained in the general area

Regulatory Flood: the flood used to define the outer boundary lines of the flood hazard area . In the case of Ordinance 136-72 it is the 100 yr. flood.

Standard Project Flood: the largest flood that can be experienced from the most severe combination of meterological and hydrological conditions (conditions that are reasonably characteristic of the geographical region)



SUMMARY of pending legislation

Ordinance 136-72 "Floodplain Regulations"

All lands in GAAB affected: ie Girdwood, Eagle River, etc.

Zoning map adopted by refer ence; subsequent maps adapted by ammendment

To delete land from official maps, submit data which is substantiated by Army Corps and Public Works Dept

To add land to maps: after public hearing; approved by Assembly; technical data provided by US Army Corps

Annual update and review of maps; review conducted by Borough, substantiated by Corps, submitted to Planning Comm. & Assembly for final adoption

Boundaries of floodway and floodway fringe shall be determined from maps. Interpretation of exact boundaries by GAAB Planning Commission.

Uses in Floodway:

a) all uses are permitted provided they do not require structures, fill, or storage of materials

b) the following uses are allowed only upon issuance of a special land hazard permit and provided they do not increase flood heights
(1) extraction of sand, gravel, & natural resources
(2) RR, streets, bridges, utility lines and pipe lines
(3) storage yards for equipment, machinery, or materials
(4) other uses similar in nature to uses described

Uses in Floodway Fringe:

a) all uses permitted provided they do not require structures, fill, or storage of materials

b) the following uses are allowed upon issuance of a special land hazard permit provided they do not increase flood heights
(1) extraction of sand, gravel & Natural resources
(2) RR, streets, bridges, utility and pipe lines
(3) storage yards for equipment, machinery or materials
(4) otheruses similar in nature to uses described

c) all other uses and structures that are adequately flood proofed or protected
EXAMPLES (1) the top finished surface of the lst. floor shall be 1 ft. above the level of 100 yr. flood. LR,DR,baths, kitchens, & BR shall be located 1 ft. above regulatory flood level (100 yr. flood level). (2) structures anchored to resist flotation (3) install ation of water tight doors (4) cutoff ~~valves~~ valves on sewer lines; elimination of gravity flow basement drains (5) buried fuel oil tanks need to be anchored; vent and fill pipes need to have openings 1 ft. above level of 100 yr. flood (6) all furnaces and electrical distribution centers shall be located at least 1 ft. above level of 100 yr. flood. (7) required bridges, leaves,

culverts, dikes (8) impose operational controls, sureties, and deed restrictions (9) modified waste and water supply facilities (10) limited use and operation

Administration and Enforcement

Borough chairman shall designate an official to administer & enforce ordinance

Board of Adjustment .....has the power to hear & decide
City- City Council appeals & to authorize variances
Borough- borough Assembly (a majority vote of full membership is needed)

The BAAB Board of Examiners and Appeals shall assist the Boards of Adjustment

Appeals alleging error in enforcement or interpretation:
Appeal to Board of Examiners (in writing) within 10 days
The Examiners decision may be appealed to B. of Adjustment within 20 days

Appeals for variances
Appeal to Examiners (in writing) within 10 days(Personally I'm not sure what this 10 day time period refers to!). A public hearing shall be held. A majority vote of the full membership of the Board of Examiners is required to grant a variance. An appeal to the Board of Adjustment must be madewithin 20 days or forfeited. NO NEW EVIDENCE OR ISSUES SHALL BE CONSIDERED BY THE BOARD OF ADJUSTMENT. A majority vote of the full membership is necessary to grant a variance by the Board of Adjusters.

Any variance granted shall became null & void if the variance is not exercised within one year or if a structure or characteristic use is moved, removed, or discontinued.

An appeal from the Board of Adjustment may be taken to the Superior Court of the State of Alaska, Third Judicial District.

Nonconforming Uses

Non nonconforming structure shall be substantially altered until certification of zoning compliance shall have been issued by Planning Dept

Any structure , or use, which was lawful previous to ordinance, but is non conforming after the ordinance is subject to the following conditions:
(1) no use shall be expanded, changed, enlarged or altered
(2) no structural alteration or addition shall exceed 50% of its value at the time of its becoming a nonconforming use.
(3) if use is discontinued for 12 months any future use shall conform to ordinance
(4) if any use or structure is destroyed up to 50% of its market value, it can be reconstructed only in conformity with ordinance

Ammendments

Changes to Ordinance/ Ordinance may be initiated thru the Planning Comm. Recommend to Assembly. No action may be taken until after a public hearing.

Penalties for violation

Misdemeaner, upon conviction fines of $300 $300.00 per day (Each day a separate offense)

Things yet to be done:

(1) Check federal requirements: FR 34 NFIP 35 (pg 1
(2) Check to see if borough is complying (pg 3A)
(3) Obtain floodplain regulations from other state & boroughs
(4) Compare 6AAC 13.072 to these other regulations
(5) Check for federal legislation (refer pg 3A-197
(6) ~ 4% of Anchorage Bowl is in flood hazard area. What % of population is residing in flood hazard area?

CSHB 140

Insert A

The recording of the official map shall establish a reservation of the areas shown for future acquisition by the borough for the public purpose indicated thereon. The official map shall be notification to developers and subdividers as to the planned future location of of major streets, schools, parks and trails, but does not relieve the borough of the obligation to ~~purchase~~ acquire these areas in the manner prescribed by Law at such time as the assembly determines such acquisition to be necessary.

M E M O R A N D U M

TO: Susan Andrews
EDP Coordinator
Division of Legislative Finance
Room 409
Capitol Building

FROM: Chief Clerk
House of Representatives

Secretary of the Senate

SUBJ: Legislation
Identification_____

The following information is transmitted for the bill or resolution named above:

1. KEYWORDS - Keywords are important words from the title or from the body of the legislation under which the measure will be listed in the alphabetic index.

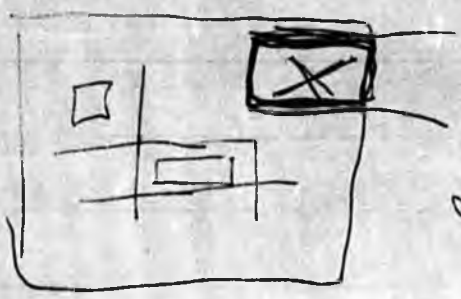
Official maps - adoption of
Boroughs and cities - official map

2. STATUTE REFERENCES - List sections of the statutes added, amended, repealed, or repealed and reenacted.

29 33.100

3. DEPARTMENTS - List departments or agencies referred to or principally affected by the legislation.

Restrict



Does the mnicp. always have the Condemnation right

Is the option Now available

sec. (b.) what if the owner files a permit (say, 2 months before the 5 year plan runs out? must they still wait ~~5yrs~~ 18 mos. or can the Boro decided to by appropriation action of ordinance wild the prop for anthe 5yrs.

sec. (c) what this mean is (after adoption of this act.) the Boro has this right.

sec. (d) ???

possible abuses? land plan obviously not consistant w/ public interest.

243.050 (mcby)!!

permanent?!! what if the plan is unusable?

[sec. B] add

Between (Building, or other structure) Excavation w/in the Bed of Street school site

HB 140

HEARING		Notified	Present	Testified
2/24/75	Commissioner Lee McInerney, CRA	X	X	
	Kevin Waring, Director Community Planning, CRA	X	X	X
	Art Hartenberger, Planning Director, City & Borough of Juneau	X	X	X
3/21/75				
	Bob Pavitt, Planning Consultant	X	X	
	9-9882			
	Kevin Waring, CRA	X	X	
	Municipal League	X	X	
3/25	Pavitt	X	X	X
	CRA	X		
	ML	X		
4/7/75	Pavitt 9-9882	X		
	CRA, Waring	X		
	Municipal League	X		

HB-161

TAPE #7
side 2
1362-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 1, 1975

Meeting was called to order at 9:00 for discussion of HB 161, 162 & SB 120am, 121. Present:

Rep. Sam Cotten, Chairman
" Kathryn Ostrosky
" Oral Freeman
" Larry Davis
Rep. Al Ose
" Mike Hershberger-late
" Glenn Hackney-late
Barbara englert Thomas, Staff
Andrea Guernsey, Staff
Eric Lee, SEOO, Dept. of C&RA
Susan Clark
Jennifer Peterson, Juneau Model Cities

(1365) Ostrosky, presiding Chairperson, asked Ms. Clark to give a run down on the differences b etween HB 161 and SB 120.

Pg. 1 line 11— "who either do not qualify... with dependent children" was considered to go better under the Eligibility section.. Was put on page 2 line 14 under eligibility. "Whether the family receives aid to families with dependent childrenand is eligible for day care service under aid to families with dependent children." Intent: people who get AFDC are not eligible for day care under this program but people who are eligible for AFDC but who don't use it may get day care.

Page 1 line 21--wording simply changed from "the provision of" to "assist in providing".

Page 1 line 29—added section 5 under powers and duties to insure local control and input.

Page 2 line 2—two additional subsections were added under "the dept may: contract with local agencies to perform duties and selicit recommendations from local governing bodies. Local control would be better for state. Less money, city culd easily do it.

(1560) Ostrosky asked what the contractual dutées would be? Lee answered: selecting receipients, dealing with day care centers, bill ing centers, paying billing, seeing that the homes are licensed.

(1575) Freeman asked what was the cities reaction to this. Eric said Senators had been in touch with cities and had gotten favorable reaction. It would only be a %5 or %10 match for the cites and often they would already have someone on the payroll who could administer the program. The parents would be free to be more productive and their earnings would then add to the tax base. (1618) Freeman doesn't like the idea of the State mandating a program and then expecting the city to carry it out.

(1630) Cotten -- Should the dept. make contact with the local agency? Lee—if thelocal community is incorporated they would have a choice whether they want the program or not. Cotten said that would be bypassing the local administration. Freeman didn't like that either so Lee suggested adding an amendemtn on page 2 line 12 "the incorporated city or borough shall give approval to and pay the cost.."

Page 2 line 20—drafting error.. Contributions will be paid to the day care facility instead of the dept.

page 3 line 14— added to definition of licensed day care " or recognized by the fedral government". This was so head start centers in rural areas would be included.

page 3 lind 29— definition of child chaged to read " up to the mandatory school age" instead of 5 years.

(end of tape)

Cotten moves to accept the Senate amendments and inlcude the amendment by C&RA and to adopt a committee substitute.

Reps. Hershberger and Hackney arrived late and Cotten explained the Senate amendments to them. Hackney asked lee how many people SEOO will need. Two. And how will you pay for it? The Finance committee will appropriate for a new position.

Cotten withdraws his motion and moves to offer amendment for SB 120am, also to move SB 121 out.

Without objection they were moved out of committee with individual recommendations.

Meeting was adjourned at 10:00.

BACKGROUND INFORMATION
HB 161

The League of Women Voters strongly supports HB 161 with the substitutes and amendments added to it by the Senate. Some of the changes were due simply to misunderstandings and oversights in drafting. Other changes to the bill we feel have strengthened it and would urge your concurrence.

*Pg. 1, ln. 11-12: "who either do not quality...with dependent children." This was considered to belong better under the Eligibility section. Under that section (44.47.200) was added:

(4) "Whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children;"

*Pg. 1, ln. 21-22: "a program to assist in providing day care..." This wording was simpler.

*Pg. 1, ln. 29: Subsection (5) was added to "the dept. shall" requiring that the Dept. of CRA... "Provide notification to the local government body of the request for a contract with a day care facility. This insures local input and control of the program, one of the important aims of this bill. Too often programs are run thru Juneau and local governments or participants are unable to have adequate input on what should have been a local concern.

*Pg. 2, ln. 1: Under the heading "the dept. may" were added two additional subsections. (2) "contract with local agencies to perform its duties under secs. 180-230 of this chapter;"
This is important not only to local control, but also because it cuts down on the potential bureaucracy of a dept.

(3) "Solicit recommendations from local governing bodies regarding local agencies which may provide contractual services under this section."
This again strengthens local control and allows some local say as to who runs the program in that area.

*Pg. 2, ln. 1: Section 44.47.185 was added by the Senate Finance Committee and we basically support the concept.

"When a contract is made under sec. 180(b)(2) of this chapter between the depart. and a local agency within an incorporated borough or city of the state, the incorporated borough or city shall pay the costs of administering the contractual duties within its jurisdiction."
This section makes the program a type of revenue-sharing tagged specifically for day care. The cost to any single city would be slight, yet the cost to the state in terms of money, peoplepower, and added bureaucracy were this section not added would be high.

For example, in Juneau, an individual already hired by the city would take on the duties of this contract as a small part (currently four days a month) of her job at no additional cost to city or state.

In Anchorage, this could similarly be the case. Several people already hired for compatable duties (say, in the Borough Health Dept.) could incorporate these as a part of their job. The maximum staff that Anchorage should have to hire for the aproximately 750 slots would be two people - a

small price to pay for an estimated $685,000 in sharing from the state.

In smaller cities, only a couple days a month need be set aside for these contractual duties. On the other hand, the state would have to hire considerably more staff, including travel expences, etc. at the estimated cost of $100,000.

*Pg. 2, ln. 15: As was mentioned, this was taken out of the purpose of the bill and put here instead:

(4) "Whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children;

(5) "Other factors..."

*Pg. 2, ln. 20: "The cntribution of the parent or guardian shall be paid to the day care facility."

This was simply a misunderstanding in the drafting.

*Pg. 3, ln. 2: "licensed by the Dept. of H.S.S. or recognized by the Federal government for the care of children".

This was added so that Head Start children could also benefit from this bill. In some areas where necessary Head Start programs have been expanded to a full day program and can include "private" children as well as federall funded.children.

*Pg. 2, ln. 28: "'child' means a person up to the mandatory school age" Five was originally an arbitrary age given the limitations of the $1.2 million appropriation. It was thought that the inclusion of all "pre-school" children was more reasonable since some areas of the state do not have kindergarten. Once the program has proven itself, and more money is available to it, we would hope that children in need up to age 12 or 14 would be included in subsequent years to provide before and after-school care and care during vacation and holidays.

Of course the most persistent question people have had on this bill is why it has been put in CRA rather than HSS. We feel that the placement in CRA is important to this piece of legislation for the following reasons:

(1) Following the lead of the Federal government in this year's social services amendments, we believe it is important to separate from this program the "stigma" of welfare. This is a program to keep people off or remove them from the welfare rolls. In Juneau, over one-third of the participants (37%) were eligible for welfare, but just knowing that their children were adequately cared for allowed them to side-step AFDC and retain their independent lives. At any rate we surely don't need more folk standing in lines at 5 AM in sub-zero weather at the HSS eligibility office in Anchorage, for example.

(2) HSS does not have an extensive history of contracting out services to local control, which is one of the main aims of this bill. In a dept. always underfunded, always needing more personel and top heavy with bureaucracy, we feel that this program might simply get "lost" in the process. HSS has some serious problems on which we need to work. This is not the time to throw yet another program onto their already over burdened laps.

(3) This bill was intended as a revenue-sharing idea, a community self-help program. CRA would only handle the money, would probably always contract out the administration of local programs, and would not concern itself with specific day care problems other than to see that the facilities contracted with were paid on time. HSS is frequently months behind in their payments seemingly due to the large bulk of programs it has to deal with.

HSS (DFCS) would continue to license and monitor the programs of the day care facilities as is its job. It should perhaps be noted here that when time comes to consider the HSS budget, serious thought should be given to assuring additional licensing staff to carry out this important job of quality control for the children of the State.

HB-171

"An Act relating to creation of a water resources revolving loan fund; and providing for an effective date."

2/18/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker: Date _____

The Committee on COMMUNITY & REGIONAL AFFAIRS has had C S HB 171 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam R Cotten | Do Poor | Mike
Ruth McHugh | [illegible] | [illegible]
Faculty | [illegible] | [illegible]
[illegible] | [illegible] | [illegible]

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam R Cotten Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: Community & Regional Affairs Committee

To: Amend HOUSE BILL No. CS HB 171

SENATE BILL No. _____

PAGE: 2 LINE: 11

On page 2, line 11, after the word "commerce," insert the words "the commissioner of natural resources,".

(Tape in Finance)

Joint Finance & CRA

March 19, 1975

Meeting was called to order at 3:00 for an informational meeting on HB 171.

Present were the House Finance and Community & Regional Affairs Committees and Staff. (See attached list of witnessess testifing.)

I. N.L. Pat Teague, City Manager, Ketchikan

Submitted statement.

II. Rocky Gutierrez, City Administrator, Sitka

Submitted statement.

III. Ole Johnson, Koidak Electric, Kodiak

Submitted statement.

IV. Dr. Roger Kemppel, City Attorneys office, Anchorage

Mr. Kemppel stated that Anchorage gets 9 million/gals/day from wells in Anchorage. Ship Creek gives 10 1/2 million gals/day. They're approaching the end of the line with the wells because they are reducing the ground water table. An estimate by the U.S. Geological Survey says that with full developemnt of ground water resources water will last until 1976. Need a new alternative. Might be possible to either damn ship creek or put in an off stream storage, but the soil is not right for damns. Anchorage is quickly running out of water.

V. Jim eide, City Manager, Wrangell

Wrangell is 100% dependent on diesel generation. Fuel costs have gone up 160% in last few years. Utility rates were increased 44% last year--this year another 16%. The average cost for a home is $43/month. Hydro power is dependable, cheaper, renewable and non polluting.

VI. H.D. Scougal, City Manager, Petersburg

Heating fuel--$90/month for home
electricity---$50/month for home

VII. Dick Ballard, Thomas Bay Power Authority (Chairman), Wrangell

Reiterated basically same opinions as others.

IX. Herb Lehfelt, City Manager, Valdez

All energy by diesel generators. Agrees with others.

X. Bill Boardman, Legislative Representaive, Southeastern Conference

He said financing was the problem. REA is not available. EDA as a funding agency is not available either. Same opinion as others

XI. R.W. Beck and Associates

Submitted written statements.

XII. Don Meyer, Bond Consultant

Urged passage. The problem is too big for communities to handle themselves.

XIII. Joseph Henry, Juneau Chamber of Commerce

Supports concept but the vehic le is not good. Advocates creation of Alaska Power Authority to develop hydro potential. Submitted proposed substitute. Mr. Boardman said they had already discussed the idea and decided it wouldn't work; it would add another state department and won't solve financing. Constitutionality of State guaranteeing loans.

XIV. Bill Ruddy, Atty of Thomas Bay Power Authority

Rejects power Authority idea. It would take three years to get going. Keep local control of projects.

Meeting was adjourned at 5:20.

Joe Henri's proposed statewide power authority bill

SEC. 1. Short Title. -- This chapter may be cited as the "Power Authority Act."

SEC. 2. Power Authority of the State of Alaska. -- There is hereby created a corporate municipal instrumentality of the State to be known as "Power Authority of the State of Alaska," in this chapter referred to as "the authority," which shall be a body corporate and politic, a political subdivision of the State, exercising governmental and public powers, perpetual in duration, capable of suing and being sued, and having a seal, and which shall have the powers and duties hereinafter enumerated, together with such others as may hereafter be conferred upon it by law.

It shall report annually to the governor and the legislature upon its operations and transactions.

It is an instrumentality of the State within the Department of Natural Resources, but has a legal existence independent of and separate from the State. It is not bound by the Alaska Administrative Procedures Act.

SEC. 3. Trustees. -- The authority shall consist of five trustees, who shall serve respectively for terms of one, two, three, four, and five years, to be appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session. Each trustee shall hold office until his successor has been appointed and qualified. At the expiration of the terms of each trustee and of each succeeding trustee the governor shall, subject to confirmation by a majority of the members of the legislature in joint session, appoint a successor who shall hold office for a term of five years, or until his successor has been appointed and qualified. In the event of a vacancy occurring in the office of a trustee by death, resignation or otherwise, the governor shall, subject to confirmation by a majority of the members of the legislature in joint session, appoint his successor, who shall hold office for the unexpired term. Three trustees shall constitute a quorum for the purpose of organizing the authority and conducting the business thereof.

The salaries of the trustees shall be established by the authority. In addition, each trustee shall receive his reasonable expenses in the performance of his duties hereunder, and may elect to become a member of the Alaska public employees retirement system on the basis of such compensation to which he shall be entitled.

SEC. 4. Officers and employees; expenses. -- The trustees shall choose from among their own number a chairman and vice-chairman. They shall from time to time select such employees, including engineering, marketing and legal skill, as they may require for the performance of their duties and shall prescribe the duties and compensation of each officer and employee. They shall adopt by-laws and rules and regulations suitable to the purpose of this title. As long as and to the extent that the authority is dependent upon appropriations for the payment of its expenses, it shall incur no obligations for salary, office or other expenses prior to the making of appropriations adequate to meet the same.

SEC. 5. Powers and duties of authority. -- Forthwith upon the appointment and organization of the trustees and subject to the conditions and limitations in this chapter contained, the authority, in cooperation where appropriate with the proper Canadian authorities and those of the United States as hereinafter directed, shall proceed with the improvement and development of hydroelectric power sites and facilities for the aid and benefit of commerce or navigation and for the development of the hydroelectric power inherent therein in accordance with the provisions of this title.

The authority is authorized to construct throughout the State or Canada where necessary (a) such hydroelectric projects, as it deems necessary or desirable to supplement the supply of electric power and energy, and (b) to supply low cost power and energy to high load factor manufacturers which will build new facilities in the State or expand existing facilities provided such power and energy is made available to them, and (c) to supply the needs of the State's municipal electric, rural electric cooperative and private electric utilities.

A high load factor manufacturer is one which normally utilizes a minimum electric demand of five thousand kilowatts and which will normally utilize energy at the rate of approximately five hundred forty kilowatt hours per month for each kilowatt of demand and of which the cost of electricity normally represents at least seven and one-half percent of its total product value.

The authority is authorized and directed:

1. To cooperate with the appropriate agencies and officials of the United States government to the end that any hydroelectric project undertaken under this title shall be consistent with and in aid of any plans of the United States for the improvement of commerce and navigation along any rivers and shall be so planned and constructed as to be adaptable to the plans of the United States therefor, so that the necessary channels, locks, canals, and other navigational facilities may be constructed and installed by the United States, in, through, and as part of such project, if any such are planned for execution in the period of construction.

2. To negotiate with the appropriate Canadian authorities and agencies respecting the improvement and development of any river or body of water under the jurisdiction of Canada for the aid and benefit of commerce or navigation and the development of hydroelectric power therefrom, and to plan and agree with them upon cooperative action to that end and upon the use, control and disposition of the facilities to be created and the hydroelectric power to be developed by any project constructed in such rivers. Such negotiations and agreements shall be conducted and concluded with due regard to the position of the United States in respect to international agreements, and any such agreements as may be reached with Canadian authorities or agencies may be submitted by the authority to the government of the United States for its approval, if it be advised that such approval is necessary or desirable.

3. To apply to the appropriate agencies and officials of the United States government and/or of Canada or its provinces for such licenses, permits or approval of its plans or projects as it may deem necessary or advisable, and in its discretion, and upon such terms and conditions as it may deem appropriate, to accept such licenses, permits or approvals as may be tendered to it by such agencies or officials and such federal or other public or governmental assistance as is now or may hereafter become available to it; and to enter into contracts with such agencies or officials or utility

companies relating to the construction or operation of any project authorized by this chapter. Neither the authority nor any trustee, officer or agent thereof shall have any power to waive or surrender for any purpose whatsoever any right of the State of Alaska, whether sovereign or proprietary in character, in and to the other waters of the State, power, channels, beds, or uses, or the right of the State to assert such rights at any future time; provided, however, that nothing herein contained shall be construed as limiting the power of the authority to accept licenses issued by the federal power commission pursuant to the provisions of the federal power act, as amended, and the terms and conditions therein imposed pursuant to law. If for any reason the authority shall fail to secure any such license, permit or approval as it may deem necessary or advisable, or shall decide not to make application therefor, it is authorized to institute suit, or to apply to congress for legislation, or take such other action in the premises as it may deem necessary or advisable, in the furtherance of the project and for the protection of its rights and those of the State.

4. To study the desirability and means of attracting industry to the State of Alaska.

5. To develop, maintain, manage and operate those parts of the hydroelectric projects owned or controlled by it in such manner as to give effect to the policy hereby declared (and all plans and acts, and all contracts for the use, sale, transmission and distribution of the power generated by such projects, shall be made in the light of, consistent with and subject to this policy), namely, that such projects shall be in all respects for the aid, improvement, and benefit of commerce or navigation in the State, and that in the development of hydroelectric power therefrom such projects shall be considered primarily as for the benefit of the people of the State as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly that sale to and use by ~~the~~ industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns to permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity. In furtherance of this policy and to secure a wider distribution of such power and use of the greatest value to the general public of the State; the authority shall in addition to other methods which it may find advantageous make provision so that municipalities, rural cooperatives or private utilities now or hereafter authorized by law to engage in the distribution of electric power may secure a reasonable share of the power generated by such projects, and shall sell the same or cause the same to be sold at prices representing cost of generation, plus capital and operating charges, plus a fair cost of transmission, all as determined by the trustees, and subject to conditions which shall assure the resale of such power to domestic and rural consumers at the lowest possible price. To that end, the authority may provide in any contract or contracts which it may make for the sale, transmission and distribution of the power that the purchaser, transmitter or distributor shall construct, maintain and operate, on such terms as the authority may deem proper, such connecting lines as may be necessary for transmission of the power from main transmission lines to such municipalities, cooperatives or utilities.

Contracts for the sale, transmission and distribution of power generated by such projects shall provide for the effectuation of the

foregoing policy and shall provide:

a. Payment of all operating and maintenance expenses of the project.

b. Interest on and amortization and reserve charges sufficient within fifty years of the date of issuance to retire the bonds of the power authority issued for the project.

c. Continuous control and operation of the project by the authority.

d. The effectuation of the policy declared in this sub-paragraph.

e. Full and complete disclosure to the authority of all factors of cost in the transmission and distribution of power, so that rates to consumers may be fixed initially in the contract and may be adjusted from time to time on the basis of true cost data, provided that in fixing such cost of transmission and distribution no account shall be given to any franchise value, going value or goodwill based upon the existence of the contract and the availability of the power for sale by the transmitting or distributing company or any company associated therewith.

f. Periodic revisions of the service and rates to consumers on the basis of accurate cost data obtained by such accounting methods and systems as shall be approved by the trustees and in furtherance and effectuation of the policy declared in this sub-paragraph.

g. That the rates, services and practices of the purchasing, transmitting and/or distributing public agencies or companies in respect to the power generated by such projects shall be governed by the provisions and principles established in the contract, and not by regulations of the public ~~service~~ utilities commission or by general principles of public ~~service~~ utilities law regulating rates, services and practices.

h. The rate structures agreed upon in such contract may provide different rates for different localities, classes of consumers, and amounts of current consumed, and for changes in the rates resulting from variation in operating costs and fixed charges.

i. For the cancellation and termination of any such contract upon violation of the terms thereof by the purchasing, transmitting or distributing public agency or company, or any subsidiary or associate thereof.

j. For such security for performance as the authority may deem practicable and advisable, including provisions assuring the continuance of service by the purchasing, transmitting and/or distributing public agencies or companies and/or the use of their facilities for such service and/or the continuance of an outlet and adequate market for the power generated by such projects.

k. Such other terms not inconsistent with the provisions and policy of this title as the authority may deem advisable.

6. To develop, maintain, manage and operate its projects so as (i) to provide an adequate supply of energy for optimum utilization of its hydroelectric projects, (ii) to attract and expand high load factor industry, (iii) to provide for the additional needs of its municipal electric and rural electric cooperative and private utility customers and (iv) to assist in maintaining an adequate dependable electric power supply for the State.

~~Contracts for the sale, transmission and distribution of power~~ and energy generated by such projects shall provide for the effectuation of the policy ~~set forth~~ in this chapter relating to such projects ~~and shall~~ provide:

~~a.~~ Payment of all operating and maintenance expenses of the ~~projects.~~

~~b. Interest on and amortization and reserve charges sufficient~~ within fifty years of the date of issuance to retire the bonds of the authority issued for the projects.

c. For the cancellation and termination of any such contract upon violation of the terms thereof by the purchasing, transmitting or distributing public agency or company, or any subsidiary thereof.

d. That the rates, services and practices of the purchasing, transmitting and/or distributing agencies, electric cooperatives and private utilities in respect to the power and energy from such projects shall be governed by the provisions and principles established in the contract, and not by regulations of the public service commission or by general principles of public service law regulating rates, services and practices.

e. Such other terms not inconsistent with the provisions and ~~policy of this title as the authority may deem advisable.~~

7. To proceed with the physical construction of any project authorized by this chapter, including the erection of the necessary dams, power houses and other facilities, instrumentalities and things necessary or convenient to that end, and including also the erection of such transmission lines as may be necessary to conduct electricity to industrial users located at or near the site; and including also the acquisition of transmission lines or the use of such transmission lines, available or which may be made available, to conduct electricity to such point or points at which the electricity is sold by the authority to any person, corporation or association, public or private, engaged in the business of distribution and sale of electricity to ultimate consumers or if the authority is unable to so acquire the ownership or use of such transmission lines, including also the erection by the authority of transmission lines necessary for such purposes; and thereafter to maintain and operate the project in accordance with the provisions and policy of this chapter. The authority is specifically authorized to undertake the construction of any project in one or more steps as it may find economically desirable or advantageous, and as it may agree with the appropriate Canadian and/or United States authorities. Whenever in this chapter reference is made to "project," it shall be understood to refer to such part of any project authorized by this chapter as may from time to time be in existence or immediately projected.

8. To exercise all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter; and as incidental thereto to own, lease, build, operate, maintain and dispose of real and personal property of every kind and character, to acquire real property and any or every interest therein for its lawful purposes by purchase, or by condemnation as hereinafter provided, to borrow money and secure the same by bonds or liens upon revenue from any property or contracts held or to be held by it, to sell water or electric power, and generally to do any and every thing necessary or convenient to carry out the purposes of this chapter, provided that the authority shall have no power at any time to pledge the credit of the State nor shall any of its obligations or securities be deemed to be obligations of the State nor shall the authority have the power to lease or sell any dam, or power house at the site.

9. Notwithstanding any limitations hereinbefore expressed, the authority is authorized and directed forthwith or from time to time as it shall deem advisable and within the limitations of the

appropriations made available for it to initiate and prosecute all inquiries, investigations, surveys and studies which it may deem necessary or desirable as preliminary to the effectuation of the other powers and duties conferred upon it by this chapter.

SEC. 6. Power tc compel attendance of witnesses. -- For the purpose of exercising its powers and performing its duties hereunder and of securing such information as it may deem necessary hereunder, the authority shall have the power to compel the attendance of witnesses and the production of documents. The power hereby conferred upon the authority may be exercised by any one or more of the trustees if he or they are authorized so to act on behalf of the authority by resolution or by law. A subpoena issued under this section shall be regulated by the civil practice law and rules.

SEC. 7. Acquisition of property. -- If, for any of the purposes hereunder, including temporary construction purposes and the making of additions or improvements, the authority shall find it necessary or convenient for it to acquire any real property as herein defined, whether for immediate or future use, then the authority may find and determine that such property is required for a public use, and upon such due determination, such property shall be and shall be deemed to be required for such public use until otherwise determined by the authority and with the exceptions hereinafter specifically noted such determination of fact shall not be affected by the fact that such property has theretofore been taken for, or is then devoted to, a public use; but the public use in the hands or under the control of the authority shall be deemed superior to the public use in the hands of any other person, association or corporation. If the authority is unable to agree for the acquirement of any such property, or if the owner thereof shall be incapable of disposing of the same, or if, after diligent search and inquiry, the name and residence of any such owner cannot be ascertained. or if any such property has been acquired or attempted to be acquired and title or other rights therein have been found to be invalid or defective, the authority may acquire such property by condemnation under and pursuant to the provisions of this chapter.

1. When any real property within this State is sought to be acquired by condemnation, the authority shall cause a survey and map to be made thereof, and shall cause such survey and map to be filed in its office. There shall be annexed to such survey and map a certificate executed by the chief engineer of the authority, or by such other officer or employee as may be designated by the trustees, stating that the property or interest therein described in such survey and map are necessary for its purposes.

2. Upon filing such survey and map the authority may proceed to acquire the real property by eminent domain as set forth in AS 09.55.240-460, including the power of declaration of taking set forth in AS 09.55.420 et seq.

3. The authority may, at its option, acquire such real property within the State of Alaska, under the aforesaid eminent domain law or, in the event it is a licensee of the federal power commission it may acquire such real property as is necessary for its purposes through the exercise of the right of eminent domain as provided in section twenty-one of the federal power act, as amended.

4. The authority and its duly authorized agents and employees may enter upon any real property for the purpose of making the surveys or maps mentioned in this section, or for such other surveys or examinations of real property as may be necessary or convenient for the purposes of this chapter.

5. The term "real property" as used in this chapter is defined to include lands, structures, franchises and interests in land, including lands under water and riparian rights, and any and all other things and rights usually included within the said term, and includes also any and all interests in such property less than full title, such as easements, rights of way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by ways of judgments, mortgages or otherwise, and also all claims for damages for such real estate.

SEC. 8. Consent of State. -- The State of Alaska hereby consents to the occupation and use by the authority of any and all property of the State of whatever kind or character for any hydroelectric facility authorized herein, and hereby vests the authority with and delegates to it the rights to exercise any and every right and power of the State in connection therewith, whether proprietary or sovereign in character, which the State itself might exercise.

SEC. 9. Contracts negotiated by authority. -- Contracts negotiated by the authority as provided in sub-paragraph five or six of section five of this chapter shall be entered into and executed as follows:

1. After agreement upon the terms of any such contracts shall have been reached by the authority and its co-party or co-parties, the authority shall hold a public hearing or hearings upon the terms thereof. At least thirty days' notice of such hearing shall be given by publication once in each week during such period in each of six newspapers within the State to be selected by the authority. Copies of proposed contracts shall be available for public inspection during such period of thirty days at the office or offices of the authority and at such other places throughout the State as it may designate.

2. Following such public hearing, the authority shall reconsider the terms of the proposed contract or contracts and shall negotiate such changes and modifications in the contract or contracts as it then deems necessary or advisable.

3. When such contract or contracts are finally agreed upon in terms satisfactory to the authority and its co-party or co-parties, and which the authority believes to be in the public interest, the authority shall thereupon report the proposed contract or contracts, together with its recommendations and the record of the public hearings thereon to the governor of the State who shall within sixty days thereafter indicate his approval or disapproval thereof and give his reasons therefor.

4. If the governor shall approve such contract, then the same shall be executed by the chairman and secretary of the authority and it shall thereupon come into full force and effect and be binding upon the authority and all other parties thereto in accordance with its terms.

SEC. 10. Notes of the authority. -- The authority shall have the power and is hereby authorized from time to time to issue its negotiable notes in conformity with applicable provisions of the uniform commercial code for any corporate purpose and renew from time to time any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing bonds of the authority or any issue thereof, and the authority may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All notes shall be general obligations of the authority payable out of any of its moneys or revenues, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

SEC. 11. Bonds of the authority. -- 1. The authority shall have power and is hereby authorized from time to time to issue its negotiable bonds in conformity with applicable provisions of the uniform commercial code for the purpose of financing any project authorized by this title, including the acquisition of any real or personal property or facilities deemed necessary by the authority.

2. In anticipation of the sale of such bonds the authority may issue negotiable bond anticipation notes in conformity with applicable provisions of the uniform commercial code and may renew the same from time to time but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of such original notes. Such notes shall be paid from any moneys of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. Such notes shall not be issued in an amount in excess of the amount of bonds which the authority is authorized to issue, less the amount of any bonds or other notes theretofore issued and outstanding. The notes shall be issued in the same manner as the bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution of the authority may contain.

3. Except as may be otherwise expressly provided by the authority, the bonds and notes of every issue shall be general obligations of the authority payable out of any moneys or revenues of the authority, subject only to any agreements with the holders of particular bonds or notes pledging any particular moneys or revenues.

4. The authority shall have power from time to time, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other purpose hereinbefore described. Refunding bonds may be exchanged for the bonds to be refunded, with such cash adjustments as may be agreed, or may be sold with the proceeds applied to the purchase or payment of the bonds to be refunded.

5. The bonds may be issued payable in annual installments or may be issued as term bonds or the authority, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the trustees of the authority and shall bear such date or dates, mature at such time or times, not exceeding fifty years from their respective dates, bear interest at such rate or rates, payable annually or semi-annually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. In the event that term bonds are issued, the resolution authorizing the same may make such provisions for the establishment and management of adequate sinking funds for the payment thereof, as the authority may deem necessary. The bonds or notes may be sold at public or private sale for such price or prices as the authority shall determine. Pending preparation of the definite bonds, the authority may issue interim receipts which shall be exchanged for such bonds.

6. Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized as to

(a) pledging all or any part of the revenues of the project or any revenue producing contract or contracts made by the authority with any individual, partnership, corporation or association to secure the payment of the bonds or of any particular issue of bonds, subject to such agreements with bondholders as may then exist;

(b) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(c) the setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(d) limitations on the right of the authority to restrict and regulate the use of any project;

(e) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the bonds or of any issue of the bonds;

(f) limitations on the issuance of additional bonds; the terms upon which additional bonds may be issued and secured; the refunding of outstanding bonds;

(g) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(h) limitations on the amount of moneys derived from a project to be expended for operating, administrative or other expenses of the authority;

(i) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default.

7. Notwithstanding any other provisions of this chapter, any such resolution or resolutions shall contain a covenant by the authority that it will at all times maintain rates, fees or charges

sufficient to pay, and that any contracts entered into by the authority for the sale, transmission or distribution of power shall contain rates, fees or charges sufficient to pay the costs of operation and maintenance of the project, the principal of and interest on any obligations issued pursuant to such resolution as the same severally become due and payable, and to maintain any reserves required by the terms of such resolution or resolutions.

8. It is the intention hereof that any pledge of revenues or other moneys or of a revenue producing contract or contracts made by the authority shall be valid and binding from the time when the pledge is made; that the revenues or other moneys or proceeds of any contract or contracts so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution or any other instrument by which a pledge is created need be recorded.

9. Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

10. The authority shall have power out of any funds available therefor to purchase bonds or notes. The authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

11. Any bonds or notes issued by the authority are hereby made securities in which all public officers and bodies of this State and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, and all other persons whatsoever, except as hereinafter provided, who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them; provided that, notwithstanding the provisions of any other general or special law to the contrary, such bonds and notes shall not be eligible for the investment of funds, including capital, of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees and other individual fiduciaries except when any such individual fiduciary shall be acting in such capacity with one or more corporate co-fiduciaries. The bonds and notes are also hereby made securities which may be deposited with and shall be received by all public officers and bodies of this State and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this State is now or may hereafter be authorized.

SEC. 12. Deposit and investment of moneys of the authority. -- All moneys of the authority from whatever source derived shall be deposited in a separate bank account or accounts. All deposits of such moneys shall, if required by the authority, be secured by

obligations of the United States or of the State of Alaska of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such security for such deposits. The Commissioner of Administration and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing.

Notwithstanding the provisions of this section, the authority shall have power to contract with the holders of any of its notes or bonds as to the custody, collection, securing, investment and payment of any moneys of the authority, or any moneys held in trust or otherwise for the payment of notes or bonds or in any way to secure notes or bonds, and to carry out any such contract. Moneys held in trust or otherwise for the payment of notes or bonds or in any way to secure notes or bonds and deposits of such moneys may be secured in the same manner as moneys of the authority, and all banks and trust companies are authorized to give such security for such deposits.

Moneys of the authority not required for immediate use may, in the discretion of the authority, be invested in obligations of the United States government or of the State of Alaska.

Subject to agreements with noteholders and bondholders and the approval of the Commissioner of Administration the authority shall prescribe a system of accounts.

SEC. 13. Agreement of the State. -- 1. The State of Alaska does hereby pledge to and agree with the holders of any obligations issued under this title, and with those parties who may enter into contracts with the authority pursuant to the provisions in sub-paragraph five or six of section five above, that the State will not limit or alter the rights hereby vested in the authority until such obligations together with the interest thereon are fully met and discharged and/ or such contracts are fully performed on the part of the authority, provided that nothing herein contained shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such obligations of the authority or those entering into such contracts with the authority. The authority as agent for the State is authorized to include this pledge and undertaking for the State in such obligations or contracts.

2. Nothing in this chapter shall be construed as diminishing or enlarging any valid existing rights under any license heretofore issued pursuant to the provisions of the federal power act.

SEC. 14. Exemption from taxation. -- It is hereby found and declared that the projects authorized by this chapter are for the aid and improvement of commerce or navigation and that such aid and improvement of commerce or navigation and the development, sale and distribution of hydroelectric power is primarily for the benefit of the people of the State of Alaska, for the improvement of their health and welfare and material prosperity, and is a public purpose, and the authority shall be regarded as performing a governmental function in undertaking such projects and in carrying out the provisions of this chapter, and shall be required to pay no taxes or assessments upon any of the property acquired by it for such projects or upon its activities in the operation and maintenance

thereof, provided that nothing herein shall prevent the authority from entering into agreements to make payments in lieu of taxes or assessments.

The securities and other obligations issued by the authority, their transfer and the income therefrom shall, at all times, be free from taxation within this State. It is furthermore declared that the object and purpose of this chapter is that such projects shall be in all respects self-supporting.

SEC. 15. Repayment of State appropriations. -- All appropriations made by the State to the authority shall be treated as advances by the State to the authority, and shall be repaid to it without interest either out of the proceeds of securities, or other obligations issued by the authority for the construction of any project pursuant to the provisions of this chapter, or by the delivery of non-interest bearing obligations of the authority to the State for all or any part of such advances, or out of excess revenues from such project subject however to any pledges of such revenues made pursuant to any resolution or resolutions of the authority authorizing the issuance of obligations of the authority.

S T A T E M E N T

March 19, 1975

Mr. Chairman and Members:

My name is Leon Ole Johnson, I'm a 33 year resident of Kodiak. For the past 26 years, I've served as Manager of the Kodiak Electric Association. I appear in support of SB 185 and HB 171.

Kodiak Electric Association is the sole source of electric energy for Kodiak on environs as well as Port Lions. In this capacity we generate and destribute electrical power for both communities. Generation at both areas is by diesel. Our consumers total 2,300 including 19 seafood processing plants, requireing large amounts of power. Demand for power has multiplied 16 times in 25 years. Recent statistics show Kodiak as number two in the nation for landing and processing seafood.

I'm sure you are aware that every electric utility in our state is experiencing problems. Probably more problems in the past year then ever before. Our system is not an exception.

About 10 years ago it became evident that we look for an alternate to diesel as a power source. In 1966 and 1967 we spent in excess of a 1/2 million dollars doing necessary studies for funding and licensing a Hydro project called Terror Lake. At about the same time the 'tight' money market became a factor in our Federal government and our loan for the total project was turned down by the R.E.A. We tried to scale the project down to obtain financing, but this too was turned down because of the lack of money available to R.E.A.

Since that time we have continued generating with diesel at initial fuel costs of 13 - 14 cents per gallon. Early last year our ability to obtain sufficient quantities of fuel became a critical factor. This was followed by a series of price increases for diesel that at one time reached 34.9 cents per gallon at Kodiak and 42 cents at Port Lions in spite of our demand for 2.5 to 3 million gallons per year.

Other cost also 'skyrocketed' and as a result we suffered losses in excess of $300,000 for 1974. In 1972 our BUS-BAR cost was 22 mils. These costs are now 39 - 40 mils per KWH. Fortunately we were able to absorb losses for 1974 but it left us with little or no reserves. It became quite apparent that we had better take a long hard look again at Hydro.

We found a completely new ball game. All of the work that had been done must now be augmented with additional studies if the project were to become a reality even on a reduced scale.

Underwriting the losses of 1974 preclude our financing further studies at this time. What could we do about it? Our solution was to install more high cost diesel generation to take care of load projections. ~~This~~ To this end we recently submitted a loan application to R.E.A. totaling almost 6 million dollars for 13,000 KW of diesel generating capacity. Lets not kid ourselves, the association, the directors or the manager are not going to pay for this - The consumers will foot the bill. We don't believe this can continue on, we need relief from high costs to produce power. We also know - its going to get worse if we don't find an alternate source of energy.

As a former city councilman and Mayor of our community I'm also concerned about our city water utility at Kodiak. The City has spent many millions of dollars to stay abreats of ~~wide~~ WATER demands for our community. Federal funds for this endeavor, available in the past are drying up. In a phone conversation with the Kodiak City Manager this morning he relates the interest in these bills and informs me that the City will soon be looking for funding, additions to their system.

We believe SB 185 and HB 171 is a way out of the delimia we're in. It is a means of using a non renewable energy source of our State to create a renewable energy source with the use of water. It's not a gift but a financing tool to get the states utilities out of an ~~unturnable~~ intolerable position. Thank you.

Leon 'Ole' Johnson

LOJ/bw

MEMO TO CHAIRMEN HUGH MALONE & SAM COTTEN

Regarding: Joint hearing on HB 171 (companion bill SB 185), "An Act relating to creation of a water resources revolving loan fund; and providing for an effective date"

TENTATIVE ORDER OF WITNESSES TO TESTIFY BEFORE THE JOINT COMMITTEES

1. N. L. "Pat" Teague, City Manager, Ketchikan
2. Rocky Gutierrez, City Administrator, Sitka
3. Ole Johnson, Kodiak Electric, Kodiak
4. Dr. Roger Kempple--City of Anchorage
5. James Eide, City Manager, Wrangell
6. H. D. Scougal, City Manager, Petersburg
7. Dick Ballard, CHM. Thomas Bay Power Authority, Wrangell
8. Mark Chisum, City Manager, Cordova
9. Herb Lehfelt, City Manager, Valdez

5 MINUTE BREAK AT 4PM

10. Bill Boardman, Legislative Representative, Southeastern Conference
11. R. W. BECK & ASSOCIATES (Analytical & Consulting Engineers)
    A) James V. Williamson
    B) Donald E . Bowes
12. Don Meyers (Marshall & Meyers), Bond CONSULTANT

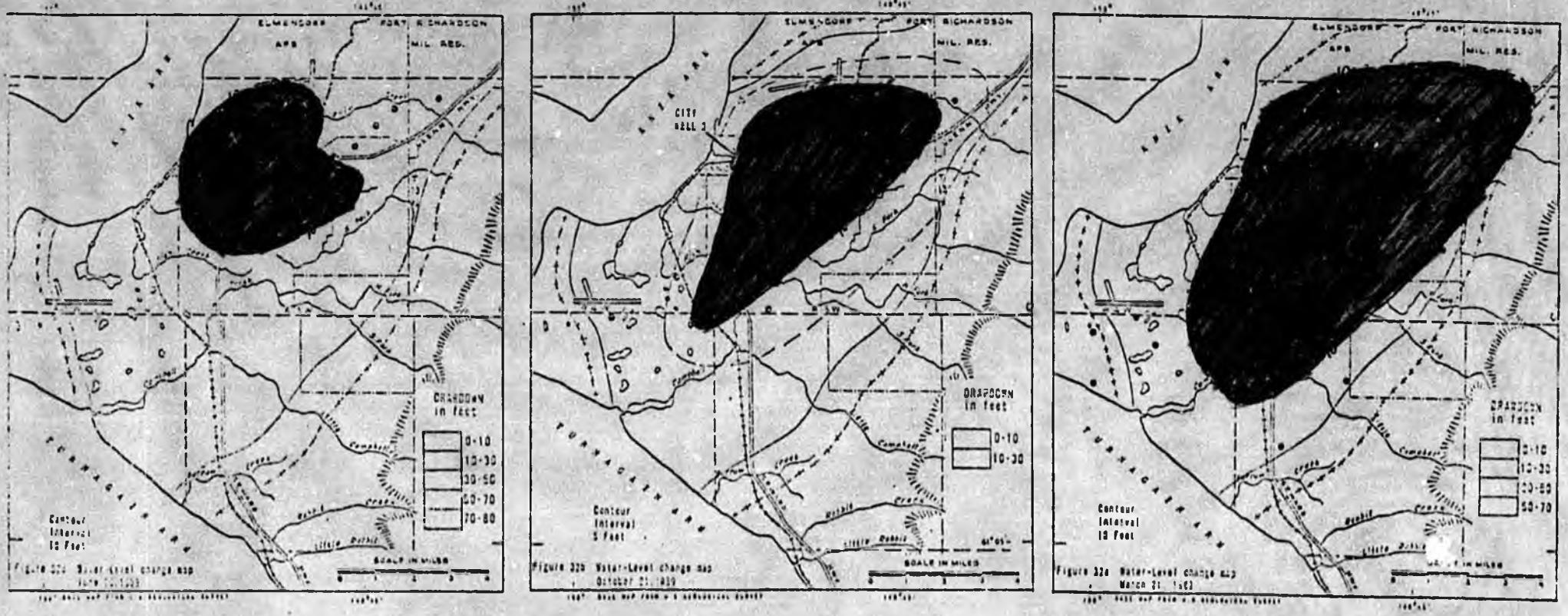
SUPPLEMENTAL EXHIBITS
TO THE TESTIMONY OF THE
CITY OF ANCHORAGE IN SUPPORT
OF THE CREATION OF A "WATER
RESOURCES REVOLVING LOAN FUND"

HB 171

SB 185

March 18, 1975

WELL PUMPDOWN OF GROUND WATER LEVEL

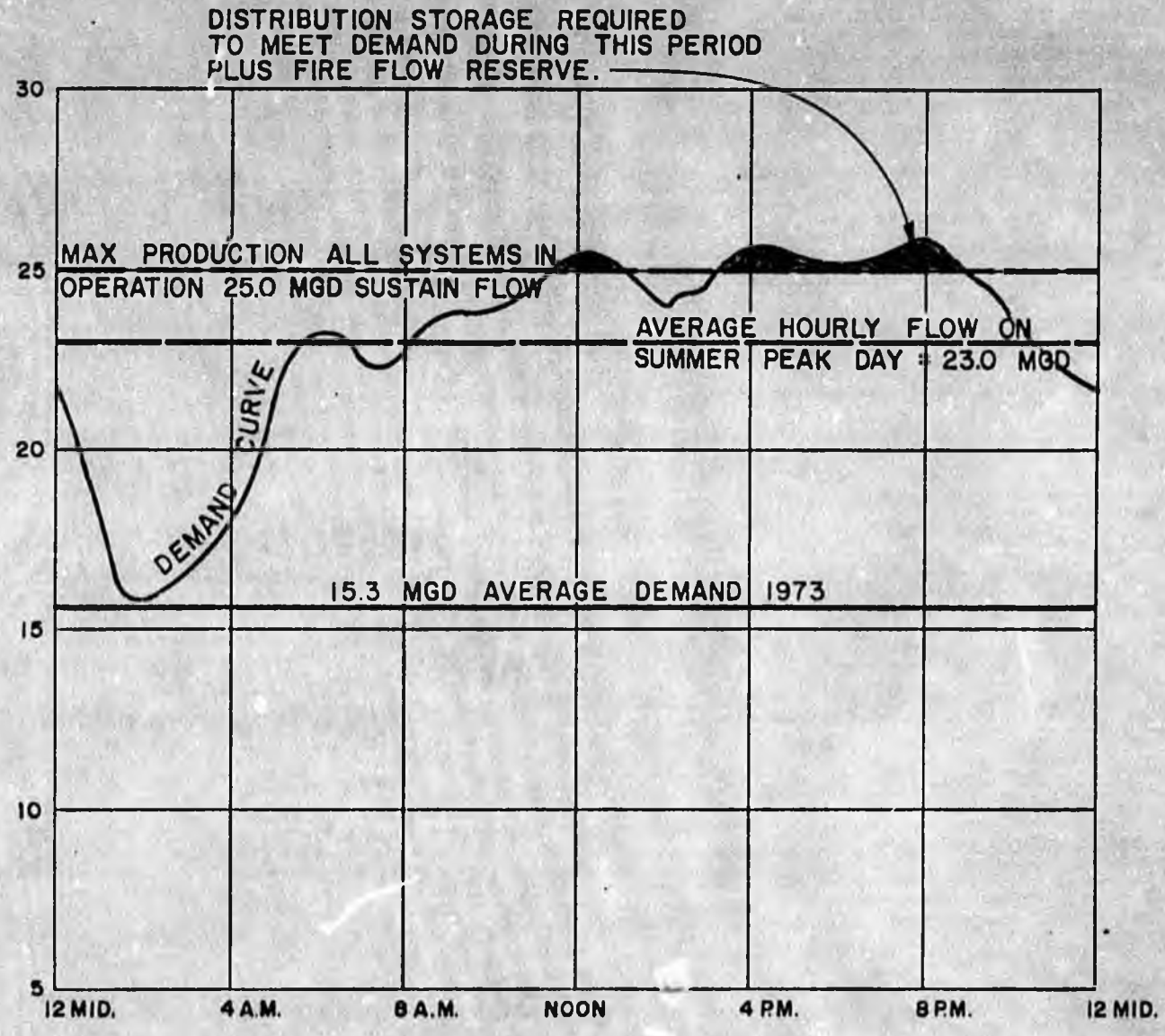


—10— The contours show the areal drawdown, or change in feet, in confined water levels on the indicated dates from the static water levels in 1955.

⊙ High-capacity well pumping

• Observation well

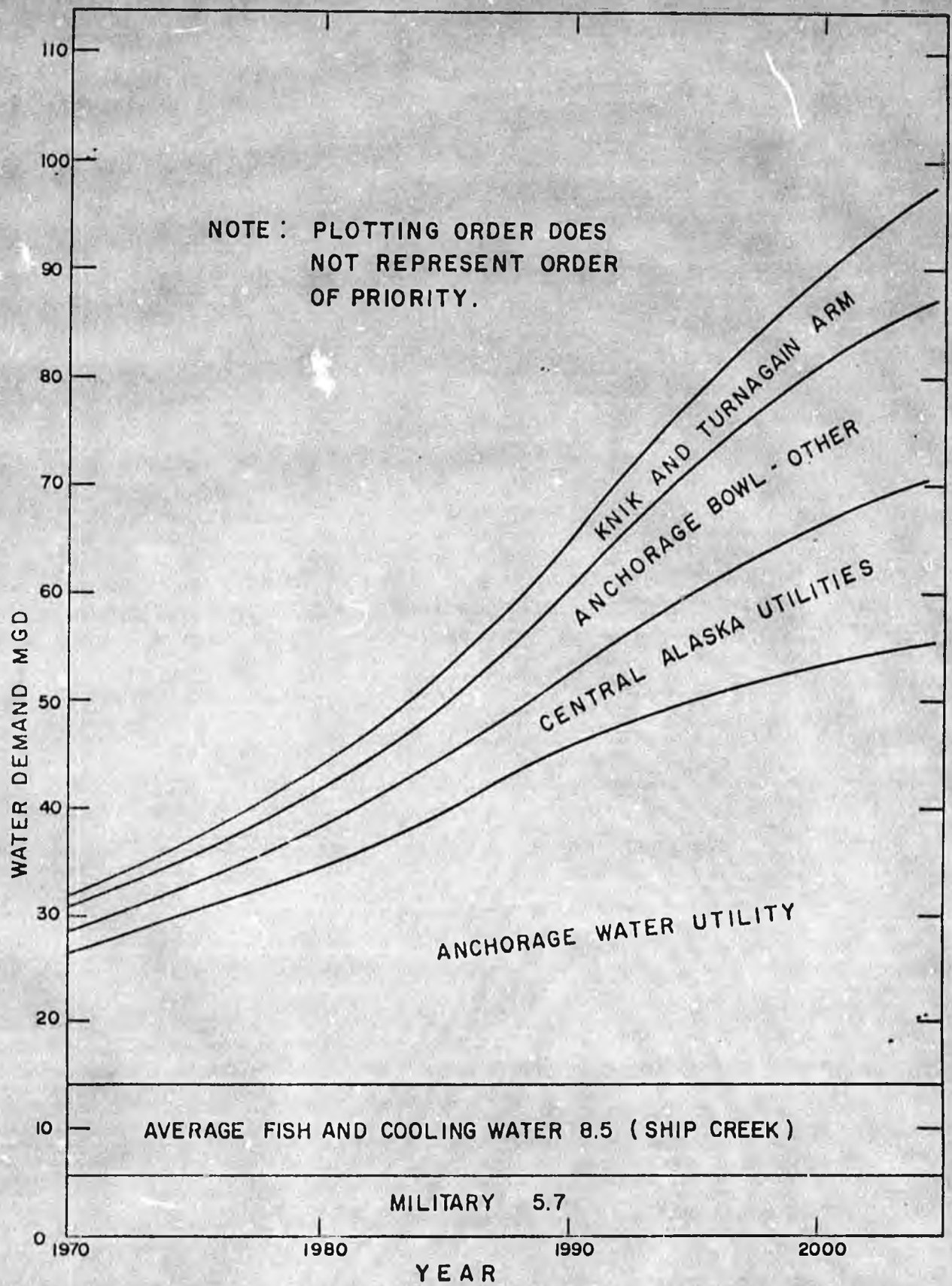
Transitional area where principal confining beds thin out.



TYPICAL PEAK DAY

24 HOUR DEMAND CURVE - JULY 1973

ADAPTED FROM [103]



MEAN ANNUAL PROJECTED WATER DEMANDS

My name is F. "Rocky" Gutierrez, and I am the Administrator of the City and Borough of Sitka. The testimony I am about to offer at this hearing relative to SB 185 and HB 171 is perhaps repetitious to some of you in attendance, but the gospel never changes.

I believe that it is the responsibility of our State government to enact responsible legislation which will provide local units of government with the means to assist themselves. The proposed legislation contained in SB 185 and HB 171 is unique in this day and age of give-away programs, in that the loans will be repaid in full. It is the responisiblity of our State to insure the energy requirements of its citizens are met, now and in the future, regardless of geographic location. Our State is in an enviable position to assist in insuring its citizens will be provided with a non-depletable source of electric energy. I would like to share my thoughts on this matter with you.

There are many municipalities throughout our State, which generate electricity with diesel, even though they have excellent and feasible hydro sites available. For instance, Petersburg, Wrangell, Ketchikan and Sitka in Southeast Alaska. Diesel is expensive and an expendable resource. Alaska is fortunate in that it can, for a large part, create a non-depletable source of energy out of oil, if only a small percentage of the funds derived from the sale of same are made available for the construction of hyroelectric plants. I urge the legislature to take a hard look at this concept; we would merely be exchanging

an expendable resource for a non-depletable resource, making money on the exchange, and providing a firm source of energy for our citizens today and in the future.

Since Sitka has approached the capacity of its existing hydroelectric facility, we have done some serious investigation regarding the direction we should proceed. I will illustrate the findings of the proposed Sitka hydroelectric when compared to diesel generation.

The proposed Sitka hydro plant would have an installed capacity of 15,000 kw, capable of producing 78,000,000 kWhr annually at a current estimated construction cost of $39,000,000. We will make the assumption that we already have diesel generators capable of producing the same amount of energy as the proposed hydro, so we are dealing only with fuel cost. Using a production ratio of 13.5 kWhr/gal, the required consumption of diesel fuel over the next 20 years, to produce an equivalent amount of energy to the hydro plant production, would be 116,000,000 gallons or 2.8 million barrels of oil.

Further assuming there is no escalation of fuel costs (which there has been since I put this illustration together) and fuel remains available, it would cost $40,600,000 over the next 20 years just for fuel, which surpasses the cost of the proposed hydro in less than 20 years. Of course, the hydro will last 75 to 100 years, and the savings go up astronomically. Alaska can ill afford to use diesel fuel, if not required, when we can at current prices receive a 5 to 1 return by its non-use.

There are those who claim the contents of SB 185 and HB 171 is special legislation. I fail to see where the proposed legislation favors one geographical location, individual or municipality over the other. We are interested in putting our resources to work for Alaskans. A good example of Alaska utilizing its natural resources for its people is demonstrated in those villages, town and cities where our natural gas is available. The citizens in these areas avail themselves of the cheapest source of power and heat in our State -- why should hydro energy be different?

It is imperative that this session of the legislature effectuate legislation which will provide low interest, long term loans for the construction of feasible hydroelectric projects. We must not lose sight of the fact our new found wealth is energy in the form of oil, and a small percentage of that wealth must be invested to replace our energy exports if the citizens of Alaska are to be insured their immediate and future energy requirements are met.

Testimony of N.L. Teague, Ketchikan City Manager, at joint legislative hearing before the Community and Regional Affairs Committee and House Finance Committee, March 19, 1975, at 3:00 P.M.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE

MY NAME IS N. L. TEAGUE, I AM CITY MANAGER OF KETCHIKAN, WITH A TENURE OF JUST SIX SHORT WEEKS. HAVING BEEN IN ALASKA BEFORE, IT HAS BEEN MY DESIRE TO RETURN, FOR THIS STATE HAS GREAT AND UNIQUE ATTRIBUTES. A BEAUTIFUL COUNTRY CONTAINING VERY PROUD PEOPLE WITH A WILLINGNESS AND DESIRE TO BE SELF-SUFFICIENT, YET ALWAYS WILLING TO ASSIST THEIR FELLOW MAN WHEN ASSISTANCE IS REQUIRED. THIS CONCEPT APPEARS PREVALENT THROUGHOUT THE WHOLE STATE, AND BECAUSE OF THE GREAT VASTNESS, THE PIONEERING SPIRIT IS STILL GREATLY PREDONINANT. I NOW RESIDE AND REPRESENT A COMMUNITY LOCATED IN SOUTHEAST ALASKA THAT HAS BEEN A [redacted] VIABLE PORTION OF THE ECONOMIC STRUCTURE OF THE STATE OF ALASKA IN THE PAST. THERE HAS NOW BEEN MINERAL WEALTH DISCOVERED TO THE NORTH WHICH WILL BRING NEW REVENUE TO THE STATE OF ALASKA; NOT TO THE EXTENT THAT WILL ENABLE FINANCING OF ANY AND ALL PROJECTS, BUT WILL PROVIDE FUNDING FOR AREAS OR ITEMS CONSIDERED OF GREAT CONCERN. THE HEARING TODAY BEFORE THIS GROUP IS ON PROPOSED LEGISLATION, THAT IF ADOPTED, WOULD INVEST DOLLARS DERIVED FROM THE AREA CONTAINING THE MINERAL WEALTH INTO AREAS WHERE IDENTIFIABLE PROBLEMS EXIST AND RETURN ON THE INVESTMENT CAN BE EXPECTED. WE ALL REALIZE THAT THE MINERAL WEALTH OF THE STATE BELONGS TO ALL THE PEOPLE OF THE STATE, AND THIS ASPECT SHOULD BE KEPT IN MIND WHEN

PRIORITIES ARE SET AND DISTRIBUTION OF FUNDING IS MADE. LONG TERM POWER GENERATION, AVAILABILITY, AND SUFFICIENT POTABLE WATER RESOURCES ARE OBVIOUSLY AMONG THESE PRIORITIES. KETCHIKAN HAS BY NECESSITY, BEEN RELIANT UPON DIESEL GENERATED POWER, AND AS SUCH HAS BEEN SUBJECTED TO THE EVER INCREASING PRICES OF DIESEL OIL. THOSE WITH GREATER EXPERTISE THAN I ESTIMATE THESE COSTS TO CONTINUE ON AN UPPER TREND AND BECOME AN EVEN MORE UNREALISTIC METHOD OF GENERATING POWER. THIS METHOD OF GENERATION WAS AT ONE TIME SUPPLEMENTED BY A HYDRO ELECTRIC GENERATING FACILITY SUPPORTED LOCALLY THROUGH DOLLARS AND EFFORTS OF LOCAL CITIZENS THEREBY PROVIDING POWER AT ONE-THIRD THE COSTS OF THAT REQUIRED BY UTILIZING DIESEL FIRED GENERATION. AN UNFORTUNATE LANDSLIDE CAUSED DAMAGE TO THIS FACILITY AND IT HAS NOW BEEN DETERMINED THAT MANY DOLLARS AND MUCH TIME WILL BE REQUIRED TO PLACE THIS FACILITY BACK ON LINE TO ASSIST IN THE FINANCIAL CRUNCH OF DIESEL GENERATION AND POWER RELIABILITY. THE DIESEL GENERATION NOW IN EXISTANCE IS NOT ONLY EXTREMELY EXPENSIVE BUT IS MECHANICALLY UNRELIABLE AS THE FIRST LINE SOURCE OF ELECTRIC POWER GENERATION, WITH RESIDENTS PAYING FROM FORTY DOLLARS TO OVER ONE HUNDRED DOLLARS A MONTH FOR POWER. IT WOULD SEEM ONLY APPROPRIATE THAT THE POWER THEY RECEIVE BE PROVIDED TO THEM ON A CONSISTANT BASIS WHICH IS

UNFORTUNATLY NOT THE CASE. POWER OUTAGES DUE TO MECHANICAL FAILURE ARE NOT UNCOMMON, POWER SURGES DOING DAMAGE TO CERTAIN ELECTRIC HOUSEHOLD EQUIPMENT HAS BEEN EXPERIENCED, AND YET THE PRICE OF THIS SERVICE CONTINUES TO RISE. THE CONCEPT OF THE LEGISLATION ON WHICH TESTIMONY IS BEING GIVEN TODAY IS CONSISTENT WITH THE, "HELPING THOSE WHO HELP THEMSELVES", CONCEPT SO READILY IDENTIFIABLE IN THIS STATE. THE AREAS IN NEED ARE NOT ASKING FOR A GRANT OR HANDOUT, BUT AN OPPORTUNITY TO UTILIZE A SHARE OF THE MINERAL REVENUE TO INVEST IN POWER AND WATER FACILITIES TO BENEFIT PEOPLE OF THIS STATE WITH THE CONDITION OF REPAYMENT IN FUTURE YEARS. THE CONCEPT OF THIS LEGISLATION HAS GREAT MERIT, AND SHOULD RECEIVE VERY SERIOUS CONSIDERATION. THIS LEGISLATIVE CONCEPT CAN BE REALISTICALLY DEFINDED AS AN INVESTMENT IN THE FUTURE. INVESTING DOLLARS INTO FACILITIES SO OBVIOUSLY BENEFICIAL TO SO MANY BY UTILIZATION OF A RENEWABLE RESOURCE WITH CONDITION THAT THE MONEY BE RETURNED TO THE STATE SHOULD RECEIVE VERY FAVORABLE CONSIDERATION AND QUITE HIGH PRIORITY. THE ESTABLISHMENT OF A WATER RESOURCE REVOLVING LOAN FUND IS NOT JUST GOOD BUSINESS, BUT IS GREATLY BENEFICIAL TO THE PEOPLE OF ALASKA. IT ALLOWS LOCAL DECISIONS TO BE MADE BY THOSE LOCALLY RESPONSIBLE, THEREBY COMPLIMENTING THE PREMISE ON WHICH ALASKAN COMMUNITIES WERE

ORIGINALLY FOUNDED. IT IS LENDING A HAND TO THOSE WILLING TO ASSUME THE RESPONSIBILITY OF SOLVING THEIR PROBLEMS AND ALSO WILLING TO RETURN THOSE DOLLARS TO THE ORIGINAL SOURCE WITH INTEREST. ALL MEASURES PRESENTED TO THIS LEGISLATURE MUST OBVIOUSLY BE VIEWED ON A PRIORITY BASIS, HOWEVER, SOUND AND ACCEPTABLE FINANCIAL CONCEPTS SHOULD BE PREVALENT GUIDELINES WHEN MATTERS OF THIS NATURE ARE CONSIDERED. IF MODIFICATION IS NECESSARY, CONSIDERATION SHOULD BE GIVEN TO THE MAGNITUDE OF THE PROBLEM, THAT THE PASSAGE OF TIME IS COSTLY, AND THE PREPARATION FOR ADDRESSING THE CONCERN SHOULD BEGIN AS SOON AS POSSIBLE.

OTHER TESTIMONY GIVEN TODAY WILL DEAL WITH SPECIFICS AND OTHER POSITIVE ASPECTS OF THIS LEGISLATION.

I APPRECIATE THE OPPORTUNITY TO PRESENT THIS POINT OF VIEW ON A LEGISLATIVE FINANCIAL CONCEPT THAT CONTAINS VERY LONG RANGE BENEFITS TO THE PEOPLE OF THIS STATE.

X X X X X X X X X X

Rev. 3/18/75

Presented to House Joint Conference
3/19/75.

J. V. Williamson, Partner
R. W. Beck and Associates

STATE OF ALASKA
WATER RESOURCES REVOLVING LOAN FUND
ESTIMATE OF FUND REQUIREMENT

To assist in the drafting of a Bill for creation of a water resources revolving loan fund, a broad estimate has been made of potential fund requirements from 1975 into the mid-1980's. Projects which are included are those considered to be essential to providing reliable and economic power in the areas of the State which have hydroelectric potential, and which would otherwise be dependent in the future on diesel generation. These areas are generally in Southeastern Alaska, but projects at Kodiak are included together with assumptions for other miscellaneous hydro generation, and water supply projects. The list is not intended to be all-inclusive; it simply enables a reasonable assumption of the order of magnitude of loans and their timing to be developed.

The estimates are generally based on preliminary costs developed and presented at the Southeastern Conference in Skagway in October, 1974. Estimated project costs are of course very broad. Costs have been escalated to the various projected schedules using the escalation rates shown in Table A. In this table the cost of a typical 15,000 kW diesel installation, with 6% financing and coming on-line in January 1980, is compared to a similar hydro installation assuming both 6% and 3% financing. As can be seen the cost of power from such a new hydro installation with 3% financing is about one-half of the diesel costs (29.5-mills/kWh versus 56.6 mills/kWh). As shown graphically in Table B, the cost differential becomes significantly more marked with time since the major cost of the hydro is the uniform debt service, while the principal cost of the diesel generation is fuel which can be assumed to continue to escalate.

To develop an estimate of revolving loan fund requirements over the next ten years or so, schedules have been developed in Table C, for a typical hydroelectric installation, assuming average and accelerated programs. The average schedule assumes that an FPC license application can be prepared (incomplete) in 8 or 9 months and it will take two years for receipt of the license (this is currently typical). This shows that from the beginning of project investigations it takes six years for the project to be completed. The accelerated schedule assumes that the FPC license will be received in 18 months after application (which is optimistic), and that other items of work are accelerated. It results in shaving a year off the schedule so that the project would be completed in five years. In either case it is essential that access road construction starts about two years ahead of receipt of the FPC license; if not at least one, and possibly two, more years would be added to the schedule. Since the hydrogeneration is needed by all utilities <u>now</u>, while the earliest practicable date for completion is generally the end of 1980, it is essential that project investigations and the related financing proceed immediately. Hence there is great urgency for passage of the Bill creating a loan fund.

STATE OF ALASKA
WATER RESOURCES REVOLVING LOAN FUND
ESTIMATE OF FUND REQUIREMENT

A proposed projected schedule for various projects, assuming about a 6% annual electrical load growth, is shown in Table D. The estimated requirements from the loan fund, including investments less debt service repayment, are shown in this table. As can be seen by about 1985 the loan fund will have accumulated loan amounts, less debt service repayment, totalling about $300,000,000 which would increase to more than $400,000,000 some two years later. Prior to royalties being received from the North Slope Oil (1977) the loaned amounts would add up to about $23 million. Large commitments occur in 1979 and 1980 ($76 and $79 million) which are not exceeded on annual basis again until 1986.

Table E demonstrates the effect on the loan requirements of a schedule delayed so that loans from the fund are limited until 1977. The only expenditures incurred during the next three years would be those for completion of the Lake Silvis Plant, construction of the Blind Slough Project Expansion, and investigations and FPC licensing of other projects, for a total of about $9 million. Of this the costs of project investigations and FPC licensing would be less than $4 million. The estimated cumulative loan amounts less debt service requirement from Tables D and E (proposed, and delayed schedule) are shown in Table F.

The additional cost of the delayed schedule compared to the proposed schedule is shown in Table G, based on 1975 dollars. As can be seen the delay will result in Ketchikan and Sitka having to install additional diesel generation, and an overall increase in costs to the various municipalities of about $16 million. Obviously it just makes good economic sense for the State to budget the additional $14 million expenditures over the next three years for the loan fund, even if it had to borrow it, rather than the municipalities incurring an additional expenditure of $16 million if the program is delayed.

WATER RESOURCES REVOLVING LOAN FUND

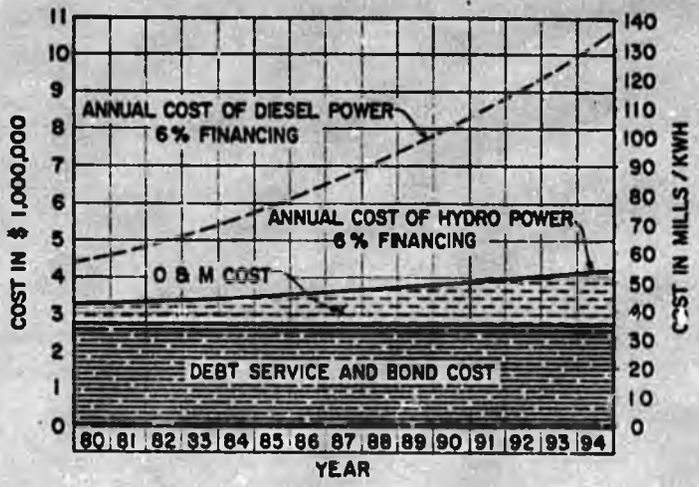
COMPARISON OF ANNUAL COSTS OF TYPICAL
15,000-KW DIESEL AND HYDROELECTRIC INSTALLATIONS
COMING ON-LINE IN JANUARY 1980

	Diesel Installation	Hydroelectric Installation	Hydroelectric Installation
Dependable Capacity, kW	15,000	15,000	15,000
Average Annual Energy Generated, kWh	78,000,000	78,000,000	78,000,000
Estimated Investment Cost per kW	$524	$2,600	$2,487
Total Investment Cost	$ 7,860,000	$39,000,000	$37,300,000
Annual Costs:			
Debt Service and Bond Cost	$ 668,000	$ 2,769,000	$ 1,753,000
Operation and Maintenance	470,000	546,000	546,000
Fuel Costs at 42 Mills/kWh	3,276,000	-	-
	$ 4,414,000	$ 3,315,000	$ 2,299,000
Cost of Power, Mills/kWh	56.6	42.5	29.5
ASSUMPTIONS:			
Project Completion	Jan. 1980 (Bid July 1978)	Jan. 1980 (Bid Apr. 1977)	Jan. 1980 (Bid Apr. 1977)
Escalation for Capital Investment	7%	1974=20%; 1975=10%; 1976=8%; 1977& Beyond = 7%	1974=20%; 1975=10%; 1976=8%; 1977 & Beyond = 7%
	-	-	-
Escalation for O&M Cost	7%	7%	7%
Escalation for Fuel Costs	1974-80=10%; and Beyond = 7%	-	-
Financing	6%, 25 Years	6%, 50 Years	3%, 50 Years
Bond Costs as % of Investment Cost	0.7%	0.7%	0.7%
O&M Costs as % of Investment Cost	5.4%	1.4%	1.4%

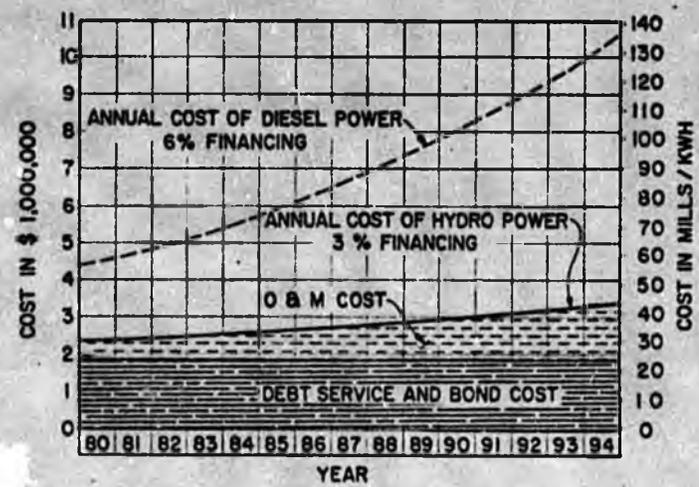
RWB 2/10/75
TABLE A

WATER RESOURCES REVOLVING LOAN FUND

COMPARISON OF COST OF POWER FOR TYPICAL
DIESEL AND HYDRO INSTALLATION

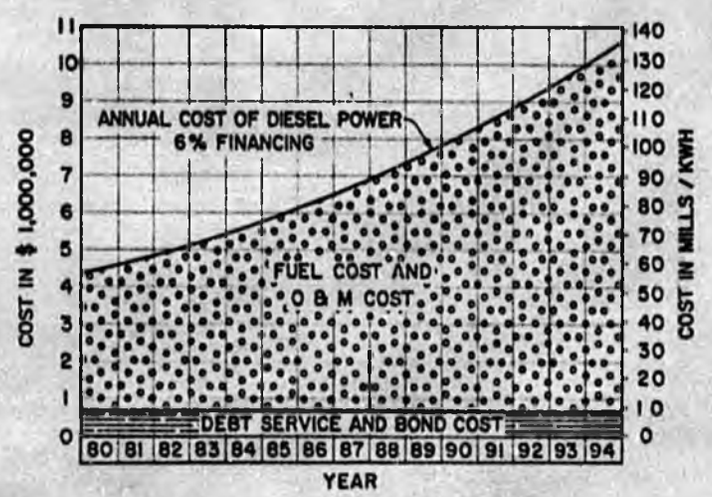


Cost of Power, Jan. 1980 = 42.5 Mills / kWh



Cost of Power, Jan. 1980 = 29.5 Mills / kWh

15,000 KW HYDROELECTRIC INSTALLATION



Cost of Power, Jan. 1980 = 56.6 Mills / kWh

15,000 KW DIESEL INSTALLATION

Rev 3/18/75
TABLE B

TABLE C
RWB 3/18/75

WATER RESOURCES REVOLVING LOAN FUND

TYPICAL SCHEDULE FOR HYDROELECTRIC PROJECT CONSTRUCTION

AVERAGE SCHEDULE

YEAR

ITEM OF WORK	1 (1975)	2 (1976)	3 (1977)	4 (1978)	5 (1979)	6 (1980)
Evaluation Report						
FPC License Application		Prepare Incomplete, Apply	Perfect Application		Receive License	
Feasibility Report						
Final Design			Access Road	Major Equip.	Bid Drawings	Detail Drawings
Access Road						
Major Equipment				Order		Deliver Rotating Parts
Major Construction						On-Line Dec. 1980
Transmission						
ESTIMATED EXPENDITURES	$100,000	$300,000	$3,000,000	$5,500,000	$14,700,000	$16,300,000

ACCELERATED SCHEDULE

YEAR

ITEM OF WORK	1 (1975)	2 (1976)	3 (1977)	4 (1978)	5 (1979)	6 (1980)
Evaluation Report						
FPC License Application		Prepare Incomplete, Apply	Perfect Application	Receive License		
Feasibility Report						
Final Design		Access Road	Major Equip. Bid Drawings	Detail Drawings		
Access Road						
Major Equipment			Order		Deliver Rotating Parts	
Major Construction						
Transmission						On-Line Dec. 1979
ESTIMATED EXPENDITURES	$150,000	$2,100,000	$3,650,000	$12,000,000	$13,200,000	

WATER RESOURCES REVOLVING LOAN FUND

BROAD ESTIMATE OF FUND REQUIREMENTS
BASED ON PROPOSED SCHEDULE

PROJECT	ASSIGNED CAPACITY KW	ASSIGNED ON-LINE DATE	ESTIMATED CAPITAL INVEST. $1,000	ESTIMATED INVESTMENT REQUIREMENTS AND DEBT SERVICE REPAYMENT ( ), IN $1,000													
				1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
SITKA																	
Green Lake	15,000	Dec. 79	31,100	150	2,100	3,650	12,000	13,200	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)	(1,240)
Blue Lake Unit 3	4,000	Dec. 86	4,500									200	500	1,800	2,000	(180)	(120)
PETERSBURG - WRANGELL																	
Blind Slough	2,600	Dec. 77	4,100	600	1,750	1,750	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)
Thomas Bay, Stage I	12,000	Dec. 80	35,000	100	300	3,000	4,500	13,000	14,100	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)
Thomas Bay, Stage II	15,000	Dec. 87	64,100								200	500	4,600	7,200	24,400	27,000	(2,360)
KETCHIKAN																	
Lake Silvis Rehabilitation	2,100	Dec. 75	900	900	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)
Swan Lake	15,000	Dec. 80	39,900	100	300	3,000	4,500	13,200	16,800	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)
Lake Grace	20,000	Dec. 86	79,800							200	400	3,000	10,000	25,000	29,000	10,000	(3,190)
KODIAK																	
Terror Lake, Stage I	12,000	Dec. 80	35,000	100	300	3,000	4,500	13,000	14,100	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)
Terror Lake, Stage II	3,000	Dec. 83	9,300					200	200	1,500	3,500	3,900	(370)	(370)	(370)	(370)	(370)
Terror Lake, Stage III	Diversions	Dec. 86	19,000									300	1,000	6,700	7,000	(600)	(600)
METLAKATLA																	
Project A	3,000	Dec. 80	9,000	50	200	1,000	2,000	2,750	3,000	(360)	(360)	(360)	(360)	(360)	(360)	(360)	(360)
Project B	3,000	Dec. 88	15,500									100	400	2,000	3,500	4,500	5,000
ASSIGNED MISC. HYDRO. PROJECTS																	
Project A	15,000	Dec. 81	42,700	100	150	150	3,200	4,800	16,300	18,000	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)
Project B	15,000	Dec. 87	64,100								200	500	4,800	7,200	24,400	27,000	(2,360)
ASSIGNED MISC. WATER SUPPLY PROJECTS																	
Project A		Dec. 80	30,000			300	2,000	13,300	16,200	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Project B		Dec. 85	30,000								300	2,000	13,300	16,200	(1,200)	(1,200)	(1,200)
SUBTOTAL INVESTMENT, REQUIREMENTS			510,000	2,100	5,100	13,650	32,700	73,650	78,700	19,700	4,800	12,300	33,000	64,100	90,300	68,500	5,000
SUBTOTAL DEBT SERVICE REPAYMENT			(68,345)	-	(35)	(35)	(195)	(195)	(1,433)	(7,395)	(9,105)	(9,105)	(9,475)	(9,475)	(10,675)	(11,455)	(19,763)
CUMULATIVE LOANED AMOUNT LESS DEBT SERVICE REPAYMENT			421,655	2,100	7,165	22,980	55,485	130,940	208,205	220,510	216,205	219,600	243,125	299,750	379,375	436,420	421,655
				1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988

TABLE D
3/18/75

WATER RESOURCES REVOLVING LOAN FUND

BROAD ESTIMATE OF FUND REQUIREMENTS
BASED ON DELAYED SCHEDULE

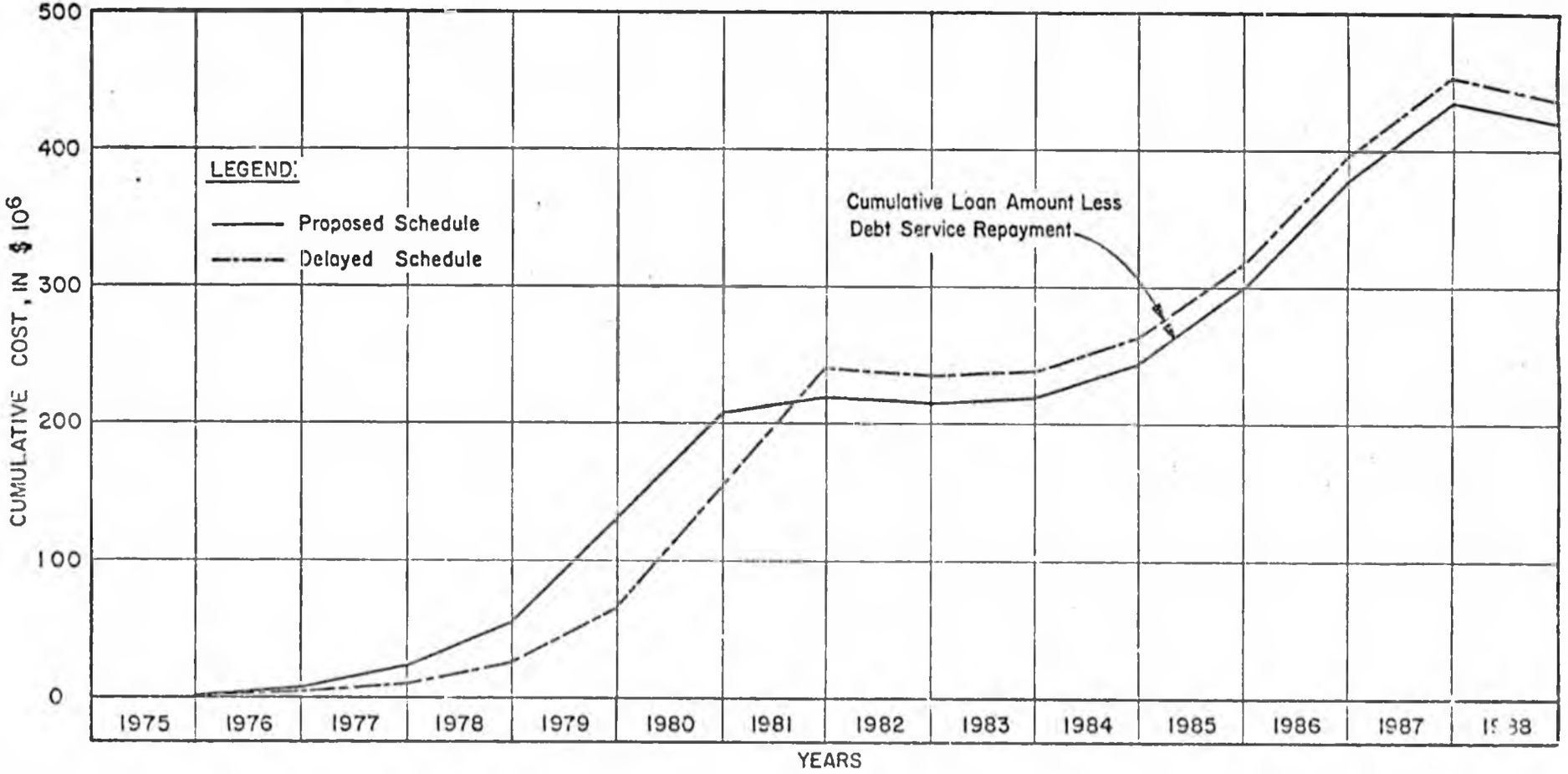
PROJECT	ASSUMED CAPACITY KW	ASSUMED ON-LINE DATE	ESTIMATED CAPITAL INVEST. $1,000	ESTIMATED INVESTMENT REQUIREMENTS AND DEBT SERVICE REPAYMENT ( ), IN $1,000												
				1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
SITKA																	
Green Lake	15,000	Dec. 81	35,620	150	300	250	2,300	4,900	13,700	14,000	(1,420)	(1,420)	(1,420)	(1,420)	(1,420)	(1,420)	(1,420)
Blue Lake	4,000	Dec. 86	4,300									200	500	1,800	2,000	(180)	(180)
PETERSBURG - WRANGELL																	
Blind Slough	2,600	Dec. 77	4,100	600	1,750	1,750	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)	(160)
Thomas Bay, Stage I	12,000	Dec. 81	37,500	100	300	250	3,050	4,800	13,900	15,100	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Thomas Bay, Stage II	15,000	Dec. 87	64,100								200	500	4,800	7,200	24,400	27,000	(2,560)
KETCHIKAN																	
Lake Silvia Rehabilitation	2,100	Dec. 75	900	900	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)
Swan Lake	15,000	Dec. 81	42,700	100	300	250	2,950	4,800	16,360	18,000	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)
Lake Grace	20,000	Dec. 86	79,800							200	800	5,000	10,000	25,000	29,000	20,000	(3,150)
KODIAK																	
Terror Lake, Stage I	12,000	Dec. 81	37,500	100	300	250	3,050	4,800	13,900	15,100	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Terror Lake, Stage II	3,000	Dec. 83	9,300					200	200	1,500	3,300	3,900	(370)	(370)	(370)	(370)	(370)
Terror Lake, Stage III	Diversions	Dec. 86	15,000									300	1,000	6,700	7,000	(600)	(600)
KETCHIKAN																	
Project A	3,000	Dec. 81	9,600	50	200	200	1,000	2,100	2,900	3,150	(380)	(380)	(380)	(380)	(380)	(380)	(380)
Project B	3,000	Dec. 88	13,500									100	400	2,000	3,500	4,500	5,000
ASSUMED MISC. HYDRO. PROJECTS																	
Project A	15,000	Dec. 81	42,700	100	150	150	3,200	4,800	16,300	18,000	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)	(1,710)
Project B	15,000	Dec. 87	64,100								200	500	4,800	7,200	24,400	27,000	(2,560)
ASSUMED MISC. WATER SUPPLY PROJECTS																	
Project A		Dec. 80	30,000			200	2,100	13,500	14,200	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Project B		Dec. 85	30,000								300	2,000	13,500	14,200	(1,200)	(1,200)	(1,200)
SUBTOTAL INVESTMENT REQUIREMENTS			522,900	2,100	3,300	3,300	17,650	39,900	91,400	89,050	4,800	12,500	35,000	64,100	90,300	63,500	5,000
SUBTOTAL DEBT SERVICE REPAYMENT			(84,675)		(35)	(35)	(195)	(195)	(195)	(1,395)	(9,615)	(9,615)	(9,985)	(9,985)	(11,185)	(11,965)	(20,275)
CUMULATIVE LOANED AMOUNT LESS DEBT SERVICE REPAYMENT			438,225	2,100	5,365	8,630	26,085	65,790	156,995	240,650	235,835	238,720	263,735	317,850	396,965	453,500	438,225

NOTE: If the delayed schedule is adopted it would be necessary for cities such as Ketchikan and Sitka to provide new diesel generation to meet anticipated load demands. It is estimated that Ketchikan will need an additional 6,400 kW diesel by January 1980 and Sitka will need a 4,000 kW diesel by January 1981.

Table E
3/18/75

WATER RESOURCES REVOLVING LOAN FUND

BROAD ESTIMATE OF FUND REQUIREMENTS



Proposed Schedule	2.1	7.2	23.0	55.5	130.9	208.2	220.5	216.2	219.6	245.1	299.8	379.4	436.4	421.7
Delayed Schedule	2.1	5.4	8.6	26.1	65.8	157.0	240.7	235.8	238.7	263.7	317.9	397.0	435.5	438.2
	0.6	2.1	3.6	← Cumulative Cost of Project Investigations and FPC Licensing Only										

CUMULATIVE LOANED AMOUNT LESS DEBT SERVICE REPAYMENT, (IN $ 1,000,000)

TABLE F
3/18/75

TABLE G
3/18/75

ADDITIONAL COST OF DELAYED SCHEDULE FOR HYDROELECTRIC PROJECT CONSTRUCTION

Capital Investment:	
Hydroelectric Projects	$ 4,886,000
Additional Diesel Plants	2,204,000
Cost of Fuel for Additional Diesel Generation	8,606,000
TOTAL ADDITIONAL COST	$15,696,000

NOTE: 1. Based on 6% borrowing rate.
2. Based on 1975 dollars (Present Value).
3. Additional Diesel: Ketchikan - 6,400 kW; Sitka - 4,000 kW.
4. Capital Investment = Loaned Amount Less Debt Service Requirements, 1975 through 1988.

Page 1 line 27 "15%" to "5%"

Page 3 line change "3" to "6"

change "hydro electric" to "electric"

Page 2, line 2 change $250,000,000 to $100,000,000

Committee Report spelling out the relationship between 171 and HB 324 if it should pass

B

HB171

		Notified	Present	Testified
Joint HCRR & H Fin 2/19/15	Natural Resources (Kathy Jackson 2416)	X		
	Rep. Terry Gerdrum	X		

HB-122

"An Act relating to state compliance with local planning and platting and zoning ordinances; and providing for an effective date."

2/18/75

COMMITTEE REPORT

JUDICIARY

HOUSE

Mr. Speaker: Date _____

The Committee on C & RA has had HB 172 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't want to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come.Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

HB172	Notified	Present	Testified
Natural Resources (Kathy Jacobson 24/6)	X		
99882 Bob Pautt, Planning Consultant	X	X	X
Mike Miller	X		

HB-205

TAPE #12 tape #12 HB 445, 205
side 1 side 2 May 1, 1975
1545-end 0-570

SOLID WASTE BILLS ATTENDENCE

Meeting was continued with all members of the Committee still present plus: Jim Anderegg, Dept. of C&RA, Jerry Rienvon, deputy Commissioner of Environmental Conservation, Red Swanson, Sponsor of HB 205, Chet Strohmeyer, Acme Disposal.

CSSB 127

Before discussing solid waste bills, the Committee looked over the committee substitute for SB 127 which had been prepared for today and it was passed out.

HB 445

Mr. Rienvon said there were two things at issue here: revenue and intent. The Dept. supports the intent but the issue of funding transends the dept. Disposal is a real problem especially in the bush and rural areas. The sliding fee scale is a good concept. Fiscal note around $1,500,000.

FISCAL NOTE

EXAMPLE OF HYDABURG

Rep. Hackney asked what a place like Hydaburg with a population of 300-400 would be able to do with the $4,000 the bill would give them. Jerry said in this case they would probably use it for a driver for a cat to bury the land fill. A small amount will improve the situation somewhat.

REP. OSE

Rep. Ose objects to Anchorage getting the 1/2 million they would get because they are already doing a good job. Oral said the sliding fee scale favors the small communities. The facilities that Anchorage and Fairbanks have the people paid for. Oral thinks it's a good bill, but perhaps there should be a provision making it mandatory to use the money for solid waste.

FREEMAN

HB 205

Rep. Swanson stated that while in the 7th Legislature he saw that the problem existed and so decided to introduce this bill. He represents 30 small communities in interior who have a real problem. He has an idea--to get the Hiway dept. to let the small communities use their old equipment, and with the $5 from revenue sharing the communities will be able to take care of their problem.

CSSB 90 (side 2)

Cotten pointed out that CSSB90 transfers state equipment to political subdivisions. Will take up that bill tomorrow.

JIM ADEREGG C&RA POSITION

The dept. is aware of the review of revenue sharing thats supposed to take place this summer so they don't want to push arything right now, but they do favor solid waste. They like the sliding fee scale in HB 445, a fixed amount is not good. The dept. recommends wording that will allow the municipalities to use private contractors. Also set criteria for compliance, and wording to cover the situation in double governments. They recommend against state ceiling on revenue sharing.

Rep. Swanson said the issue in his district was disposal and not collection. Jerry agreed.

Chairman Coten wants to try to put some of these bills together. Freeman likes the approach in HB 445.

Meeting was adjourned at 9:40.

Sam Cotton

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99707

March 25, 1975

The Honorable Leslie E. "Red" Swanson
Pouch V, State Capitol Building
Juneau, Alaska 99811

Dear Red:

Pursuant to our conversation in Juneau, I am returning a copy of House Bill No. 205, on which I have noted questions on garbage and collection of solid waste.

The Fairbanks North Star Borough disposes of solid waste and the City of Fairbanks collects solid waste. At the present time, the Fairbanks North Star Borough is not engaged in the collection of any solid waste materials.

My concern is that according to the terminology of House Bill No. 205, a municipality must collect and dispose of solid waste in order to be eligible for funding.

Very truly yours,

JOHN A. CARLSON
Borough Mayor

JAC:nic

Attachment - as stated

	HB 205	Not.	Pr.	Tes.
5/1	Chenowith	X		
	Swanson	X	X	X
	Jim Andersen		X	X

HB-218

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't wnnt to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

ALASKA ASSOCIATION OF MUNICIPAL CLERKS
% Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska

TO: Senate and House State Affairs Committees, Senate and House Finance Committees, Senate and House Community and Regional Affairs Committees and Senate and House Judiciary Committees

DATE: March 27, 1975

SUBJ: AAMC POSITION ON ELECTION LEGISLATION

This is a position statement of the Alaska Association of Municipal Clerks on the following bills pertaining to elections and under consideration by the Ninth State Legislature.

HB 10 Increases the payment of election judges, clerks and counters from $3.50 per hour to $5.00 per hour.

Referral - Passed House.

POSITION: Opposed. This bill, if passed, would increase the cost of election boards by 33%. Average increase for local elections, statewide, would be $33,750.00 per election. In conjuction with HBs 199 and 204, which lengthen the hours that polling places are open on election day, the costs would be even greater. We consider this to be an astronomical increase in local election costs which communities would have to bear.

HB 53 Changes the State General Election to the "first" Tuesday of November in every even numbered year instead of the "first Tuesday after the first Monday". Changes the date of the State Primary from the "fourth Tuesday of August" to the "first" Tuesday of "October" of every even numbered year.

Referral - State Affairs; Finance

POSITION: Opposed. Passage would make State Primaries and local elections fall on the same day. One is partisan and one non-partisan. Implementation of the passed bill would mean two separate precinct boards, two sets of procedures and shuffling of voters from one board to the other and vice versa. The State Election Offices may find it very difficult to prepare for two major State elections only one month apart. Voters would be vividly faced with the differences between local and state election procedures.

By law, the Federal election is held the "first Tuesday after the first Monday" of November. With passage of this bill there would be occassion that a State General Election would be held a week previous to the Federal election.

HB 54 Changes the administration of state elections from the Lt. Governor to an Alaska Election Administration Commission.

Referrals: State Affairs and Finance Committees

POSITION: Opposed to the bill in its present form. We support the theory of removing the Lt. Governor from the direct line of fire in being responsible for the conduct of elections. We would propose a State Elections Commission unde the Office of the Lt. Governor which would have the responsibility for the conduct of the elections.

The Commission should be composed of five members all of which have expertise in the conduct of elections. This Commission would consist of the Lt. Governor as Chairman; a representative of each major political party selected from a list of three persons submitted by each party; a representative of a political action group and a fifth member whose current responsibility includes the conduct of municipal elections.

HB 199 HB 204 Changes the time for opening and closing the polls from 8:00 a. m. - 8:00 p. m. to 7:00 a. m. - 9:00 p. m. and 6:30 a. m. - 7:30 p. m., respectively.

Referrals: State Affairs and Judiciary.

POSITION: Opposed. Based upon prior experience of polls opening at 7:00 a. m. and closing at 8:00 p. m., we have found 12 hours to be a sufficient amount of time for voting. Surveys taken during that period of time indicate that, at most, only two voters per precinct voted during that morning hour while precinct boards were being paid at full staff capacity. The extension of hours would greatly increase costs, without justification from voter turnout. The addition of hours in the evening to an already existing 14 or 16 hour day would decrease efficiency at a time when accuracy is most critical.

HB 207 Allows voter to register any time of the year, even at the time of voting and allows a voter to vote if qualified in the election district rather than "precinct".

Referrals: State Affairs and Finance

POSITION: Opposed. Those voters choosing to register and vote on election day will, in all cases, have to vote a questioned or challenged ballot since there is no way for a precinct election judge to determine at that time the clear and unquestioned qualification of the voter.

The increase in questioned and challenged ballots then directly affects the time between election and canvass, delaying canvass because of the increased amount of investigation required. The bill, if passed, would discourage making timely change of address as well as early registration and would render the registration rolls virtually useless for the purposes for which they are

presently utilized, i. e. checking of nominating petitions, candidate mail out, initiative and referendum petitions.

HB 214 Provides that when none of the required persons is available for witnessing an absentee ballot it can be done by a single attesting witness who is at least 18.

Referral: State Affairs and Judiciary

POSITION: Opposed. As we feel AS 15.20.150 as it exists provides sufficient flexibility to secure witnesses for purposes of absentee voting.

HB 217 Exempts municipal elections from State law governing election campaign contributions and expenditures.

Referral: State Affairs and Judiciary

POSITION: Endorse. Local government should not be required to conform to standards set for state government unless it is the desire of local government. Candidates for local office find the reporting to be a form of harrassment. The inquiries into local campaign contributions have been minimal.

HB 218 Provides that residency requirements not exceeding three years be set for borough and city mayors and councilmen.

Referrals - Community and Regional Affairs and State Affairs

POSITION: Endorse. Home Rule City may now prescribe additional residency requirements for Mayor by charter. Amendment would extend privilege for prescribing durational residency requirements to general law cities and boroughs for the offices of councilmen and mayor.

HB 219 Provides for registration officials to serve in each polling place during municipal, primary and general elections.

Referrals - State Affairs and Finance

POSITION: Endorse. The registrar would be right at the polling place to make a change of address, name, etc. This would enable the voter who is angry at the time of voting because he made a change of address and it did not make the list - or didn't make a change and is just angry at having to vote a questioned ballot - to have his anger somewhat lessened, if not totally, by having a registrar available at that time to make the necessary change. This would aid in making the registration rolls more accurate and be an added convenience to the voter.

HB 223 Provides that a municipality may provide for plurality vote for election of official by ordinance ratified by a majority of the voters thus exempting itself from the 40% run-off requirement.

Referrals - ~~State~~ Community & Regional Affairs

POSITION: Support. Present 40% run-off provision is discriminatory in the first place by exempting home-rule cities. Home-rule cities have representatives on Borough Assemblys which may be elected by standards different than are required for the other Assemblymen. Voter apathy is apparent when examining voting statistics for run-off elections. Many times a candidate has won a run-off election with less votes than received in the general election. This is difficulty in computing the 40% in multi-seat races. Statistics show that the 40% run-off has only infrequently changed the outcome of the regular election. The run-off election is often more costly than the general election - in Borough's having an areawide run-off and not sharing election costs with the cities as they do in general elections.

HB 233 Provides that a voter who has failed to obtain a transfer from one precinct or election district to another may vote a questioned ballot in the district where he resides on election day.

Referrals - State Affairs

POSITION: Oppose. Endorse instead HB 300.

HB 240 Provides a tax credit against Alaska Income Tax to a taxpayer who votes in a state or local election during the tax year.

Referrals - State Affairs and Finance

POSITION: Opposed. Voting is a right, not a commodity to be purchased for $10.00. Money has never proven to be a lasting incentive to sustain initiative.

HB 300 Clarifies voter's residency requirement.

Referrals - State Affairs and Finance

POSITION: Endorse. This bill will further clarify "residency requirements" for voting purposes by establishing criteria for judgements that have to be made at every election and affecting not only the voters, but candidates as well.

SENATE BILLS

SB 206 Provides that a voter who has failed to obtain a registration transfer shall vote a questioned ballot in his precinct of residence.

Referrals - State Affairs

POSITION: Opposed. Endorse instead HB 300.

SB 207 Permits a municipality to provide for plurality vote for election of officials by ordinance.

Referral - Community and Regional Affairs

POSITION: Opposed. Endorse instead SB 255.

SB 208 Provides for registration officials to serve in each polling place during municipal, primary and general elections.

Referrals - State Affairs

POSITION: Endorse. See HB 219.

SB 209 Provides that residency requirements not exceeding three years can be set for borough and city mayors and councilmen.

Referrals - Community and Regional Affairs

POSITION: Endorse. See HB 219.

SB 237 Changes time for opening polls from 8:00 a. m. to 6:30 a. m.

Referrals - State Affairs

POSITION: Opposed. See HB 199 and HB 204.

SB 255 Run-off Elections.

Referrals - Community and Regional Affairs.

POSITION: Opposed.

SB 269 Punch card voting.

Referrals - State Affairs

POSITION: Endorse. Existing statute does not deal efficiently with punch card voting.

SB 270 Municipal Election Date.

Referrals - Community and Regional Affairs

POSITION: Oppose.

These positions were developed from a statewide consensus of the thirty-seven members of the Alaska Association of Municipal Clerks, who serve with the municipalities as shown on the attached list.

Judi Slajer, President
Alaska Association of Municipal Clerks

Mary Coffey, Legislative Committee
Clerk, Greater Anchorage Area Borough

Jean Michou, Legislative Committee
Clerk, City of Anchorage

Alaska Association of Municipal Clerks

MEMBER MUNICIPALITIES

1975

City of Ambler
City of Anchorage
City of Angoon
City of Cordova
City of Craig
City of Delta Junction
City of Dillingham
Fairbanks North Star Borough
City of Fort Yukon
Greater Anchorage Area Borough
City of Haines
City of Homer
City of Hoonah
City and Borough of Juneau
City of Kenai
Kenai Peninsula Borough
City of Ketchikan
Ketchikan Gateway Borough
City of Kodiak
Kodiak Island Borough
City of Kotzebue
Matanuska-Susitna Borough
City of Nome
City of North Pole
City of Palmer
City of Petersburg
City of Seldovia
City of Seward
City and Borough of Sitka
City of Skagway
City of Soldotna
City of Unalaska
City of Valdez
City of Wales
City of Whittier
City of Wrangell
City of Yakutat

 Alaska Association of Municipal Clerks' Positions on Election Legislation (entire position paper in HB 218 folder)

HB 54 Changes the administration of state elections from the Lt. Governor to an Alaska Election Administration Commission.

Referrals: State Affairs and Finance Committees

POSITION: Opposed to the bill in its present form. We support the theory of removing the Lt. Governor from the direct line of fire in being responsible for the conduct of elections. We would propose a State Elections Commission under the Office of the Lt. Governor which would have the responsibility for the conduct of the elections.

The Commission should be composed of five members all of which have expertise in the conduct of elections. This Commission would consist of the Lt. Governor as Chairman; a representative of each major political party selected from a list of three persons submitted by each party; a representative of a political action group and a fifth member whose current responsibility includes the conduct of municipal elections.

HB 199
HB 204 Changes the time for opening and closing the polls from 8:00 a. m. - 8:00 p. m. to 7:00 a. m. - 9:00 p. m. and 6:30 a. m. - 7:30 p. m., respectively.

Referrals: State Affairs and Judiciary.

POSITION: Opposed. Based upon prior experience of polls opening at 7:00 a. m. and closing at 8:00 p. m., we have found 12 hours to be a sufficient amount of time for voting. Surveys taken during that period of time indicate that, at most, only two voters per precinct voted during that morning hour while precinct boards were being paid at full staff capacity. The extension of hours would greatly increase costs, without justification from voter turnout. The addition of hours in the evening to an already existing 14 or 16 hour day would decrease efficiency at a time when accuracy is most critical.

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Referrals: State Affairs and Finance

POSITION: Opposed. Those voters choosing to register and vote on election day will, in all cases, have to vote a questioned or challenged ballot since there is no way for a precinct election judge to determine at that time the clear and unquestioned qualification of the voter.

The increase in questioned and challenged ballots then directly affects the time between election and canvass, delaying canvass because of the increased amount of investigation required. The bill, if passed, would discourage making timely change of address as well as early registration and would render the registration rolls virtually useless for the purposes for which they are

Hearings

HB218

		Notified	Present	Testified
~~2/4/75~~	Rep. Ted Smith	X		
3/28/75	Ak Municipal League	X		
	CRA	X		
	Mary Cassee, GAAB clerk	X		
	Slater, Ketchikan clerk	X		
	Ed Hildebrand, CRB Juneau	X		
2/4/75	Rep Smith	X		
	Ak Municipal League	X		
	Dept C & RA			

HB-223

TAPE # 7
side 2
495-1363

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 28, 1975

Meeting was called to order at 9:00 for discussion of HB 265, 266 HB 223 and SB 207 am. Present:

Representaive Sam Cotten, Chairman
" Al Ose
" Larry DAvis
" Kathryn Ostrosky'
" Glenn Hackney
" Oral Freeman
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff'
Jean G. Muhou, City Clerk, Anchorage
Mary Coffery, Borough Clerk, GAAB
Judi Slajer, Borough Clerk, Ketchikan Borough
Donald E. Clocksin, Legal Services

HB 265, 266 (community assistance)

(495) First order of business of HB 265. Chairman Cotten read a letter from Commissioner McAnerney saying that only 1st and 2nd class cities were eligible for grants--Home Rule cities are not. This clears up Ose's problem of Anchorage maybe trying to use this program. Rep. Ostrosky moves to report bills out. Reps. Hackney and Freeman object. The Chairman calls for a show of votes to report out. Four voted to move out: Cotten, Davis, Ose and Ostrosky. Bills reported out with individual recommendations.

HB 223, SB 207am

(580) Next on the agenda were election bills. Ms. Slajer said they wanted the language of SB 255 in SB 207am. Hackney objects to taking up bills not in this committee (SB 255). Testimony was restricted to 207 and 223.
(712) Rep. Ostrosky notes technical error in spelling of the word "runoff". Word is hyphened in SB 207 and not in HB 223.
(725) Ms. Slajer in favor of concept in SB 207 but want to change the wording a little. SB 255 is same but better wording. REp. DAvis asked if it wasn't already in ordinance requiring run off for Mayor. Want to exempt all from run off except Mayor.
(767) Ostrosky asked if they needed a plurality vote? Yes, they do.

(775) Hackney-HB 223requires exemption be ratified by voters--essentail. Different from SB 207. (800) Coffery explains problem with GAAB. Two different sets of standards for same body. Hackney wants people to be able to vote. Coffery wants option by ordinance. Rather than voting on the question the people would vote on the people and if they weren't satisfied the council would hear about it. (885) Ose definitely opposed to ordinance. (898) Freeman wants to know what is wrong with council making ordinances? (925) Ms. Coffery said this position was endorsed by the Alaska Association of Municipal clerks which inlcudes 37 municipalities. (947) Hackney asked what objections they had to the people voting on the question. Jean's response was that the people would voice their displeasure. Coffery explained the GAAB situation. She thinks run off is farce.

(1069) Cotten agrees with Hackney. Question would not cost extra money. Would be voted on at general election or regular or special election. (1103) Jean said the voters didn't vote in the first place to require run off elections. Ostrosky asked what the sentiment was to drop run offs. Ms. Coffery said the association has held the same positon for the last couple years. She has enough faith in governing body.

(1159) Ms. Slajr said that HB 223 does give some option.

(1175) Cotten-Home Rule cities exempt from whole thing. HOme rule already has option with Charter.

(1230) Cotten asks Hackney if adding " of any of its officials" on line 11 would clear things up. Hackney has no objection.

Ms. Slajer said that SB 255 that theremust be a run off for mayor and HB 223 would allow the people to vote on exempting any position so there will have to be a correlation sometine of that discrepancy.

(1265) Freeman suggests taking the language from HB 223 and placing it in SB 207 and let it be settled in free conference. Hackney has no objection. (1306) Freeman moves to report out a committee substitute for 207 which would delete paragraph B in 207 and replace it with para B in 223 with the addition of <u>any of its officials</u> on line 11.

Bill was reported out with committee substitute.

ENd 1363. Meeting adjourned at 10:09.

REQUESTED BY ASSEMBLYMAN CHARLES EVANS

GREATER ANCHORAGE AREA BOROUGH

RESOLUTION NO. 75-36

A RESOLUTION REQUESTING DELETION OF REQUIREMENT FOR RUNOFF ELECTION WHERE NO CANDIDATE FOR MUNICIPAL OFFICE RECEIVES IN EXCESS OF 40% OF THE VOTES CAST

WHEREAS, voter turnouts in municipal runoff election have been historically very light and possibly unrepresentative of the electorate at large; and

WHEREAS, it is very costly to municipalities to hold runoff elections and to candidates to campaign in runoff elections;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE GREATER ANCHORAGE AREA BOROUGH:

1. That the Legislature be requested to repeal A.S. Title 29.28.040 requiring runoff elections in municipal elections and amend to provide for local options;

2. That copies of this resolution be sent to the President of the Senate, to the Chairman of the Senate Committe on Community and Regional Affairs, to the Speaker of the House, to the Chairman of the House Committe on Community and Regional Affairs, to the Commissioner of Community and Regional Affairs and to the Executive Director of the Alaska Municipal League.

PASSED AND APPROVED by the Assembly of the Greater Anchorage Area Borough this 12th day of August, 1975.

/s/ Jessie Dolson
Presiding Officer

RE 75-36

ATTEST:

/s/ Mary Coffey
Borough Clerk

APPROVED this 1st day of April, 1975.

/s/ John P. Roderick
Borough Mayor

Hearings

HB223

3/28/75		Notified	Present	Testified
	CRA	~~X~~ X		
	Municipal League	~~X~~ X		
	Rep. Ted Smith	X		
	Mary Cassell, GAAB clerk	X		
	Slater, Ketchikan clerk	X		

HB-227

"An Act relating to the senior citizens' municipal property tax exemption authorized under AS 29.53.020; and providing for an effective date."

COMMITTEE REPORT

2/27/75 HOUSE FINANCE

Mr. Speaker: Date 3-6-75

The Committee on C&RA has had HB 227 under consideration. A Majority of the members of the Committee

(x) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #4
side 1
941-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 6, 1975

Meeting was called to order by Chairman Cotten at 9:00 for discussion of HB 227 & CSSB127. Present were: Rep. Cotten; Rep. Ose; Rep. Davis; Rep. Freeman; Danny Plotnick, Office on Aging and Bob Dozier, State Assessor; Barbara Englert Thomas, Staff; Andrea Guernsey, STaff

941-Plotnick started by saying that his office was in favor of the bill if it was in concurrence with Community & Regional Affairs. He read a letter from someone who had missed the deadline—HB 227 would take care of that problem.

978-Dozier was also in favor of the bill. He thinks it should be flexible but still should have a deadline to make the administration of it a little easier. He made the suggestion that late filers should have a penalty of some sort. He gave a run down of the calender and said the municipalities have the power to accept the application virtually any time of the year as it now reads in the bill. He would like to see a deadline.

1075-Rep. Ose asked why we had this every year. Dozier said the assessor had no way of knowing what the individual has been doing. Just a routine check up.

1101-Mr. Plotnick stated that the Office on Aging would have no objection to adding a deadline. Suggestion on line 27 after the word "him' add: provided that the application be received by X date.

1133-Ose, what is the first date that they can file? During any time, Dozier said.

1138-Freeman asked if the state reimburses and if the cut off date was a problem for the State. Dozier replied that yes the state did and no there was no problem. It wasn't any great problem and the cut off date was not absolutely necessary.

Cotten favors the bill but doesn't want it amended to provide for filing date. Ose made a motion to pass the bill out. All signed due pass.

CSSB 127

1271-Dozier said this bill adds to the senior citizens property tax exemption. There is a problem with the wording in a couple of places; doesn't say to whom amount of money will be paid, it should be specified- to the local governemtn or to the State?

1359-Freeman wanted to know where the money to reimburse comes from and what guarantee there is. Dozier said it was in the budget. This program hasn't been submitted. A separate BRU. Suggested wording: line 19, new sentence: "payment by the owner shall be made to the State to the extent of its reimbursement for revenue lost under this section."

1442-Dozier also said there was a conflict in the definition of resident.
1474-Cotten questioned about water and sewer assessment. Aren't required by federal law to hook up to water. Why distinction between water and sewer, should be for both.
Dozier also suggested there be a limit on the amount of land.
1550-Freeman-What is the fiscal note? $100,000.

Meeting adjourned end tape

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

JAY S. HAMMOND, Governor

April 9, 1975

The Honorable Samuel R. Cotten
Alaska House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Representative Cotten:

In December I wrote to ask your help in seeking out qualified applicants for the State's Senior Citizen Property Tax Exemption program (AS 29.53.020(e)). I am now writing to thank you for your help in disseminating information about the exemption and report that the program was a great success this year. In 1974, 1,887 applications were received. This year, participation jumped to about 2,475. As the statute covers residents 65 and over who own real property they occupy as a permanent abode, we feel, along with those we've spoken to in Community and Regional Affairs, that an extremely high per centage of those eligible for the exemption applied this year.

Our office has received a great response from senior citizens who've written to say how important the exemption has been to their budgets this year. In light of this response, passage of similar measures before the Legislature this session can do a great deal to ease the financial burden facing our state's elderly population. Your support is strongly urged and greatly appreciated particularly on bills affecting the finances of senior citizens on low and fixed incomes.

Thank you again for your help.

Sincerely,

Stephanie Scowcroft

Stephanie Scowcroft
Information Specialist
Office on Aging

SC:dt

KENAI PENINSULA BOROUGH

Box 850 Phone 262-4441

SOLDOTNA, ALASKA 99669

STAN THOMPSON
MAYOR

March 26, 1975

Mr. Bob Palmer
Executive Assistant
Office of the Governor
Pouch A
Juneau, Alaska 99811

Dear Bob:

I recently received a letter from Bob Dozier, State Assessor, in answer to the one I had sent to you concerning the acreage limitation of five acres which had been adopted for administration of the Senior Citizens Property Tax Exemption Program AS 29.53.020(e)-(i).

As we are all aware I believe at this point the statute does not limit to five acres the Senior Citizens Property Tax Exemption. This is done administratively.

Again, I reiterate, I see no reason to reject 155 acres of some Senior Citizens 160 acre home because of a five acre administratively placed living limitation when you could at the same time be giving a $200,000 home exemption on a one acre piece of property. It should not be based on the amount of land but on the value thereof. Perhaps a $100,000 valuation. It shouldn't make any difference whether it is 200 acres or a city lot. Your permanent place of abode is where you live and the property upon which you reside, and it does not make any difference whether it is one acre, one lot, or 100 acres, it still is your property, the property on which you reside. The recommendation limiting it to 20 acres, as suggested, in rural areas I do not believe is sufficient. Again, I feel it should be a limitation as to value and not to the amount of land. I can see no excuse for any land limitation. Anything that can be done to remove this limitation of acreage I think should be done at this time. My personal feeling is it should be a value limitation, say $100,000 as an example, rather than a size limitation. Again, I will point out that $100,000 home on a half acre lot has no more right for exemption than a $10,000 home on 160 acre property where the whole thing being worth $100,000.

Please give us the benefit of your consideration.

Sincerely,

Stan Thompson

Stan Thompson
Borough Mayor

ST/tb

cc: Robert Dozier, State Assessor
Dept. of Community & Regional Affairs
Pouch B
Juneau, Alaska 99801

Samuel R. Cotten, Chairman
House Committee for Community & Regional Affairs

Senator Clem Tillion
Rep. Hugh Malone
Rep. Leo Rhode
Pouch Y
Juneau, Alaska 99801

HB 227

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

Pouch H01, Juneau 99811

March 5, 1975

The Honorable Samuel R. Cotten
Chairman, House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Cotten:

Enclosed are this Department's position papers concerning HB 227 relating to senior citizen municipal tax exemption and CSSB 127 relating to municipal special water assessments.

Sincerely,

Frederick McGinnis

Frederick McGinnis
Deputy Commissioner

Enclosures

OFFICE ON AGING

POSITION REPORT
ON
CSSB #127

"An Act relating to municipal special assessments."

This act adds an entirely new section 29.63.065 specifically providing exemptions by residents 65 years or over in payment of special sewer assessments on their permanent abodes and special water assessment under this chapter if no water connection is made. When a person is exempted and then receives water connection from which he was exempted from special assessment or sells, or otherwise disposes of ownership of property, except to heir, he shall pay the special assessment from which he was initially exempted.

Resident is defined as a person who for 12 consecutive months has maintained a permanent place of abode in Alaska and has continually maintained his voting residence in the state. The eligibility, appeal, application, reimbursement and other provisions of AS 29.53.020(c) through (i) (contained in HB #227) apply to the exemption granted under this section.

The effect of this amendment is such that it will allow many pioneer Alaskans who own their own homes, and who do not necessarily want to have water connections, to be able to continue living in their own homes. If water connections are made to their homes, and they cannot afford the costs, they are exempt from payment, provided they continue living in their own homes and do not sell their home.

With no added cost to State Government, and possibly a minimum cost to the local political subdivision, this bill secures and maintains maximum independence and dignity in a home environment for older Alaskans capable of self care and helps to remove another economic cost affecting older Alaskans.

Aging supports the amendment and urges passage provided Governor's Budget is not affected adversely

Submitted By: M D Matlack Coordinator Aging Office — March 5, 1975 Date

Approved By: Frederick McGuire Deputy Commissioner — March 5, 1975 Date

Hearings

HB227

		Notified	Present	Testified
2/6	Comm. Williamson, H&SS	X		
	(who will notify Office of Aging) Platnik	X	X	X
	CRA, Bob Dozier, State Assessor	X	X	X
	Municipal League			
	Sen. Tillion			

H/B-228

"An Act relating to municipal planning and zoning powers."

COMMITTEE REPORT

HOUSE

2/27/75

Mr. Speaker: Date 4-21

The Committee on CAPA has had HB 228 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #10'
side 1
1624-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

April 21, 1975
Meeting Minutes

Meeting was called to order at 9:00 to discuss CSHB 246. Present:

Rep. Cotten
Rep. Ostrosky
Rep. Hackney
Rep. Hershberger
Rep. Freeman
Rep. DAvis
Rep. Ose
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Don Clocksin, Legal Services
Cheryl Probst, Anchorage Times

Sec. 300, para C — The Committee members wanted an explanation of sec. C of the new committee substitute. Clocksin explained that sec. 300 provides 3 alternative methods: 1) para A--this is the procedure now in use. One individual can protest and the Board may or may not have a hearing. 2)para B--35% of the residents of an established village may require a hearing. 3) para C--this takes care of the situation that Ose was having problems with(license along hiway). The Board will take other things into account besides just the residents.

LETTER OF INTENT — Hershberger had the same problem as Ose. Two or 3 resients may be the majority. Ose calls for a letter of inten t. Freeman says you can't do much better than the wy it is already written in C.

REPORT OUT — Ose withdraws request. Moves to pass bill out. All members signed due pass.

Side 2
0-683 — The committe now took up several other bills. Bob Pavitt was present, to discuss HB 172. He said it was a good bill and there was not much other discussion. Rep. Freeman moved to report the bill out. With out objection it was reported out with all members signing do pass.

HB 172

HB 228 — Hackney asked for the reason for this bill. Cotten siad it was sometimes the case when a city is not more than 25 miles from the boundary of the borough seat. Hershberger moved to report out and it was done with all members signing do pass.

HB 228

		Notified	Present	Test.
4/21/75 9am	Bob Pavit, Planning Consultant P-9882	X	X	X
	CERA, Kevin Waring	X		
	Municipal League	X		

HB-246

"An Act relating to liquor license and municipal regulation of the sale of intoxicating liquor."

COMMITTEE REPORT

3/3/75 HOUSE JUDICIARY

Mr. Speaker: Date 3/21

The Committee on C&RA has had HB 246 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR HB 246 AND THAT CS FOR HB 246 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]	[illegible]	
Mike Hershberger		

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[illegible] Chairman

TAPE # 9
side 1
0-1135

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 10, 1975

Meeting was called to order at 9:10 for discussion of HB 246. Present:

REpresentative Sam Cotten, Chairman
" al Ose
" Glenn Hackney
" Oral Freeman
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Rep. Itta, Sponsor
Rep. Guy, Sponsor
Don Clocksin, Legal Services
Phil Wall, Dept. of Revenue

BACKGROUND

Mr. Clocksin started by giving a background of the bill. This bill came out of the Bush Justice Conference in Minto Alaska in 1974. The recommendation was made to be able to revoke liquor licenses upon request in the unorganized area. He gave the example of Rampart whose 24 of 26 adults didn't want to renew the licensee in their village. The Alcoholic Beverage Control Board would not revoke the license. Rampart did not want to incorporate--which was the only way to go dry. He also gave the example of Cantwell to show the procedures of the ABC Board. Board has discretionary powers whether to hold a public hearing or not but must abide by the results of the hearing.

PROCEDURES IN INCORPORATED AREA

He then listed some of the procedures in the incorporated area: 1) no license issued if more than 1 license for 1500 people already; 2) there is an automatic yearly issuance; 3) local option election--vote of citizens to go dry.

PROCEDURE IN UNINCORPORATED

Procedures in unincorporated: 1 license for every 1500 people within 5 mile radius; individual can protest issuance of license--ABC checks it out and may or may not hold hearing, ABC shall refuse to issue the license if a majority of the people at the hearing objects; if the village is more than 50 miles from a municipality 2/3 of the people must approve.

PURPOSES OF BILL

It would allow an unincorporated area to go dry; require posting of application for reissuance of license sec 1 line 11.

TAPE # 9
side 1
0-1135

HB 246
4/10/75

PURPOSES OF BILL — Would allow petition by 25 people in area to demand a public hearing. If the majority of the people at the hearing don't want the license then mandatory not to issue; incorporated area which had voted to go dry may pass an ordinance making it a misdemeanor to violate the dry law. page 2 lines 15-19--this would allow enforecment. Would trigger state law and troopers could be brought in to enforce.

FREEMAN — Rep. Freeman doesn't think that it is the duty of the ABC Board toenforce the dry laws. He doesn't like the idea of extending power to the unorganized areas. Let them incorporate. Clocksin brought up the point that this would extend the rights of the urban areas to the rural areas.

PROTEST OF ISSUANCE — Hackney wants to change "25 residents" to a per centage figure. Clocksin said why not 35% which is the figure for incorporated areas.

AMENDMENTS BY PHIL WALL — Wall offered his amendments: delete "or a license is reissued" on line 11 page 1. Add after line 16 something to the effect "ABC Board will post in newspaper list of the licenses they are consider--ing for reissuance". Clocksin said the problem with that is posting in newspapers won't work inthe rural areas. Often don't have nwspapers.

Meeting was adjourned at 10:00. (1135)

No tape of this meeting

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 10, 1975

Meeting was called to order at 1:50 to continue discussion of HB 246.

Representative Sam Cotten
" Kathryn Ostrosky
" Al Ose
" Glenn Hackney
" Oral Freeman
" Larry Davis
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Don Clocksin, Legal Services
Phil Wall, Dept. of Revenue

AMENDMENTS

Mr. Clocksin presented a list of amendments for the Committee's consideration.

1) the first amendment on page 1, line 11 concerned posting of notice. Since posting of notices would be too burdensome on the ABC Board who checks in each case, Clocksin wants to eliminate his first amendment and make #2 mandatory;
2) Board shall require by regulations notice of reissuances, renewals nad transfer of license, including,but not limited to bilingual notice, where necessary, and notice by newspapers, radio and television." Since all licenses expire on December 31, the Board could post a notice that they were considering reissuancing all licenses.
3) amendments 3, 6, and 7 are all clarifying language: deleting the word "reissuance" and inserting "reissuance, renewal or transfer". There was some question whether reissuance would cover all three so just expanding the language.
4) 25 residents may not be appropriate so want to change to 35% which is the same as for local option election in the incorporated village.
5) "or otherwise" too broad so deleting it.
6) on page 2 line 6 delte secs. and insert "secs. 200 and". Technical problem.

RESIDNECY

Wall said there is a constitutional problem with resident. Right now they use voter residency as criteria. Amendment--line 25-residents having permanment place of abode.

	Ose wants to exclude hiways. Thinks it would be too easy for a couple people to stop someone.
2 mile limit	It was brought up that the 2 mile limit is already in the statutes covering issuance, this merely extends the same to reissuance.
TABLE	Ose moves to table. Vote was taken, 4 to 1 not to table.
HACKNEY'S AMEND-MENT	Rep. Hackney wanted to offer an amendment--change the hours of opening and closing of bars from 8:00 am to 9:00 and from 5:00 am to 2:00 am closing. Mr. Freeman and Ose contested it.

Meeting was adjourned at 3:00.

TAPE #9
side 2
1395-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 16, 1975

Meeting was called to order at 9:10 to discuss HB 246 again. Present:

Rep. Ostrosky	Barbara Englert Thomas, Staff
Rep. Ose	Andrea Guernsey, Staff
Rep. Davis	Don Clocksin, Legal Services
Rep. Hackney	Phil Wall, Dept. of Revenue
	Ben Marsh, Director, CHAR
	Don Berry, Municipal League

BEN MARSH — Ben Marsh was representing the Cabaret, HOtel and REstaurant Association. He said there are always bills before the legislature that try to regulate the liquor business further. This bill jepordizes license holders on annual basis.

CHAR AMENDMENTS — He suggested 2 amendments by CHAR: 1) line 19- after "incorporated city" add "or borough". If the bill is meant for rural areas this would not hurt them but would take care of some place like Anchorage which has many licenses outside the city. Does incorporated city mean 1st or 2nd? Ose suggests changing incorporated city to "municipality" which would cover everything.
2) He thinks the mandatory hearing should be requested by more than 35% of the residents. Ose suggests making it within the "established village".

ESTABLLISHED VILLAGES — Clocksin is worried about areas that may have facility which aren't considered established villages. Native villages would be covered under the Land Claims bill but probably not white. Ose wants to use established villages because he is still worried about facilities along hiways which have interests beyond the interest of the village. Clocksin is worried that if Sec. 300 were amended to say established villages in unincorporated areas that leaves out other areas and they would 'have no right to object. Marsh is in favor of the amendment because it would solve the problem of individuals putting someone out of business because they don't like them. Line 18-25 won't be affected-- the right of the individual will be the same. Line 25 would be amended "35% of the adult residents having a permanent place of abode within an established village..." (end of TAPE, cont'd Tape 10)

Mr. Wall suggestd that if that were changed then line 18 should be changed to the same to make the whole thing uniform.

REDRAFT — Mr. Clocksin will have a redraft of the bill for tomorrow with the suggested amendments, including bilingual posting.

Meeting was adjourned at 10:00 until tomorrow. (280)

TAPE #10
side 1
376-1140

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 17, 1975

Meeting was calld to order at 9:00 to discuss HB 246 and HB 350.Present:

Rep. Cotten	Rep. Hackney
Rep. Ostrosky	Don Clocksin, Legal Services
Rep. Freeman	Phil Wall, Dept. of Revenue
Rep. DAvis	Barbara ENglert Thomas, Staff

EXPLANATION OF SOME AMENDMENTS

Don explained some of his amendments. Ben Marsh wanted to exclude organized boroughs from the unincorporated areas so line 19 was changed to "a municipality" from "an incorporated city". Marsh had beenconcerned about the area ouside Anchorage. Marsh also wanted more than 35% required so Don eliminated the voting district provision and made it within 2 miles of place or established village. Themandatory reference in section 300 is now limited to established villages determined by C&RA. This solves Ose's problem of an establishment along a hiway not in the village. The desires of the community are taken into account but not mandatory on the Board. The resident requiremtn was changed to "an adult resident having a permenent place of abode". Section 200 no longer requires posting of application for reissuance or renewal but will require other kinds of notice.

VOTING DRY

Chairman Cotten wants the bill to be addressed to voting dry or wet but not to revoking individual licenses. Clocksin said there was a legal question on whether you can have organized election in unincorporated area to go dry or not.

"APPEARS"

Rep. Freeman made an objection to part of sec. 300. He doesn't understand how you cna mandate a hearing if 35% ask for it and if it only appears that the majority are against it the Board shall not issue the license. Appear wouldn't stand up in court. Rep. Ostrosky noted that the word "appear" is used in the original statute but that is only in the original issuance. Mr. Wall agreed that a definiton of appear was necessary. It hasn't been handled well in the present situation. Clocksin suggested striking it and requiring the Board to'

TAKING A VOTE

take a vote. Freeamn says why not have an election. Kathryn asks how would you establish the majority?

Wall said there are two ways: require Board to have regulations or spell it out. He's not sure of the legality of the Board administering vote.

AMENDMENT — Wall--Should be within 2 miles of his permanent place of abode and (instead of or) within 2 miles of the established village.

Wall said that definition of 2 miles within village might be a problem. For instance tok is 6 miles long.

TITLE OF SEC 300 — He also suggested changing the Title of Section 300 to PROTEST OF LICENSE ISSUANCE IN AREAS OUTSIDE MUNICIPALITIES.

COMMITTEE SUB. — The staff will have a committee substitute drawn up to be ready for tomorrow.

HB 350(1080) — The Committee now had before it HB 350. The Chairman wants to delete all of sec. A. He had a request from Anchorage for 5% maximum sales tax. The problem in Anchorage is the city charges 5% but in order to raise in Borough the people have to vote. The city charges 5% on hotels and motels within city but the borough only charges 3%. Want to tax all the transients and tourists the same.

COMMITTEE SUB. — A committee substitute will be drawn up deleting the first secion and putting a maximum of 5%.

REPORT OUT — (The committee members signed the report.) Meeting was adjourned at 10:00.

TAPE #10
side 1
1161-1618

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 18, 1975

Meeting was called to order at 9:00 to discuss CSHB 246. Present:

Rep. Cotten, Chairman	Rep. Freeman
Rep. Ostrosky	Andrea Guernsey, Staff
Rep. Hackney	Barbara Thomas, Staff
Rep. DAvis	Don Clocksin, Legal Services

POSTING

Rep. Hackney said that line 17 changes the thrust of the bill from municipally oriented to non-municipal. Cotten said this would apply where not feasible to post. Mr. Clocksin agreed with Hackney that in most villages you couldn't use television but the bill plans for the future. It's discretionary, the Board will decide. It would also be in the nature of a public service announcement.

MANDATORY HEARING VS ELECTION

Rep. Freeman wanted to know how they will detrmine the majority, line 5 page 2. He suggests having an election. Clocksin suggest inserting "or at election after the hearing" on line 5 after the word "hearing". Cotten wants the Dept of C&RA to hold the elections. Clocksin gives proposed language-page 2, line 5--strike majority and insert substantial number. CRA would then hold hearing. Could strike mandatory all together. Rep. Freeman objects to this. Why have an election if it isn't necessary. Some people may come to hearing and hear all the facts and then change their minds. Rep. DAvis suggests having an election if the Board rules against the wishes ofthe people. Mr. Clocksin finally suggests leaving out the hearing and making the election mandatory, then change the may to shall on line 8.

DRAFTING ERROR

There is a drafting error on line 9, where the word renewal has been left out. That will be inserted.

COVERING ALL LICENSES

Rep. Cotten would like to change the word "the" on line 9 to any. The question should cover all licenses and not just one. Clocksin suggests inserting "or licenses" after a license on page 1, line 24.

PROTEST TO BOARD	Rep. Hackney would like to see page 2, line 1, qualified. The protest will be made to the Board.
SUBSTITUTE	There will be a substitute for the committee substitute drawn up encompassing all the amendments.
ADJOURN	Meeting was adjourned at 9:45.

TAPE #10'
side 1
1624-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

April 21, 1975
Meeting Minutes

Meeting was called to order at 9:00 to discuss CSHB 246. Present:

Rep. Cotten
Rep. Ostrosky
Rep. Hackney
Rep. Hershberger
Rep. Freeman
Rep. DAvis
Rep. Ose
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Don Clocksin, Legal Services
Cheryl Probst, Anchorage Times

Sec. 300, para C — The Committee members wanted an explanation of sec. C of the new committee substitute. Clocksin explained that sec. 300 provides 3 alternative methods: 1) para A--this is the procedure now in use. One individual can protest and the Board may or may not have a hearing. 2)para B--35% of the residents of an established village may require a hearing. 3) para C--this takes care of the situation that Ose was having problems with(license along hiway). The Board will take other things into account besides just the residents.

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HB 228 — Hackney asked for the reason for this bill. Cotten siad it was sometimes the case when a city is not more than 25 miles from the boundary of the borough seat. Hershberger moved to report out and it was done with all members signing do pass.

HB 246

Ben Marsh - CHAIR

line 19 - add ~~city~~ "or borough" after city

& delete "cities" and add "municipalities"

1 license per 1500 pop in city - no requirement where

1.0

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-XXX 6425

Proposed Committee Substitute - HB 246

For an Act entitled: "An Act relating to liquor licenses and municipal regulation of the sale of intoxicating liquor."

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

* Section 1. AS 04.10.200 is amended to read:

Sec. 04.10.200. POSTING OF APPLICATION. Before a new license is issued the applicant shall post a true copy of the application for license at the location of the premises, at the nearest post office and at one other conspicuous location in the area, for a period of 10 days before the filing of the application. The applicant shall submit with the application proof of posting on a form to be provided by the board. The board shall require by regulation notice of reissuances, renewals, and transfers of licenses, including but not limited to bilingual notice, where necessary, and notice by newspapers, radio and television.

* Sec. 2. AS 04.10.300 is repealed and reenacted to read:

Sec. 04.10.300. PROTEST OF ISSUANCE. An adult resident having a permanent place of abode in an area outside a municipality who desires to protest the issuance, reissuance, renewal, or transfer of a license for an establishment within two miles of where he resides or within the established village in which he resides, shall serve upon the applicant and the board a written statement of the reasons for his protest. Upon the receipt of the protest, the board may give notice and hold a hearing, in the area in which

the protestant resides, at which all persons interested may be heard. If the protest is made in writing by at least 35 percent of the adult residents having a permanent place of abode within the established village where the establishment is situated for which the license is sought, or within two miles of the established village, the hearing is mandatory. If at the hearing it appears that the majority of the adult residents having a permanent place of abode within the established village or within two miles of the established village object to the issuance, reissuance, renewal or transfer of the license, the board shall refuse to issue, reissue, renew or transfer the license. If at a hearing held in an unincorporated area not an established village, it appears that the majority of the adult residents having a permanent place of abode within two miles of the establishment for which a license is sought object to the issuance, reissuance, renewal, or transfer of a license, the board may refuse to issue, reissue, renew or transfer the license.

For purposes of this section, an "established village" shall mean an unincorporated area where at least 25 people reside as a social unit, as determined by the Department of Community and Regional Affairs.

* Sec. 3. AS 04.10.350(a) is amended to read:

(a) A license issued under this chapter is renewable automatically if the fee is paid in accordance with secs. 40 - 140 of this chapter, <u>except as provided in secs. 200 and 300 of this chapter or</u> except in the case of conviction of the licensee under AS 04.15.100, pending the outcome of a board hearing or judicial determination as to the legality of issuing the license, or in the case of a lawful revocation in which event the license is renewable only as provided by law and regulation.

* Sec. 4. AS 04.15.070(a) is amended to read:

(a) A municipality may by ordinance provide rules and regulations governing the barter, sale and possession of intoxicating liquor within the municipality necessary to the orderly conduct of the business of selling intoxicating liquor. When, under a local option election, the city clerk finds the majority of the voters are against the sale of intoxicating liquor, the municipality, by ordinance, may make the sale of intoxicating liquor within the municipality a misdemeanor whether the sale is made pursuant to license or otherwise. The ordinance may not be inconsistent with this title or the rules and regulations promulgated under this title. No municipality may impose taxes other than property taxes on liquor inventories and sales taxes on liquor sales when these taxes are levied on other property and sales within the municipality.

Sec. 04.10.300. Protest of issuance. A resident of an area outside an incorporated city who desires to protest the issuance of a license in the voting area in which he resides, shall serve upon the applicant and the board a written statement of the reasons for his protest. Upon the receipt of the protest, the board may give notice and hold a hearing, in the voting precinct in which the protestant resides, at which all persons interested may be heard. If at the hearing it appears that the majority of the citizens over the age of 19 years, residing within two miles of the place for which a license is sought, object to the issuance of the license, the board shall refuse to issue the license. (§ 35-4-22(E) ACLA 1949; am § 1 ch 131 SLA 1953; am § 2 ch 131 SLA 1957; am § 2 ch 197 SLA 1959; am § 4 ch 53 SLA 1973)

Effect of amendment. — The 1973 amendment substituted "city" for "town" in the first sentence and "19" for "21" in the third sentence.

Legislative committee report. — For report on ch. 53, SLA 1973 (CSHB 382), see 1973 House Journal, pp. 795, 885.

LAW OFFICES OF
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JUNEAU, ALASKA 99801
TELEPHONE 586-~~XXX~~ 6425

April 10, 1975

Proposed Amendments to HB 246

1. On p. 1, line 10 - delete "new"
   line 11 - delete "or a license is reissued" and add "reissued, renewed, or transferred,"

2. On p. 1, line 16 - add new sentence: "The Board may provide ~~for additional~~ notice, including but not limited to bilingual notice, where necessary, and notice by newspapers, radio and television."

3. On p. 1, line 19-20 - delete "or reissuance" and insert " , reissuance, renewal, or transfer,"

4. On p. 1, line 25 - delete "25" and insert "35 per cent of the adult"

5. On p. 1, line 27 - delete "or otherwise"

6. On p. 2, line 1 - delete "or reissuance" and insert " , reissuance, renewal or transfer",

7. On p. 2, line 2 - delete "or reissue" and insert " , reissue, renew or transfer",

the Board shall require by regulation notice of reissuance, renewals, transfers of licenses, including but not limited to bilingual notice where necessary

Hackney's amendment - not acted upon

Sec. 04.15.010 is amended to read-Hours of sale. No person may consume, sell, offer for sale, give, furnish or deliver from an authorized licensee any intoxicating liquor on any licensed premises inside the state between the hours of 2:00 a.m. and 9:00 a.m. each day of the week. Municipalities may provide for additional closing hours under § 70 of this chapter.

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STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S—JUNEAU 99801

March 26, 1975

The Honorable Samuel Cotten
Chairman
House Community Regional Affairs Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Re: House Bill No. 246

Dear Mr. Cotten:

House Bill No. 246, an Act relating to liquor licenses and municipal regulation of the sale of intoxicating liquor was introduced in the House on March 3, 1975 and was referred to the House Community and Regional Affairs and Judiciary Committees.

Under the date of March 4, 1975 I requested by memorandum dated March 4, 1975 addressed to Linda Brown, Director, Alcoholic Beverage Control Board, Anchorage, Alaska a review of the proposed legislation for comments on costs or problems of administration.

Attached is a copy of a memorandum from Linda Brown, Director, Alcoholic Beverage Control Board, Anchorage, Alaska concerning the subject bill.

If you or any members of your Committee have any questions on the material submitted, please contact the writer by telephone at 465-2397 and I will contact Linda Brown for further material for submission to the Committee.

Very truly yours,

R. D. Stevenson

R. D. Stevenson
Special Assistant

cc: The Honorable Terry Gardiner
Chairman
House Judiciary Committee

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / *POUCH S—JUNEAU 99801*

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cc: The Honorable Terry Gardiner
Chairman
House Judiciary Committee

STATE
of ALASKA

MEMORANDUM

TO: Linda Brown
Director
Alcoholic Beverage Control Board
Anchorage, Alaska

DATE: March 4, 1975

FILE NO:

FROM: R. D. Stevenson
Special Assistant
Department of Revenue

SUBJECT: House Bill No. 246

Attached is a copy of House Bill No. 246, an Act relating to liquor licenses and municipal regulation of the sale of intoxicating liquor.

Please review the proposed legislation and prepare a memorandum to the writer advising of costs or problems of administration.

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue
Juneau

DATE : March 12, 1975

FROM: Linda E. Brown, Director
ABC Board
Anchorage

SUBJECT: HB No. 246

In response to your memo on the above, I would like to make the following comments:

The amendment to AS 04.10.200 is very difficult. We could require posting affidavits as in a new application, but it greatly increases paperwork. In all fairness to the industry, it is an added burden. If the purpose of this is to increase public knowledge of their right to protest a reissuance, it is an awkward and expensive method.

Regarding the amendment to AS 04.10.300, reference is made to line 27, and the words "or otherwise." I am in doubt just what it means, and suspect that nobody else will either, leaving it very open to interpretation. It doesn't make sense to discuss hearings and make a vague reference to other possibilities at the same time. The purpose of the hearing is to determine whether a license may be issued by giving everyone a chance to speak. It should lead to a final resolution of the issues. The "or otherwise" could keep an issue going indefinitely with all the accompanying headaches these situations produce.

The rest of the amendments appear to be helpful.

Thanks for your interest.

LEB:vk

STATE
of ALASKA

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02-001

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Regarding the amendment to AS 04.10.300, reference is made to line 27, and the words "or otherwise." I am in doubt just what it means, and suspect that nobody else will either, leaving it very open to interpretation. It doesn't make sense to discuss hearings and make a vague reference to other possibilities at the same time. The purpose of the hearing is to determine whether a license may be issued by giving everyone a chance to speak. It should lead to a final resolution of the issues. The "or otherwise" could keep an issue going indefinitely with all the accompanying headaches these situations produce.

The rest of the amendments appear to be helpful.

Thanks for your interest.

LEB:vk

HB 246

TELEGRAM

RCA ALA. COMMUNICATIONS, INC.

02040 ANCHORAGE AK 32 04-03 314P ADT

PMS REP SAM COTTEN 0664

JUN

THE CABORETT HOTEL AND RESTAURANT ASSOCIATION TOTALLY OPPOSED TO HB246 UNFAIR TO LEGITIMATE BUSINESSES TO FORCE THEM THROUGH APPLICATION PROCESS FOR EVERY ANNUAL RENEWAL WE REQUEST HB246 NOT TO BE REPORTED OUT

BERNARD L MARSH EXECUTIVE DIRECTOR CHAR

HB 246

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 APR 8 PM 8 32

#

04008 NL ANCHORAGE ALASKA 50 04-0 0425P ADT

PMS REP SAM COTTON

0684

JUN

I AM CHAIRMAN OF THE BOARD OF CABARET AND HOTEL

RESTAURANT ASSOCIATION AND OWN FIVE LUQUOR LICENSES.

BOTH MYSELF ANCHORAGE CHAR AND ALASKA CHAR ARE STRONGLY

OPPOSED TO BILL 246. WE WOULD APPRECIATE IT IF YOU WOULD

NOT REPORT THIS OUT OF YOUR COMMITTEE.

JACK GRIFFIN

HB
246

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 APR 8 PM 8 31

04010 NL ANCHORAGE ALASKA 50 04-08 0415P ADT

PMS REP SAM COTTON

JUN 0682

I OWN THE UNION CLUB AND OPPOSE THE BILL 246. I WOULD APPRECIATE THIS IF YOU WOULD NOT REPORT THIS OUT OF YOUR COMMITTEE.

ROD BELL

HB
246

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 APR 8 PM 8 30

#

04011 NL ANCHORAGE ALASKA 50 04-08 0324P ADT

PMS REP SAM COTTEN
0681
JUN

WE ARE STRONGLY OPPOSED TO HB246 IT IS TOTALLY UNWORKABLE

AND WILL IMPOSE AND INTOLERABLE BURDEN ON OUR INDUSTRY

REX COOPER JUNE COOPER MARY LU

BURNETT ROBERT TIRAPELLI NOEL MYERS AND OPEL MYERS

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S—JUNEAU 99801

March 26, 1975

The Honorable Samuel Cotten
Chairman
House Community Regional Affairs Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Re: House Bill No. 246

Dear Mr. Cotten:

House Bill No. 246, an Act relating to liquor licenses and municipal regulation of the sale of intoxicating liquor was introduced in the House on March 3, 1975 and was referred to the House Community and Regional Affairs and Judiciary Committees.

Under the date of March 4, 1975 I requested by memorandum dated March 4, 1975 addressed to Linda Brown, Director, Alcoholic Beverage Control Board, Anchorage, Alaska a review of the proposed legislation for comments on costs or problems of administration.

Attached is a copy of a memorandum from Linda Brown, Director, Alcoholic Beverage Control Board, Anchorage, Alaska concerning the subject bill.

If you or any members of your Committee have any questions on the material submitted, please contact the writer by telephone at 465-2397 and I will contact Linda Brown for further material for submission to the Committee.

Very truly yours,

R. D. Stevenson

R. D. Stevenson
Special Assistant

cc: The Honorable Terry Gardiner
Chairman
House Judiciary Committee

HB246

		Notified	Present	Testified
Thurs 4/10	Rep Gerald Ito	X	X	X
	Rep Phil Dyer	X	X	X
	Mr K D. Stevens, Special Asst, Dept of Rev 2397	X		
	~~Rep Hanby, Hon Lawrence~~			
	Hon Ben, Hon Lawrence 6-2415	X		
	Municipal League	X		
	Don Clocksin	X	X	X
	Phil Wall, Dept of Rev 2313		X	X
4/16/75	Bernard Marsh, CHAR	X		
	Phil Wall, ~~2313~~ 2313	X		
	Municipal League	X		
	Don Clocksin	X		
	Reps. Guy, Ito	X		
4/18	Clocksin	X	X	X

HB 2559

"An Act relating to auditing of municipalities; and providing for an effective date."

COMMITTEE REPORT

Rules

3/4/75

HOUSE

Mr. Speaker: Date 3-14-75

To

The Committee on C&RA has had HB 259

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends: _____

_____ recommends: _____

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: Community & Regional Affairs Committee

To: Amend HOUSE BILL No. 259

SENATE BILL No. _____

PAGE: 1 LINE: 12, 13

On page 1, line 12, delete the words "May be required to provide".

TAPE #5
side 1
1170-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 14, 1975

Meeting was called to order for discussion of HB 259 and HB 136. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Glenn Hackney
Rep. Larry DAvis
Rep. Oral Freeman
Rep. Mike Hershberger
Rep. Al Ose
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Rep. Jim Duncan, Sponsor,HB 259
Don Berry, Municipal League
Senator Joe Orsini
Pat Poland, Local Government Specialist

1175 - Duncan stated that a CPA is often too expensive for small municipalities. The bill would allow them another option.
1192 - Cotten asked about the language, was it definitive enough? Duncan said there was no licensing requirement for accountants.
1210 - Rep. Ostrosky commented it was just another word for skilled bookkeeper.
1216 - Hershberger doesn't think there'd be a problem because it would be obvious in a small community who is qualified to do the work.
1222 - ANother change Duncan wanted to make was to delete "may be requireed to provide" on line 12 and 13. Sam agrees. He wonders if they should add the word practising on line 15 in order to qualify the accountants. Duncan thinks it would be too restrictive, doesn't want it.
1246 - Hackney wants to know if they're going to hear from the CPA's about this bill.
1251 - Chairman Cotten asks Mr. Poland for the Dept. of C&RA's thoughts. He said Rep. Duncna had expressed the same thoughts. He said the bill wouldn't change the existing situation because CPA's are not required as it is right now..
1273 - Duncan doesn't think the CPA's would be adverse to it.
1296 - Ose gives example of Haines.
1307 - Duncan talks about public accountants. NO requirement now for CPA to do audit.
1332 - Ose says opening up to anyone with bookkeeping knowledge.
1337 - Cotten asked what are the qualifications for public accounting. There is an exam, Duncan says, but it is morestringent to be a CPA.
1368 - Freeman makes motion to amend by deleting "may be required to provide" on line 12 and pass the bill out.

Bill was amended and signed by 5 members due pass.

1309 - HB 136
1400 - Senator Orsini makes further comments.
1411 - Chairman Cotten gives a summary of the bill to Mike Hershberger who was absent at yesterdays meeting.

Committee discussion continues to end of side 1.

Meeting adjourned at 10:00 until 11:00.

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't want to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

736 "G" STREET
ANCHORAGE, ALASKA

April 7, 1975

Hon. Samuel R. Cotten, Chairman
Committee on Community and Regional Affairs
Alaska House of Representatives
Pouch V, State Capitol
Juneau, Alaska 99801

Reference: HB 259; SB 238

Dear Sir:

The bills referenced above will, if enacted, have the effect of a disservice to the second class cities and their populations by allowing their elected officials to appoint as "independent accountants" persons who are not required to achieve the technical and professional status mandatory under existing statutes. The law, regulations and appointed board which combine to administer public accountancy in Alaska have been developed over the years to protect the public from the practice of public accountancy by persons who may hold themselves out to be qualified, but whose potential clients cannot judge such qualifications. One of the greatest services legislators give to their constituents is protection against misrepresentation by pseudo-professionals who have just enough knowledge to be dangerous. You would not consider allowing the practice of medicine, law, engineering, architecture or other professions by persons whose only credentials are self-endowed.

The relatively unsophisticated small communities in the state have enough problems without exposing them to inexpert auditing and accounting advice. The goal of Alaska should be to find ways to raise and maintain high standards. All of us must help to attain that end. Please call me collect if you feel there are contrary arguments that I am not aware of.

Sincerely,

W. H. Scott

WHS:LDS

975 MAR 26 PM 7 34

#

20040 NL KENAI ALASKA 54 03-26 410P ADT

PMS REP SAMIAL COTTEN

POUCH V

JUNEAU

HONORABLE SAMUAL COTTEN

IAM OPPOSED TO THE ADOPTION OF HOUSE BILL 259 AND SENATE BILL 238.
I FEEL THAT MUNICIPALITIES SHOULD BE AUDITED BY CERTIFIED PUBLIC
ACCOUNTANTS. MUNICIPAL ACCOUNTING REQUIRES EXPERTISE AND EDUCATION
INTHE FUNDAMENTALS OF MUNICIPAL ACCOUNTING.
IN ADDITON I FEEL THAT THESE BILL VIOLATE AS 8.04.560.

RICH BALWIN CITY ATTORNEY CITY OF KENAI

TELEGRAM
ALASKA COMMUNICATIONS, INC.
PHONE 586-6440
JUNEAU, ALASKA 99801

No Copy

1975 MAR 25 PM 6 51

TELEGRAM

20028 NL KENAI ALASKA 54 03-26 410P ADT

PMS REP SAMUAL COTTEN

POUCH V

JUNEAU

RCA ALASKA COMMUNICATIONS, INC.
JUNEAU, ALASKA 99801

HONORABLE SAMUAL COTTEN:

IAM OPPOSED TO THE ADOPTION OF HOUSE BILL 259 AND SENATE BILL238.
I FEEL THAT MUNICIPALOTIES SHOULD BE AUDITED BY CERTIFIED PUBLIC
ACCOUNTANTS. MUNICIPAL ACCOUNTING REQUIRES EXPERTISE AND EDUCATION
IN THE FUNDAMENTALS OF MUNICIPAL ACCOUTING.
IN ADDITION I FEEL THAT THESE BILLS VIOLATE AS 8.04.560.

JOHN F OCONNOR C P A LICENSE 298

HB 259

J. SHELBY STASTNY
730 "I" STREET • ANCHORAGE, ALASKA 99501

April 2, 1975

Representative Willard Bowman
Chairman, House Rules Committee
Pouch V
Juneau, Alaska 99801

Re: HB259

Dear Representative Bowman:

It has recently come to my attention that the above bill has cleared the House Community & Regional Affairs Committee and is currently being considered by your committee. In my opinion, this bill should not be referred to the floor of the House for the following reasons:

1. The bill effectively allows people who have not demonstrated ability in the area of financial reporting to "audit" the financial transactions of certain municipalities in the State. Since those who are currently permitted to perform this function are licensed by the Dept. of Commerce, this bill should at least be referred to the Commerce Committee for consideration of licensing problems.

2. The bill permits audits of certain municipalities by "independent accountants". Title 8 of the Alaska Statutes prescribes qualification to be met by public accountants and certified public accountants, but does not designate, or even mention, qualification necessary to be an "independent accountant". Passage of this bill would leave the State without a requirement that those auditing the financial records of these municipalities exhibit any expertise at all in the area which they are auditing. This does not seem to be in the best interests of the people of the State.

J. SHELBY STASTNY
730 "I" STREET • ANCHORAGE ALASKA 99501

3. In most cases, the current wording of Section 29-48-220 does not place undue hardship on any municipality in the State and provides the citizens of the municipality with a safeguard that the financial affairs will at least be reviewed on an annual basis by a person who has demonstrated knowledge and abilities in the financial reporting area through the State licensing system. It would be a step backwards to remove that safeguard.

Please feel free to contact me if I can provide further information regarding this bill.

Yours very truly,

J. Shelby Stastny

JSS:sd

cc: All Members of the
Alaska House of Representatives

HB259

ALASKA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 675
ANCHORAGE, ALASKA 99501

March 28, 1975

The Honorable Patrick Rodey, Senator
State of Alaska
Pouch V, State Capitol
Juneau, Alaska 99801

Dear Senator Rodey:

I had hoped to appear before the Senate Committee of Community and Regional Affairs, of which you are chairman and present testimony in opposition to SB 238. As you know the hearings on this bill were scheduled for 3:00 P.M. March 27, 1975 but due to bad weather Alaska Airlines was unable to land in Juneau, therefore I was unable to appear.

I have devoted a large portion of my professional life to the accounting and auditing problems of municipal government. I feel very strongly that the passage of SB 238 or a similar bill such as HB 259 would be contrary to the public interest as any opinion audit work performed by individuals other than public accountants or certified public accountants is unacceptable in support of any bond issue current or future issued by the local government.

Opinion audit work on all Federal program monies is required to be performed by public accountants or certified public accountants.

Quotes from the following authoritative sources will support the above statements:

1. Quote from Governmental Accounting, Auditing, and Financial Reporting, published in 1968 by the National Committee on Governmental Accounting of the Municipal Finance Officers Association; Page 128

   "To conform with the longstanding recommendations of this Committee, such post-audits should be performed by certified public accountants or, in the states which have them, by registered municipal accountants.[2]

   When post-audits are made by independent public accountants, several matters of importance arise which must be properly handled if optimum results are to be achieved from the audit. First and foremost is the fact that all auditors should be selected only on the basis of professional competence and experience. This will not only mean that the auditor should be a certified public accountant authorized to practice in the jurisdiction being audited, but that he should have appropriate experience in the audit of governmental units and a demonstrated high level of attainment in such a professional practice."

ALASKA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 675
ANCHORAGE, ALASKA 99501

2. Quote from Audit Guide and Standards for Revenue Sharing Recipients, published in 1973 by the Department of Treasury, Office of Revenue Sharing, Appendix B § 51.2(h).

"Independent public accountants" means independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States."

3. Quote from Standards for Audit of Governmental Organizations, Programs, Activities and Functions; published in 1972 by the Controller General of the United States; United States General Accounting Office; Appendix I.

" QUALIFICATIONS OF INDEPENDENT AUDITORS ENGAGED BY GOVERNMENTAL ORGANIZATIONS

When outside auditors are employed for assignments requiring the expression of an opinion on financial reports of governmental organizations, only fully qualified public accountants should be employed. The type of qualifications, as stated by the Comptroller General, deemed necessary for financial audits of governmental organizations and programs is quoted below:

'Such audits shall be conducted ***by independent certified public accountants or by independent licensed public accountants, licensed on or before December 31, 1970, who are certified or licensed by a regulatory authority of a State or other political subdivision of the United States: Except that independent public accountants licensed to practice by such regulatory authority after December 31, 1970, and persons who although not so certified or licensed, meet, in the opinion of the Secretary, standards of education and experience representative of the highest prescribed by the licensing authorities of the several States which provide for the continuing licensing of public accountants and which are prescribed by the Secretary in appropriate regulations may perform such audits until December 31, 1975; provided, that if the Secretary deems it necessary in the public interest, he may prescribe by regulation higher standards than those required for the practice of public accountancy by the regulatory authorities of the States.'[1]

[1]Letter (B-148114, Sept. 15, 1970) from the Comptroller General to heads of Federal departments and agencies. The reference to "Secretary" means the head of the department executing the instrument in which the quotation appears."

ALASKA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 675
ANCHORAGE, ALASKA 99501

Note that only certified public accountants will qualify to conduct audits under these standards after December 31, 1975.

4. Quote from Requirements for Approved Projects published in 1969 by the Office of Audits U.S. Department of Commerce Economic Development Administration, Exhibit CC.

"C. Audits by Independent Public Accountants

1. The term "Independent Public Accountant" as used herein means an independent certified public accountant or independent licensed public acccuntant, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The word "independent" is used in the same sense as prescribed by the American Institute of Certified Public Accountants in Rule 1.01 of Article 1 of the Code of Professional Ethics, as amended March 4, 1965."

I have attached a resume of my personal professional qualifications in order that you may independently evaluate the basis from which I speak.

Again I believe that the passage of either SB 238 or HB 259 would be a great disservice to the municipal governments of Alaska and the citizens which they represent.

Very truly yours,

ALASKA SOCIETY OF C.P.A.'s

Vernon R. Johnson
President-Elect

VERNON R. JOHNSON

Current position: Audit Manager, Peat, Marwick, Mitchell & Co.,
736 G Street, Anchorage, Alaska 99501

Professional background:

I have lived and practiced accounting in Fairbanks for 4½ years and in Anchorage for 5 years. Prior to living in Alaska I practiced accounting in San Francisco, California and conducted Grand Jury audits on San Mateo and Marin Counties. I am a C.P.A. in both Alaska and California.

Municipal audits in Alaska for which I have had full responsibility or acted as expert consultant are as follows:

1. Greater Anchorage Area Borough and Anchorage Borough School District
2. City of Anchorage
3. City of Dillingham and Dillingham School District
4. City of Bethel
5. Nome Public Schools
6. City of Kotzebue
7. City of Fairbanks and Fairbanks Municipal Utility System
8. Fairbanks North Star Borough and School District
9. Kodiak Island Borough and Kodiak Public Schools
10. Greater Sitka Borough
11. City of Wrangell
12. City of Petersburg
13. Ketchikan Gateway Borough

I have taught principles of accounting for three semesters for the University of Alaska and governmental accounting during the spring semester of 1974 for the Senior Division of the University of Alaska, Anchorage.

In addition to this I have recently written a chapter on unique auditing requirements of municipal governments for inclusion in an audit guide which will set audit standards for the 107 U.S. offices of Peat, Marwick, Mitchell & Co. I also reviewed and edited other chapters contained in this manual.

I am a charter member of the Municipal Finance Officers Association of Alaska and the Alaska School Business Officials Association and I have presented various programs to these organizations. I have been active in the Alaska Municipal League since 1966 and have had responsibility for the audit of the League for the past two years.

I am a member of the American Institute of Certified Public Accountants, the California Society of C.P.A.'s and the Alaska Society of C.P.A.'s I have been a member of the Board of Directors of the Alaska Society of C.P.A.'s for the past three years and am currently President-Elect of that group.

ALASKA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 675
ANCHORAGE, ALASKA 99501

TO: MEMBERS OF THE ALASKA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

I have appended copies of HB 259 and its companion bill S 238 introduced in the current legislature and a copy of the statute as it presently reads. Also enclosed is a list of individuals comprising the Community and Regional Affairs committees of the House and Senate. I urge each of you to contact members of the committees and other legislators to prevent passage of this legislation.

It appears the bills accomplish two changes:

1. They would eliminate the requirement that second class cities either provide an audit or statement of annual income and expenditures; and

2. They introduce a new group of accountants designated as independent accountants.

The law, as presently in effect, allows second class cities the option of providing an audit or statement of annual income and expenditures. There is no requirement that the statement of income and expenditures be audited. It recognizes the impracticality of requiring audits of all second class cities and provides the option of a minimal reporting requirement. The proposed legislation appears not to be in the best interest of the public in that it eliminates this minimal required fiscal reporting by second class cities.

The second proposed change to the law expands the reference to public accountants to "either an independent accountant, a public accountant or a certified public accountant". This change is intended to give statutory recognition to a third class of accountants and is objectionable and opposed to the public interest for a number of reasons. Primary among those reasons is the total lack of control over any unqualified individual who may wish to designate himself as an "independent accountant" and give the impression of expertise when in fact no such expertise exists. Further, the proposed change appears to be in violation of Sec. 08.04.560 which states:

> "No person may sign or affix his name or any trade or assumed name used by him to any accounting or financial statement, or opinion or report on any accounting or financial statement with any wording indicating that he is a certified public accountant or public accountant or with any wording indicating that he has expert knowledge in accounting or auditing, unless he holds a live permit and his offices in this state for the practice of public accounting are maintained and registered as required by §§350-380 of this chapter. (§ 15(7) ch 187 SLA 1960)."

Municipal auditing and accounting are rather complex activities governed by local, state, and federal laws and accounting principles peculiar to local governments. The importance of high standards of accountability has increased in recent years as acceptance of state and federal funds carries with it the responsibility to demonstrate compliance with various use restrictions. At a time when most states are moving toward more stringent regulation of individuals representing themselves as accountants to the public, the State of Alaska is ill advised to drop all such regulations as it applies to Municipal auditing.

The Board of Directors has reviewed the proposed legislation and is on record in opposition to it. Your assistance will be appreciated.

Very truly yours,

ALASKA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Bill B. Hickman

Bill B. Hickman
President

Note - This legislation has cleared the house committee and is expected to reach the floor in 7-10 days. A strong and unified effort will be required to defeat it.

B.H.

THOMAS, HEAD & GREISEN
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
717 K STREET, SUITE 202
ANCHORAGE, ALASKA 99501
TELEPHONE 272-1571

March 28, 1975

Ted Smith
Pouch V
State Capitol
Juneau, Alaska 99801

Re: HB259 and SB238

Dear Ted:

I thought you would be interested in the reactions of the CPA's to the above referenced bills. My own reaction in addition to Bill Hickman's is that I would personally prefer that the municipalities in question not be required to have an audit at all unless actually needed to comply with some grant program, etc. I would rather see the State develop an internal audit staff which could assist such people.

Our boat is still in Juneau and looks like we are going to have to come down and get it. If you know of anybody heading north and would like to pull a 21 foot boat up for us, let me know. We would be glad to pay for the service. If you know of anybody drop me a line.

Sincerely,

Pat

Pat Head

HPH:sa

SCRA
4/1/75

Hearings

	HB 259	Notified	Present	Testified
3/13/75	Rep. Duncan	X	X	X
3/14/75	CRA	X	X	X
	Ak Municipal League	X	X	

HB-261

"An Act relating to residential property exemption from real property tax."

COMMITTEE REPORT

3/5/75 HOUSE JUDICIARY

Mr. Speaker Date 3-18-75

The Committee on C&RA has had HB 261 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS ( ) OR _____ AND THAT CS FOR _____ DO PASS

(X) "and" recommends it BE REFERRED TO THE FINANCE COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: JACK CHENOWETH
DIRECTOR

DATE: MARCH 25, 1975

FILE NO:

TELEPHONE NO:

FROM: S. ROBERT DOZIER
STATE ASSESSOR

SUBJECT: HOUSE BILL NO. 261-(SB NO. 229) AN ACT REALTING TO RESIDENTIAL PROPERTY EXEMPTION FROM REAL PROPERTY TAXATION

House Bill No. 261 amends AS 29.53.025(a) by removing the existing $10,000 exemption limitation on residential property and allows municipalities, through referendum and subsequent local ordinance, to exempt in part or in full residential property from taxation.

The $10,000 residential property limitation provision was enacted as an important and necessary part of House Bill No. 1 FSS ch 1, SLA 1973, which is an act administered by the Department of Revenue, providing for taxes on property used in the exploration for, production of or pipeline transportation of gas or unrefined oil.

Residential property may be defined as "land and buildings in part or in whole zoned or used or capable of being used, in connection with human habitation. Examples include; single family residence, duplex, apartment, condominium, farm and multi-purpose buildings."

Residential property as defined above, may in some cases be the major tax base within a municipality. Several boroughs and cities are enjoying grandfather rights relating to exemption of personal property in whole or in part as authorized by AS 29.53.025(c)-(d). In addition, other optional exemptions are being utilized which further narrows the tax base. It is evident that the effective tax rate is governed by the tax base. The broader the base, the lower the levy.

The rate of levy set by council must be extended against all taxable property within the taxing jurisdiction. When the majority of the local tax base is exempt or excluded from taxation by state law or authorized and excercized through local option, municipal revenue required to fund municipal services must be raised by an increased mill rate on the remaining taxable properties. When the remaining property primarily consists of oil and gas property as assessed and taxed by the Department of Revenue, the cost of providing municipal services is shifted from local residents directly to the state in the form of a tax credit.

House Bill No. 261 if enacted, will provide an additional revenue sharing measure for existing and potential municipal taxing jurisdictions which are, or will be, endowed with an extensive industrial development tax base consisting of oil and gas production and pipeline property.

Before taking final action on any proposed legislation relating to ad valorem taxation in Alaska, the direct and indirect effects of all existing and proposed property tax relief and reform measures, including exemptions, exclusions, limitations, use value and deferred taxation measures should be considered and analyzed collectively by the legislature in light of the over all impact upon the State and units of local government.

TAPE #6
side 2
1130-end

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 25, 1975

Meeting was called to order at 9:05 for discussion of HB 261 and HB 272. Present were:

Rep. Sam cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Al Ose
Rep. Glenn Hackney
Barbara Englert Thomas, Staff
Aileen Guernsey, Staff
Bob Dozier, State Assessor
Rep. Gruening, Sponsor 272
Danny Plotnick, Office on Aging
Don Berry, Municipal League
Rep. Larry Davis
Rep. Mike Kreshberger
Rep. Oral Freeman

HB 261

1134-Cotten gives in troduction.
(1143) Dozier explains the whys of the $10,000 limit.

Because Rep. Malone, Sponsor, couldn't be here the meeting was postponed until later.

HB 272 was then taken up.

(1212) Rep. Gruening, Sponsor, gave testimony. Home owners have more advantage than renters in deduction of taxes and equity. Rebate for renters needed. HB 272 allows payment on monthly basis, different from SB 218 and HB 168. Dept. of C&RA reimburses. Apportionment is the problem; time element-renter may not be there whole taxable year; how to divided by units. HB 168 proposed by bedrooms; HB 272 leaves it up to C&RA to determine formula.

(1305) Freman asked for a fiscal note. Gruening had none.
(1414) Freeman asked how many renters. Gruening didn't have figures.
(1471) Dozier explains formula used for determining number. Based on 1970 census-6,950 senior citizens . 4,000 heads of households in 1976. Renter occupied 25% less valuable than owner occupied. (1525) Cotten asked where 25% came from. Dozier just picked it; could be more or less. $620,000 using reimbursement formula.
(1600) Dozier-$33,000 for present owner occupied senior citizen program. Double that for renter. 2,000 renters would apply for program.
(1650) Freeman suggests setting up fund which would return set amount, say $30. Take the burden off municipalities.
(1700) Hershberger says let it be returned along with State income tax. Let one dept. take care of it.
(1757) Plotnick reads statement of the position of Office on Aging and HESS. Said there are presently 7,800 senior citizens in State. (65 or over)

Meeting adjourned at 10:00 (end side 2)

TAPE #7
side 1
0-1402

3/26/75

Meeting was reconvened at 11:00 for discussion of HB 261. All those at first meeting were present except for Plotnick, Freeman & Hackney. Rep. Malone, Sponsor was present.

0-Malone says bill would give municipality more flexibility in taxing by taking $10,000 limit out.
(59) Comments on Mr. Doziers memo.
(3[illegible]) Discussion of tax limit.
(276) Discuss implications of exclusion of $10,000.

End discussion of HB 261 (1030)

HB 272, HB 168 (Rick Urion)

(1030) Cotten gives introduction.
(1114) Urion says the problem is determining how much money person will get.
(1157) Urion-porporitioning by bedrooms, pg 2 para 2, would solve the administrative headaches. Would be too hard to determine by square feet or otherwise. IN hB 272 doesn't think municipality should pay, the State should.
(1265) Cotten not happy with fiscal note. Dozier's figures too arbitrary.
(1334) Malone asked for summary of the problems.
Cotten said concept was good. Problems are who should adminster rebate payments? Cost? formula for devising amount returned?
(1356) Malone asked for administrative costs.
HB 168, SB 218-$65,000. Rebates-$671,000 (high)
(1377) Hershberger likes Freemans idea of fund.

Meeting adjourned at 12:00 for lunch. (1402)

Introduced: 3/5/75
Referred: Community & Regional Affairs and Judiciary
& Finance

IN THE HOUSE BY MALONE

HOUSE BILL NO. 261

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to residential property exemption from real property tax."

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

* Section 1. AS 29.53.025(a) is amended to read:

(a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. [AN EXCLUSION OR EXEMPTION AUTHORIZED BY THIS SECTION MAY NOT EXCEED $10,000 FOR ANY ONE RESIDENCE.]

Municipality should have the option. applys to oil property.

Removing Bus. prop. & pipeline

pipeline can be ~~TAXED~~ at 20 mills

7/13

subject to other limitations

46.53.

Hearings

	HB261	Notified	Present	Testified
3/26/75	Ak Municipal League	X		
	CLA (esp. Dozier)	X		
	Rep. Malone	X		
	Municipal League	X		
	Dozier	X		
	(Malone)	X		

H/B-265

"An Act creating the Community Legal Assistance Grant Program."

COMMITTEE REPORT

3/21/75 HOUSE FINANCE

Mr. Speaker: Date 3-26-75

The Committee on C&RA has had HB 265 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE # 7
side 2
495-1363

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 28, 1975

Meeting was called to order at 9:00 for discussion of HB 265, 266 HB 223 and SB 207 am. Present:

Representaive Sam Cotten, Chairman
" Al Ose
" Larry DAvis
" Kathryn Ostrosky'
" Glenn Hackney
" Oral Freeman
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff'
Jean G. Muhou, City Clerk, Anchorage
Mary Coffery, Borough Clerk, GAAB
Judi Slajer, Borough Clerk, Ketchikan Borough
Donald E. Clocksin, Legal Services

HB 265, 266 (community assistance)

(495) First order of business of HB 265. Chairman Cotten read a letter from Commissioner McAnerney saying that only 1st and 2nd class cities were eligible for grants--Home Rule cities are not. This clears up Ose's problem of Anchorage maybe trying to use this program. Rep. Ostrosky moves to report bills out. Reps. Hackney and Freeman object. The Chairman calls for a show of votes to report out. Four voted to move out: Cotten, Davis, Ose and Ostrosky. Bills reported out with individual recommendations.

HB 223, SB 207am

(580) Next on the agenda were election bills. Ms. Slajer said they wanted the language of SB 255 in SB 207am. Hackney objects to taking up bills not in this committee (SB 255). Testimony was restricted to 207 and 223.
(712) Rep. Ostrosky notes technical error in spelling of the word "runoff". Word is hyphened in SB 207 and not in HB 223.
(725) Ms. Slajer in favor of concept in SB 207 but want to change the wording a little. SB 255 is same but better wording. REp. DAvis asked if it wasn't already in ordinance requiring run off for Mayor. Want to exempt all from run off except Mayor.
(767) Ostrosky asked if they needed a plurality vote? Yes, they do.

(775) Hackney-HB 223requires exemption be ratified by voters--essentail. Different from SB 207. (800) Coffery explains problem with GAAB. Two different sets of standards for same body. Hackney wants people to be able to vote. Coffery wants option by ordinance. Rather than voting on the question the people would vote on the people and if they weren't satisfied the council would hear about it. (885) Ose definitely opposed to ordinance. (898) Freeman wants to know what is wrong with council making ordinances? (925) Ms. Coffery said this position was endorsed by the Alaska Association of Municipal clerks which inlcudes 37 municipalities. (947) Hackney asked what objections they had to the people voting on the question. Jean's response was that the people would voice their displeasure. Coffery explained the GAAB situation. She thinks run off is farce.

TAPE #6
side 2
0-1130

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 25, 1975

Meeting was called to order at 9:00 for discussion of HB 140, 265, 266. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Al Ose
Rep. Larry Davis
Rep. Mike Hershberger
Rep. Glenn Hackney
Rep. Oral Freeman
Barbara Englert Thomas, Staff
ANdrea Guernsey, Staff
Bob Pavitt, planning consultant
Don Clocksin, Alaska Legal Services'
Dave LeBlonde, A.G.'s office
Mike Harper, Deputy Commissioner, C&RA

HB 140

(15) Mr. Pavitt gave testimony saying that 42 states now had some sort of official map act. The committee substitute is good, changing shall to may is OK. It's good for the planners and subdividers to be pre-advised of the plans of the municipality. He offered a suggested amendment to be placed after paragraph A.

(291) Cotten asked about the intent of section E. Bob said in essence what they're talking about is a tax rebate. He thinks the bill should clarify the tax status of the land to avoid a rip off.

(373) Why is the amendment necessary, Cotten asked. There should be a statement as to the effect of the map, what it does and what it doesn't do. (442) Rep. Ostrosky, sponsor, thinks the suggestion is good.

(463) end discussion of HB 140.

HB 265, 266

(480) Mr. Clocksin gave a short run down of the background of the bill. It came out of the Bush Justice Conference held in Minto. Addresses the problem of a lot of unincorporated villages who don't have enough sufficient funds to pay for an attorney.

(570) Cotten asked if he expected many first class cities to make requests. Clocksin didn't think so but knew of one request right now(ANgoon).

(586) Mr. Harper made a few comments. His Department endorses the project. ON the question of additional staff he said that the local government specialists weren't prepared to answer questions about legal problems.

(653) Ose wondered how many hours of legal time $50,000 would buy, and how many villages will request. There won't be a lack of equests Harper said, but there is no way of telling how many projects themoney will fund. In order to determine if they need assistance the Dept. will have to set requiremtns. (760) Clocksin noted that there was no way to set the exact costs right now, it will have to be on an

experimental basis.

(832) Dave LeBlonde gave his opinion as the drafter of the bill. On the questionof an attorney being placed in the A.G.'s office he said it might cause a conflict of interest. The same might prove true if the Dept. of C&RA had a lawyer placed on staff for the same purpose. (952) Cotten made the comment that it would probably cost more money to keep a full time attorney on staff, what with travel money and per diem costs.

(941) Hackney pointed out that C&RA would have to decide if these communities needed legal assistance without any of them haveing legal experience.

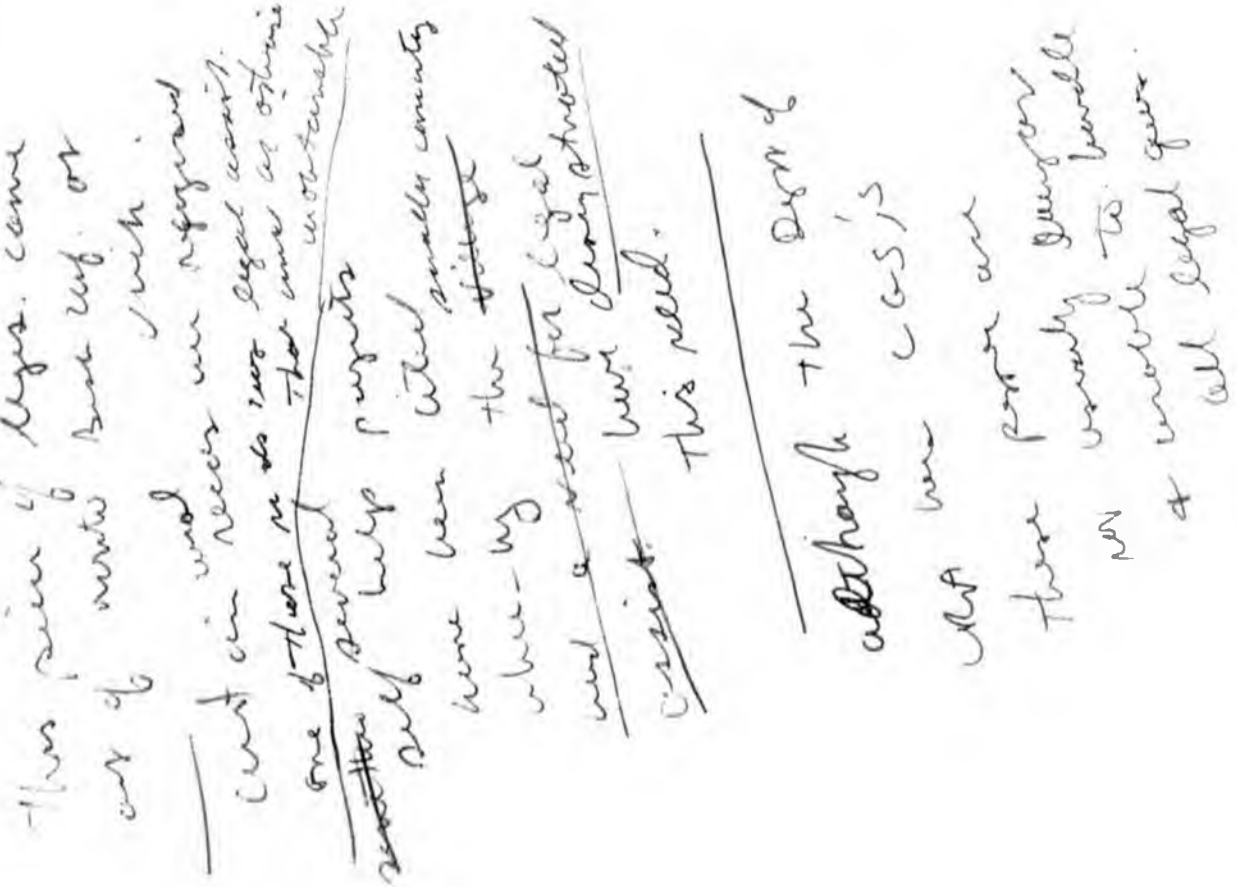
(982) Rep. Ostrosky voiced strong support for the bill. Respnse to an expressed need.

(1010) Ose was worried that it would open up to anybody, even Anchorage. Clocksin said that Anchorage would not be eligible and only those that were otherwise unable to attain legal assistance would be included.

(1041) Freeman sees no connection between this bill and the Bush Justice conference. He is an advocate of a roving city manager in the Dept. of C&RA but he thinks this approach is all wrong.

(1122) Cotten asked how many wanted to report the bill out. There was not a majority.

After no further discussion the meeting was adjourned at 10:00 (1130).



(Tape of this meeting
in Judiciary)

JOINT HOUSE JUDICIARY
and
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 19, 1975

Meeting was called to order at 9:00 for discussion of HB 265, 266. Present were:

Rep. Sam Cotten, Chairman C&RA
Rep. Oral Freeman
Rep. Kathryn Ostrosky
Rep. Al Ose
Rep. Glenn Hackney
Rep. Mike Hershberger
Rep. Larry Davis
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Terry Gardiner, Chairman Judiciary
Rep. Tom Fink
Rep. Fred Brown
Rep. Parr
Paddy Moriarty, Staff
Tom Turnbull, Staff
Don Berry, Municipal League
Don Clocksin, Deputy Director, Alaska Legal Services
Michael Harper, Deputy Commissioner, C&RA
Dave LeBlonde, A.G.'s office

Don Clocksin started his testimony in favor of the bills by giving their background. This idea came out of the Bush Justice Conference held in Minto in June, 1974. There is increasing pressure on rural Alaska and increasing needs for technical assistance, especially in the legal area. The Department of Community and Regional Affairs has several Local Government Specialists which often serve as quasi lawyers but the need is greater. The grants under this program will go to local governments or villages in unincorporated areas. They will not go to individuals. Mr. Clocksin gave the example of the problem Angoon has. Anggon applied to EDA for funding for a wharehouse and dock operation but EDA told them they needed a lawyer. This is one example of when this program would be utilized.

Mr. Clocksin stated that originally they asked for $100,000 in HB 266. Rep. Brown said he didn't think the money should only be appropriated by the Legislature but that they should use federal monies if they can. Clocksin said theis might be possible. Brown also said mention of villages created by the Native Claims Settlement Act only cluttered up the bill. Clocksin said this was so there was no future chance of misinterpretation or who is eligible. Rep. Brown said that $50,000 was not enough to help anybody. There was no way to know right now, Clocksin said.

Much of the rest of the hour was spent talking about costs of incorporation and the assisstance that C&RA offers. Mr. Harper offered basically the same viewpoint as Mr. Clocksin and answered the Committee's questions about his department, and their role in this program.

There was discussion on the best way to utilize a lawyer for the program: a full time person on the staff of C&RA; a lawyer in the A.G.'s office (would cause conflict of interest); roving city manager.

Meeting was adjourned at 10:00.

HB 265

TELEGRAM

;

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAR 19 PM 1 47

02009 ANCHORAGE AK 92 03-19 1040A ADT

PMS HON SAM COTTEN

HOUSE OF REPRESENTATIVES

JUN

ACCEPT THIS AS RURAL ALASKA COMMUNITY ACTION PROGRAM'S FULL ENDORSEMENT OF HB 265, PROVIDING FOR A LEGAL ASSISTANCE GRANT FUND. LEGAL ASSISTANCE IS A CRITICAL NEED THROUGHOUT THE UNORGANIZED BOROUGH, ESPECIALLY IN LIGHT OF MOVEMENT TOWARD LOCAL CONTROL OF SCHOOLS AND THE DEVELOPMENT OF LOCAL GOVERNMENTS. HB 266 PROVIDING DLRS 50,000 FOR THE PROGRAM IS A GOOD STEP; HOWEVER, IF MORE FUNDING IS AVAILABLE IT WOULD BE NEEDED. GRANT FUND CONCEPT APPROVED BY BUSH JUSTICE CONFERENCES, WASILLA MEETING, ETC. STRONG SUPPORT FOR THIS BILL EXISTS STATEWIDE. THANK YOU FOR YOUR HELP.

PHIL SMITH EXECUTIVE DIRECTOR RURAL CAP

HB 265

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAR 19 PM 3 51

02025 ANCHORAGE AK 44 03-19 1110A ADT

PMS REP SAM R COTTON

JUN 1856

WE STRONGLY ENDORSE HB265 QUOTE CREATING THE COMMUNITY
LEGAL ASSISTANCE GRANT PROGRAM UNQUOTE AND
HB266 ACCOMPANYING APPROPRIATION FOR THIS PROGRAM.
YOUR FAVORABLE REACTION TO THESE BILLS WOULD BE GREATLY
APPRECIATED. THANK YOU FOR YOUR CONSIDERATION OF OUR REQUESTS.

GORDON JACKSON EXECUTIVE VICE PRESIDENT
HUMAN RESOURCES ADMINISTRATION AFN INC

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586 XXX 6425

April 11, 1975

MEMORANDUM

TO: Representatives Cotton, Guy, Gardiner, Itta

FROM: Donald E. Clocksin

DATE: April 11, 1975

RE: HB265-66, Community Legal Assistance Grant Program

- -

I have an additional example of where the funds made available under these bills could be used. A Bethel area village, Akolmiut , wants to purchase its own boarding home in Bethel for the students from that village when they go to the Bethel Regional school. They need legal assistance to negotiate the purchase of the building, the transfer of title to the building, the acquiring of insurance appropriate for a boarding home, and the completion of foster home licensing applications. Much of the work that needs to be done for this village can only be done by an attorney. The project is beneficial because of the lack of boarding home facilities in Bethel - by purchasing the home the village will assure that its students have adequate living facilities while attending high school.

DEC:mjb

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-6425

MEMORANDUM

TO : Reps. Cotton, Gardiner, Guy and Itta

FROM : Don Clocksin

SUBJECT: HB 265-66, Community Legal Assistance Grant Program - Floor Debate

DATE : April 3, 1975

- -

When these bills come up on the House floor you may want to refer to this material.

1. Background. In June, 1974, a Conference on Justice in the Bush was held at Minto, Alaska. At that Conference residents of rural Alaska met with state officials to determine the needs of bush Alaska. To assure that the needs and desires expressed at Minto were carried out, a Monitoring Committee was established. Out of the work of that committee came the recognition that many small villages and towns were being faced with increased responsibilities. One tool they often needed to help run their own affairs was legal assistance. The Local Government Specialists (LGS's) provided through the Department of Community and Regional Affairs were very helpful in the bush, but the fact they were not lawyers meant that some times there were problems they couldn't solve. A supplement to those LGS's was needed.

2. The bills. HB 265 would create the Community Legal Assistance Grant Fund in the Department of Community and Regional Affairs. Grants could be made to villages or groups of villages that needed legal help not available through the LGS's and which they could otherwise not afford. Grants cannot be made to regional or village corporations created under the Alaska Native Claims Settlement Act, and could only be made for special, one-time projects. Grants may not exceed $20,000 each, and will, of course, usually be much less.

HB 266 appropriates $50,000 for the fund. The amount is not enough, but since this is a new idea, it was felt the amount appropriated should be kept to a minimum.

The Department of Community and Regional Affairs would adopt regulations to implement these bills. According to testimony, applications would be reviewed carefully to assure other funds were not available and to see that the money is used effectively.

Since only first and second class municipalities and unincorporated villages and groups of villages are eligible, this money could not go to the larger cities or to boroughs, for example, Eagle River, Anchorage, etc. (See attached list of eligible first and second class municipalities).

3. Support. The bill is an Executive Request and is supported by the Department of Community and Regional Affairs, the Attorney General's office, and the Bush Justice Monitoring Committee.

DEC:bg
Enclosure

CLASSIFICATION	POPULATION	INCORP. DATE
Home Rule Cities		
Anchorage	78,929	1920
Cordova	2,114	1909
Fairbanks	32,975	1903
Kenai	4,028	1960
Ketchikan	7,468	1900
Kodiak	3,923	1940
North Pole	265	1953
Palmer	1,409	1951
Petersburg	2,386	1910
Seward	1,823	1912
Valdez	2,271	1901
Wrangell	2,787	1903
First Class Cities		
Barrow	2,307	1959
Craig	467	1922
Dillingham	1,025	
Galena	442	
Girdwood	210	1961
Haines	1,980	1910
Homer	1,243	1964
Hoonah	748	1946
Hydaburg	260	1927
Kake	551	1952
King Cove	338	1947
Klawock	290	1929
Nenana	469	1921
Nome	2,488	1901
Pelican	169	1943
Saint Mary's	384	1967
Selawik	429	1963
Seldovia	612	1945
Skagway	710	1900
Soldotna	1,202	1967
Unalaska	510	1942
Yakutat	227	1948
Second Class Cities		
Akhiok	102	1972
Akiachak	330	1974
Akiak	186	1970
Akolmiut	608	1969
Alakanuk	495	1969
Aleknagik	208	1973
Ambler	217	1971
Anaktuvuk Pass	125	1957

CLASSIFICATION	POPULATION	DATE
Second Class Cities		
Anderson	463	1962
Angoon	400	1963
Aniak	273	1972
Anvik	100	1969
Bethel	2,921	1957
Brevig Mission	130	1969
Buckland	125	196-
Chefornak	182	1974
Chevak	447	1967
Clark's Point	62	1971
Deering	78	1970
Delta Junction	703	1960
Diomede	90	1970
Eagle	105	1901
Eek	195	1970
Ekwok	103	1974
Elim	174	1970
Emmonak	502	1964
Fort Yukon	637	1959
Fortuna Ledge	200	1970
Gambell	380	1963
Glen Alps	75	1961
Golovin	118	1971
Goodnews Bay	228	1970
Grayling	167	1969
Holy Cross	212	1968
Hooper Bay	556	1966
Houston	69	1966
Hughes	85	1973
Huslia	199	1969
Kachemak	151	1961
Kaktovik	141	1971
Kaltag	240	1969
Kiana	300	1964
Kivalina	200	1969
Kobuk	61	1973
Kotlik	284	1970
Kotzebue	2,125	1958
Koyuk	122	1970
Koyukuk	124	1973
Larsen Bay	109	1974
Lower Kalskag	195	1969
Manokotak	230	1970
Mekoryuk	254	1969
Mountain Village	491	1967
Napakiak	279	1970
Napaskiak	200	1971
New Stuyahok	229	1972
Newhalen	68	1971

CLASSIFICATION	POPULATION	INCORP. DATE
Second Class Cities		
Nightmute	123	1974
Nikolai	82	1970
Nondalton	216	1971
Noorvik	483	1964
Nulato	311	1963
Old Harbor	327	1966
Ouzinkie	173	1967
Pilot Station	301	1969
Point Hope	404	1966
Port Alexander	36	1974
Port Heiden	66	1972
Port Lions	227	1966
Ruby	148	1973
Russian Mission	132	1970
Saint Michael	222	1969
The Aleut Community of St. Paul Island	488	1971
Sand Point	474	1966
Savoonga	380	1969
Saxman	272	1930
Scammon Bay	221	1967
Shageluk	172	1970
Shaktoolik	160	1969
Sheldon Point	127	1974
Shishmaref	309	1969
Shungnak	165	1967
Stebbins	272	1969
Tanana	406	1961
Teller	213	1963
Tenakee Springs	101	1971
Togiak	383	1969
Toksook Bay	304	1972
Tuluksak	202	1970
Unalakleet	550	1974
Wainwright	357	1962
Wales	111	1964
Wasilla	300	1974
White Mountain	87	1969
Whittier	186	1969
Organized Under Federal Law		
Metlakatla	1,050	1944
Dissolution Recommended		
Long Island	7	1965

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B-JUNEAU 99801

March 27, 1975

The Honorable Sam Cotten
Chairman
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

Re: House Bills 265-266
Community Legal Assistance Grant Act

Some concern has been expressed in your committee about where the money in this proposed grant fund would be spent. Objections have been raised to using the fund to finance legal assistance to larger urban areas and municipalities which can obtain the necessary assistance elsewhere.

It is not the intent of this legislation to fund legal assistance in large municipalities which already have that assistance. The bill limits grants to first and second class cities, unincorporated villages and groups of such communities. I have enclosed a list of first and second class cities so you can see which would be eligible for grants from this fund. Of course, the Department of Community and Regional Affairs will carefully review each request from an eligible municipality or village to assure that the money is spent for necessary legal expenses and that all other sources of assistance are investigated before a grant is made.

We are committed to meeting the needs of developing communities which wish to govern themselves and urge prompt consideration of these bills.

Sincerely,

Lee McAnerney

Lee McAnerney
Commissioner

LMcA: mw

Enclosure

cc: The Honorable Al Ose

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Golovin	118	1971
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Huslia	199	1969
Kachemak	151	1961
Kaktovik	141	1971
Kaltag	240	1969
Kiana	300	1964
Kivalina	200	1969
Kobuk	61	1973
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Koyuk	122	1970
Koyukuk	124	1973
Larsen Bay	109	1974
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Mekoryuk	254	1969
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Point Hope	404	1966
Port Alexander	36	1974
Port Heiden	66	1972
Port Lions	227	1966
Ruby	148	1973
Russian Mission	132	1970
Saint Michael	222	1969
The Aleut Community of St. Paul Island	488	1971
Sand Point	474	1966
Savoonga	380	1969
Saxman	272	1930
Scammon Bay	221	1967
Shageluk	172	1970
Shaktoolik	160	1969
Sheldon Point	127	1974
Shishmaref	309	1969
Shungnak	165	1967
Stebbins	272	1969
Tanana	406	1961
Teller	213	1963
Tenakee Springs	101	1971
Togiak	383	1969
Toksook Bay	304	1972
Tuluksak	202	1970
Unalakleet	550	1974
Wainwright	357	1962
Wales	111	1964
Wasilla	300	1974
White Mountain	87	1969
Whittier	186	1969
Organized Under Federal Law		
Metlakatla	1,050	1944
Dissolution Recommended		
Long Island	7	1965

HB 265, 266

		Not.	Pres.	Tes.
~~3/19~~ 3/25 ~~Senate Judiciary~~	Harper, C&PA	X	X	X
	Don Clockin, ALSC	X	X	X
	Bob Pruitt, Planning Consultant (9-9382)	~~X~~	[redacted]	
	Dave LeBlonde, A-G's	X	X	X

HB-272

"An Act providing for property tax equivalency payments to senior citizensrenters."

COMMITTEE REPORT

4/10/75 HOUSE FINANCE

Mr. Speaker: Date 4-11-75

The Committee on CARA has had SSHB 272 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends: _____

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs

To: Amend HOUSE BILL No. SSUB 272

SENATE BILL No. _____

PAGE: 1 LINE: 15

On page 1, line 15, after the word "department" delete the words "in cooperation with the municipalities".

TAPE #6
side 2
1130-end

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 26, 1975

Meeting was called to order at 1:00 for discussion of HB 261 and HB 272. Present were:

Rep. Sam cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Al Ose
Rep. Glenn Hackney
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Bob Dozier, State Assessor
Rep. Gruening, Sponsor 272
Danny Plotnick, Office on Aging
Don Berry, Municipal League
Rep. Larry Davis
Rep. Mike Hreshberger
Rep. Oral Freeman

HB 261

1130-Cotten gives in troduction.
(1143) Dozier explains the whys of the $10,000 limit.

Because Rep. Malone, Sponsor, couldn't be here the meeting was postponed until later.

HB 272 was then taken up.

(1212) Rep. Gruening, Sponsor, gave testimony. Home owners have more advantage than renters in deduction of taxes and equity. Rebate for renters needed. HB 272 allows payment on monthly basis, different from SB 218 and HB 168. Dept. of C&RA reimburses. Apportionment is the problem; time element-renter may not be there whole taxable year; how to divided by units. HB 168 proposed by bedrooms; HB 272 leaves it up to C&RA to determine formula.

(1395) Freman asked for a fiscal note. Gruening had none.
(1414) Freeman asked how many renters. Gruening didn't have figures.
(1471) Dozier explains formula used for determining number. Based on 1970 census-6,950 senior citizens . 4,000 heads of households in 1976. Renter occupied 25% less valuable than owner occupied. (1525) Cotten asked where 25% came from. Dozier just picked it; could be more or less. $620,000 using reimbursement formula.
(1600) Dozier-$33,000 for present owner occupied senior citizen program. Double that for renter. 2,000 renters would apply for program.
(1650) Freeman suggests setting up fund which would return set amount, say $30. Take the burden off municipalities.
(1700) Hershberger says let it be returned along with State income tax. Let one dept. take care of it.
(1757) Plotnick reads statement of the position of Office on Aging and HESS. Said there are presently 7,800 senior citizens in State. (65 or over)

Meeting adjourned at 10:00 (end side 2)

TAPE #7
side 1
1402-end

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 27, 1975

Meeting was called to order at9:00 by discussion of HB 272, 168. Present were:

Representative Sam Cotten, Chairman
" Oral Freeman
" Mike Hershberger
" Al Ose
Barbara Erglert Thomas, Staff
Andrea Guernsey, Staff
Bob Dozier, State Assessor
Don Berry, Municipal League

(1403) Cotten gives introduction.
(1417) Freeman wants to know what guarantee municipalities have that they will be reimbursed? Proper to have appropriation bill along with this? What part of State money would it come from? (1435) Cotten assumes from the operating budget.
(1458) Berry said that if all tax rebates are reimbursed you need to look somewhere else for the money--revenue sharing.
(1473) Ose talks about appropriation.
(1500) Freeman explains how Finance committe works with budget and appropriation bills.
(1529) Berry says to send bill out as social services program; why tie it into property tax of local community. (1544) Dozier says HB 168 does not particularly invlove municipality. Reimbursement under 168 direct from Dept. to individual. (1557) HB 168 fine with MUNicipal League, Berry said.
(1575) Dozier suggest formula, not tied down enough in 168. Compare actual tax paid to actual rent paid.

(1637) Ose askes if renter would have to keep receipts and turn in for rebate? Dozier-Landlords don't always go on receipts. There would be a form made out by the landlord and would indicate rent and time lived there.

(1678) Hershberger doens't understand this kind of legislation. Philosophy of rebate? He is opposed to this.

(1702) Ose asked if this would encourage landlords to raise rent? Dozier-Don't know.
(1720) It's obviously a possibility, Cotten said.

(1728) Hershberger-what is problem with formula? Question of whether Dept. should rebate. Hershberger suggests putting sigh by door of rental space. But that wuld assume value of unit never changes.

(1764) Bill initially conceived to allow renters same break as home owners. Hershberger-says his property tax is penalty for being homeowner which renter doesn't pay. But HOme owmners build equity, Cotten explained.

(end side 1)

(side 2)

9- Cotten-Bill trying to keep elderly in State. (34) Backlog of bills like this.

Dozier suggests study to determine best land use policy.

(115) Ose notes there is no residency requirement for this bill.

Cotten comments on land use policy. Rep. Freeman makes extensive comments on his views.

(end 494) Meeting adjourned at 10:00.

TAPE #8
side 1
0-838

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 2, 1975

Meeting was called to order at 9:00 for discussion of HB 272. Present were:

Representative	Sam Cotten, Chairman	Barbara Englert Thomas, Staff
"	Kathryn Ostrosky	Andrea Guernsey, Staff
"	Oral Freeman	Bob Dozier, State Assessor
"	Glenn Hackney	Danny Plotnick, Office on Aging
"	Al Ose	Rep. clark Gruening, Sponsor
"	Larry Davis	

Rep. Freeman thinks the concept would be cleaner if you just gave a person 65 or older a check each month for X amount of Dolars. (190) Ostrosky agrees with Freeman. It would eliminate alot of the statistical figuring. An across the board figure would benefit low income people more than high income.

Rep. Ose would like to see a residency requirement in the bill.

(307) Rep. Gruening arrived and gave his presentation. He's decided that the municipalities doing the administration would be unworkable. HB 168 has a better approach by doing it through the Department of C&RA, but the bedroom formula in 168 is unworkable. He wants to use a rental tax certificate instead of rental receipts. He suggests using a formula based on a rental percent for each municipality and the department will figure.

The other way it might be possible to do it would be through the dept. of Revenue using the income tax form. Maybe a %10 figure--this would be too high for one municipality and too low for another.

Gruening would like to see an residency requirement but it is probably unconstitutional.

(448) Ose has 3 questions. 1) people working-the dept will have discretion:2)TOP limit on rebate is a good idea; 3) longevity bonus concept won't work here.

(492) Freeman would like to see a new bill which would simply subsidize people X dollars a month. Gruening said a direct subsidy won't work because of political reasons.

(604) Freeman said you are giving the most help to people who lest need it when it is done on a percentage basis. Clark said his idea would take an average which would benefit the low income person slightly more.

Cotten asked about the renter certificates. Clark said they are not presently in use but other states do use them. It would be a consistent form which the renter could take to the landlord. Clark said he envisions yearly payments in a lump sum right now.

He is going to prepare a sponsor substitute using his rental percentage formula and have it realy early next week. Meeting adjourned at 10:00 (838)

TAPE#9
side 1
1135-1334

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 11, 1975

Meeting was called to order at 9:10 to discuss SSHB 272. Present:

Representative Sam Cotten, Chairman
" Al Ose
" Oral Freeman
" Kathryn Ostrosky
" Larry Davis
" Glenn Hackney
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Rep. Gruening, Sponsor
Bob Dozier, State Assessor
Don Berry, Municipal League

PAGE L, LINE 15 — Rep. Freeman doesn't like the words "in cooperation with the municipality" on page 1, line 15. He wants the municipality to be relieved of any burden. Berry would like to see it removed but can't see any other way to compute without their help. Hackney noted that the dept. had thieir figures. Freeman didn't want any question who's responsibility it is. Gruening didn't think it was material to bill.

AMENDMENT — Rep. Freeman made a motion to amend line 15--delete " incooperation with the municipality". Without objection this became amendment #1.

Dozier said the bill didn't specify when the person must be 65. At the time they file? The consensus of the committee was that they would collect from the time they were eligible. Could interpret eligible for whole year.

REPORT OUT — Freeman made a motiom to report the bill out of committee as amended with individual recommendations. Without objection it was so moved.

The committee now continued discussion of HB 246. Continued discussion of Ose's problem with the 2 mile limit. Freeman doesn't like the idea of taking away someones license after already issued. Suggests there should be a resolution to ABC Board asking to recognize the wishes of the people.

Meeting adjourned at 10:00.

Alaska State Legislature
Senate

JUNEAU, ALASKA

Date: March 25, 1976

MESSAGE TO THE HOUSE

MR. SPEAKER:

The Senate has passed COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 272 amended (property tax equivalency payments to senior citizen renters) with the following amendment:

Page 1, line 6: Change title to read:

"An Act relating to property tax equivalency payments and exemptions for senior citizens."

Page 1, between lines 8 and 9: Insert a new section 1 to read:

"Section 1. AS 29.53.020(e) is amended to read:

(e) [AFTER JANUARY 1, 1973] The [THE] real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property [.] up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs. The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the State. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to

Senate Secretary

the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560-44.62.570."

Renumber remaining section accordingly.

Page 1, line 18: After "applicant" insert "or $250, whichever is less,"

and so, COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 272 amended by the Senate (property tax equivalency payments and exemptions for senior citizens) is tranmitted herewith for your consideration.

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: Lynn A. Wegener
Administrative Officer

DATE: March 11, 1975

FILE NO:

THRU: Jack Chenoweth
Director

TELEPHONE NO:

FROM: S. Robert Dozier SRD
State Assessor

SUBJECT: HB. No. 168; an act providing for property tax reimbursement payments to a senior citizen who rents his residence.

It is estimated that state reimbursement, direct to individual senior citizens, under provisions of HB No. 168 in present form, will, during the year 1976, involve approximately 1995 tenant senior citizens, $625,000 in direct state reimbursement payments, and that the cost of administration will total approximately $50,000.

The estimate is based on the assumption that the definition of "residence" as implied in Sec. 34.08.010(b) of the bill corresponds to the definition of "permanent place of abode" as adopted for the administration of AS 29.53.020(e) and defined in Alaska Administrative Code Regulations 19 AAC 35.120(4).

> "Permanent place of abode" means a dwelling or a dwelling unit in a multiple dwelling including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit.

This assumption would appear necessary, when considering the confusing statements in HB No. 168, Sec. 34.08.010(a), relating to reimbursement of that portion of the rent on the residence which is attributed to local property tax assessed on the residence as opposed to the formula set out in Sec. 34.08.040(a)(1)-(2) of the bill for estimating the required reimbursement. (1) Under provisions of subsection (a)-(1), the wording implies that reimbursement shall be based on an amount equal to the entire local property tax assessed on the property. No restriction is stated should the single family residence be situated on a large tract of land which, under terms of the lease or rental agreement may be used by the lessee. (2) Under provisions of subsection (a)-(2), the wording implies that reimbursement is contingent on the number of bedrooms in the applicant's residence as compared to the total number of bedrooms in the building. The wording fails to consider the square foot area and floor plan of the residence as it relates to the total property value, which may be a duplex, an apartment or any combination of an apartment-business multipurpose building.

The estimated state reimbursement figure of $625,000 is based on projected 1970 Census data together with historic and estimated population and cost data compiled and analyzed concerning administration of the Senior Citizen Property Tax Exemption Program AS 29.53.020(e).

TABLE I: Estimated Population Data

The 1970 census reported state population of	302,361
Residents 65 years of age, 2.3%	6,950
Heads of households, 65 years of age, 1.3%	3,930
1975 census estimated by the Department of Labor was	357,200
The annual increase in population, averaged for the past 5 years, is	10,968
The above projections would indicate that the population in 1976 will total	368,168
For purposes of this report the 1976 census is rounded downward to	365,000

The same percentages attributed to senior citizens as indicated in the 1970 census, are used below;

Residents, 65 years of age, 2.3%	8,395
Heads of households, 65 years of age, 1.3%	4,745

In 1974 the Department received 1958 application forms from boroughs and cities which administered the program. 70 applications were rejected due to late filing and one because the applicant reached his 65th birthday after January 1, 1974, 1887 were approved. As indicated in Table II below, the average amount of tax per application was $335 for a total state reimbursement of $631,890.

A total of 2496 application forms were filed on or before January 15, 1975. The 32% increase over 1974 is not likely to continue as the program has been well publicized both by the state and by units of local government and the majority of eligible applicants, no doubt, have filed. Therefore only a 10% increase in the number of applicants is estimated for 1976.

The 11.5% annual increase in property values or average tax per application as indicated for 1975 over 1974 can reasonably be expected to continue its trend for the next few years.

As indicated in Table I the estimated number of heads of households estimated for 1976 is 4745. Using the 1970 census data and actual data compiled for owner occupied senior citizens as a base, owner occupied residences would total 2750 and tenant occupied residences would total 1995.

Residential property owned by senior citizen is, in general, of a higher quality than that which can be afforded by a tenant, primarily because, the owner occupied property has, in whole or in part, been paid off before retirement, while the tenant's rent receipts reflect full amortization of the landlord's investment plus taxes. To reflect this difference, a 25% discount in average tax per application is given for tenant occupied housing.

TABLE II: Estimated Property Tax Revenue
AS 29.53.020(e) Senior Citizen Property Tax Exemption

Owner Occupied Housing

YEAR	NO. APPLICATION %increase	AVERAGE TAX	%Income	TOTAL REVENUE
1974	1887 (actual)	335		631,890(actual)
1975	2496 (actual 32%)	373	11.5%	931,429(est.)
1976	2750 (estimated 10%)	415	11.5%	1,141,250(est.)

House Bill No. 168

Tenant Occupied Housing

1976	1995 (estimated)	311(discounted 25%)	620,445(est.)

The above table indicates that the 1976 senior citizen owner occupied property tax exemption program AS 29.53.020(e) will require a legislative appropriation of $1,141,250 and that for HB No. 168 the proposed tenant occupied Senior Citizen Reimbursement Program, the amount of state reimbursement is estimated to be $620,000, for a total estimated reimbursement cost to the state of $1,761,250.

Administration of House Bill No. 168 will require the following:

1. The development of detailed Alaska Administrative Code Regulations.
2. Application forms must be developed and made available to the general public at the office of the Borough Assessor or City Clerk.
3. Instructions for assisting applicants should be prepared for the municipal official assigned to assist applicants.
4. As the applications must be filed on or before January 15, 1976, all application forms filed with the municipality may be forwarded to the Department on or about February 1.
5. The Department will screen all applications received for determining eligibility and for separating the forms into five categories; 1. single family residence and subdivisions, 2. condominiums, 3. duplex and apartments, 4. multipurpose buildings, and 5. forms incomplete with additional information required and marginal eligibility status will require extensive correspondence and field inspection.
6. Assessed values and equivalent amounts of tax will be determined to the extent possible through research of local assessment records. Farm residences, apartments and multipurpose buildings will require an examination of the municipal building cards and actual inspection and field appraisal by the appraiser assigned to the office of the State Assessor. Actual appraisal of all property except residences situated on subdivided lots or tracts will be required to determine the residence value as it applies to the total assessed property value.
7. Rent receipts to be submitted by the applicant to the Office of the State Assessor before December 31 of the year, are required under the bill for determining the number of months of residency and the percentage of equivalent tax for state reimbursement. In many cases, the appraiser will again be required to inspect local assessment records and appraise property when it is indicated by rent receipts that the tenant changed the location of his residence during the year covered by the application.

8. Before March 1, or before the start of the following year's program, a final reimbursement roll shall be prepared by the Office of the State Assessor and payment vouchers requested for all senior citizens qualifying under the program.
9. The bill fails to provide the taxpayer with adequate appeal procedure.

There are seven major areas of responsibility presently allocated to the Office of the State Assessor.

1. Determination of full and true value of taxable real and personal property within all organized boroughs and all cities outside organized boroughs except cities of the second class. (AS 14.17.140)
2. Senior Citizens Property Tax Exemption (AS 29.53.020(e))
3. Farm and Agricultural Land Deferred Tax AS 29.53.035
4. Publications
   (a) Alaska Taxable and
   (b) update and revise periodically the Residential Appraisal Cost Manual for Alaska assessors
5. Proposed legislation: Research, analysis and fiscal data
6. General Assistance: Property tax administration, appraisal problems, reappraisal contracts, and interpretation of State law and opinions.
7. Correspondence: Existing programs intra-and inter-state.

TABLE III Office of the State Assessor

Present staff	Additional staff required HB No. 168
1. State Assessor	1. Assistant State Assessor Appraiser III
2. Research Assistant	2. Clerk Typist II
3. Clerk Typist III	
4. Clerical Aid Full time	

Administration of HB No. 168 will require the addition of 2 positions and the upgrade of one position. 1. Assistant State Assessor Grade 19. 2. Clerk Typist II Grade 7 and upgrading of the Research Assistant range 10 to Research Analyst I to Grade 13.

Duties and responsibilities of:

A. Assistant State Assessor(new postion)

1. Compile assessed value data on all applications.
2. Determine the total assessed value of the property.
3. Appraise the value of the residence as it applies to the value of the total property.
4. Determine the service area and rate of tax levied for the area of the borough in which the residence is located.
5. Assist the State Assessor in other property appraisal and program responsibilities.

B. Local Gov. Specialist/Special Program Research Analyst (upgrade from Research Assistant)

1. Shifting of a portion of existing duties to subordinates.
2. Set up new program procedures.
3. Assist with drafting of Administrative Code Regulations.
4. Responsible for special programs, operation, maintance, auditing and reimbursement.

C. Clerk Typist(new postion)

1. Assumption of existing program duties which are shifted from existing staff requirements.

Table IV, Column 2, illustrates the clerical workload of the State Assessor's Office during 1974 in the three main procedure areas. Column 1 has broken out some program phases for purposes of comparison with the projections carried out in Table V.

It is considered reasonable to equate the various categories of clerical assistance now being rendered to the projected work load required for administration of HB 168. From Table IV and V below, it is projected that it will reqire about 13.7 months of full-time clerical assistance to fulfill the requirements of HB No. 168 and, in addition, approximately 2.1 months, using about 70% of a full-time clerk's time for three months, to perform the work necessary to get the initial program under way.

Approximately 55% of Research Assistant time, 75% of Clerk-Typist time and 90% of Clerical Aide time is spent carrying transaction data through the market data survey to the full value determination and the publication of "Alaska Taxable," i.e. The Assessment Sales Ratio Study.

The Assessment-Sales Ratio Study has further been broken into categories for the purpose fo this projection: (1) deed preparation; (2) questionnaire mailout; (3) posting and filing of market data, assessed values and ratio calculations.

Secretarial support accounts for 15% of Research Assistant time, 25% of Clerk Typist time and 10% clerical aide time.

Nearly 30% of Research Assistant time is invested in the Senior Citizen Program and other special programs and projects.

TABLE IV: Analysis of 1974 personnel expenditures:

ASSESSMENT-SALES RATIO STUDY	Research Assistant		Clerk Typist III		Clerical Aide	
Deed Preparation	30%		10%			
Questionnaires	5%		20%		80%	
Market Data	20%	55%	45%	75%	10%	90%
SECRETARIAL SUPPORT		15%		25%		10%
SPECIAL PROJECTS						
Senior Citizen	15%					
Other	15%	30%				

Table V demonstrates the estimated amount of clerical time required to perform the various procedures that appear necessary for proper administration of the program outlined in HB 168.

To screen and categorize an estimated 2,000 tenant applications would be comparable, in time spent, to the 1974 senior citizen program audit or 15% of a clerical year, = 1.8 months. About 33% of typist time over a three-month span would be required for clarification correspondence related to the applications, or 1.0 months.

The posting and "paper" assessment of property values was equated to the market data survey which involves approximately 3,000 confirmed sales. This indicates about 50% of a full-time clerk would be required for this phase = 6 months.

Audit and calculation of reimbursement payments would be again comparable to the 1974 senior citizen program with perhaps some added detail, and would require an estimated 20% of a clerical year, or 2.4 months. Reimbursement and mailing would require 70% of a clerk's time for at least one month = .7 months.

Additional file maintenance and secretarial support could require, as an ultraconservative estimate, an added .8 clerical months.

Program Initiation, such as drafting regulations, forms preparation and distribution is estimated to require about 70% over a three month span, of a clerk's time = 2.1 months.

TABLE V: Clerical Assistance Requirements for Administration of HB 168:

	% of Time Required	No. months Duration	Portion of Clerical Year	
Screen/categorize	15%	12	1.8	
	33%	3	1.0	
Posting/assessment	10%	12	1.2	
	40%	12	4.8	
Audit/accounting/calc.	20%	12	2.4	
Reimbursement/mail	70%	1	.7	
Files/sec. support	15%	12	1.8	13.7
Program Initiation	70%	3	2.1	15.8

TABLE VI: Cost of Administration HB 168:

100 Personal Services

Assistant State Assessor Grade 19	1736 X 12	20,832
Clerk Typist II Grade 7	760 X 12	9,120
Upgrade Research Assistant to Grade 13 (Research Analyst Grade 13 1116) (Research Assistant Grade 10 945)	171 X 12	2,052
Total Salary		32,004
Fringe Benefits 17%		5,441
Total Personal Services		37,445

200 Travel & Per Diem

Assistant State Assessor

Travel to the majority of municipalities which levy taxes, two and three visits in some cases, requiring not only inspection of assessment records, but actual field appraisals, may be necessary to complete each year's program.

Air fare	2,000	
Car Rental	1,000	
Per Diem	3,000	
Total Travel & Per Diem		6,000

300 Contractual Services

310 Comm. Serv.	900	
311 Telephone	1,000	
314 Postage	500	
320 Printing & Advertising	1,000	
330 Space rent	900	
340 Repairs	100	
360 Equipment rental	200	
390 Other fees(Legal)	500	
Total contractual		5,100

400 Commodities

Reference materials	300	
Office supply	300	
Total commodities		600

500 Equipment

2 desks @200	400	
2 chairs @50	100	
2 typwriters @600	1,200	
1 calculator @600	600	
1 filing cabinet @125	125	
Total Equipment		2,425

Total FY 76 Budget request for operation of HB No. 168		$51,570
	Rounded to	$50,000

The assessor's office of the City and Borough of Juneau has estimated that administrative costs to the borough for the 1974 senior citizen reimbursement program included 446 personnel hours.

Estimating 25%, or 112 hours, of this time as being appraiser time at approximately $10/hour and 75%, or 335 hours, of clerical time, of which perhaps half was assesment clerk time at an estimated $6.50/hour and half general clerical time at $4.50/hour, the wage package, including employee benefits at a rate of 17%, would total $3,464. Given the 197 valid applications processed by the Juneau borough last year the figure of $17.50 may be derived per application. Based on the 1,887 applications funded, it may be assumed that local municipalities absorbed approximately $33,000 in administrative costs for the 1974 statewide program.

TABLE VII: Administrative Cost Per Application

No. of Personnel Hours	Average Wage Rate	Total Cost
112 hours	$10.00/hour	$1,120
167 hours	6.50/hour	1,085
167 hours	4.50/hour	751
446 hours		$2,956
	Employee Benefits @ 17%	503
	Total Wage Expense	3,459
	No. of Applications	197
	Total Per Application Cost 1974 program	$17.50

By considering the relative complications inherent in the respective programs it may be estimated that the per application cost will be from 50% to 100% greater for the program outlined in HB 168. A per application cost of, from $26 to $35, on an estimated 2,000 claims will project the total administrative costs of the program to the local municipalities across the state to a total of between $52,000 and $70,000.

Recommendations:

I. The tenant occupied senior citizen reimbursement plan can be administered by municipalities in conjunction with the AS 29.53.020(e) the Senior Citizen Property Tax Exemption or administered by the Department of Community and Regional Affairs. Administration of the property tax is a function of the municipality which deals almost entirely with ownership rights in taxable real and personal property and has no direct contact with a tenant which may occupy the owner's property.

There is no doubt that administration of the program at the grass roots can be administered more effectively and efficiently, as the municipality has the legal machinery necessary to carry out the program, by simply adopting an appropriate ordinance.

As indicated above, the cost to all municipalities in the State for administering the Senior Citizen Property Tax Exemption Program(AS 29.53.020(e)) in 1974 amounted to approximately $33,000. A tenant occupied reimbursement program can be expected to cost at least twice as much for the same number of applications due to the extensive appraisal allocations necessary. As the program progresses however, the costs will be reduced as appraisal allocation data is compiled for apartments and multi-purpose buildings and as appraisal allocation information is added as a programmed part of each year's reassessment project.

Municipalities should be compensated for the administrative costs involved on both reimbursement programs. The amount of compensation should be determined each year by the Department based on a set formula rather than by an amount annually billed to the State without adequate control.

II. HB No. 168 can be administered in total by the Department or in conjunction with the Alaska State Income tax program according to a formula as determined annually by the Department.

Using three Juneau, and two Ketchikan, properties as readily available examples, it becomes apparent that the property tax comprises a higher percentage of the total rent in middle to high income housing and would constitute a lesser value of the total rental in low income housing. It seems reasonable to expect that the great majority of the qualified senior citizens would not be housed in middle and high rental units but rather in lower income housing units.

It may be demonstrated that the percentage of property tax to rent receipts would become progressively greater as the mill rate increases. A formula, as demonstrated below, based on rent receipts would apparently subsidize, to some extent, those in lower class rentals while those in higher bracket rentals would be penalized to some degree. This would seem to be the case, although to a lesser degree, in using a straight assessed value times the mill rate computation.

Property Description	Rent Receipts	Assessed Value	Mill Rate	Dollar Amount Reimbursement	% of Receipts/year
Juneau Condo.	425/mo.	35,000	14.83	$519	10.2%
	5,100/yr.	@ ½% per Mill		377	7.4%
Juneau 4-plex	325/mo.	85,600	17.6	1,505/4=376	9.6%
	3,900/yr.	@ ½% per Mill		343	8.8%
Juneau Average Trailer	275/mo.	12,000	16.0	192	5.8%
	3,300/yr.	@ ½% per Mill		264	8.0%
Ketchikan Duplex	300/mo.	48,700	16.4	798/2=400	11.1%
	3,600/yr.	@ ½% per Mill		288	8.2%
Ketchikan Single Family	310/mo.	24,750	16.4	406	10.9%
	3,720/yr.	@ ½% per Mill		305	8.2%

III. House Bill No. 168:

(a) Fails to limit the reimbursement payment to the head of a household.
(b) Changes the age eligibility requirement from January 1, of the assessment year to January 15 of the assessment year. The two senior citizen reimbursement programs should have the same "ground rules" or confusion will reign, no matter who or how the program is administered.
(c) Fails to provide any reduction in reimbursement payments for low-rent subsidized housing.
(d) Requires reimbursement computations to be based on the number of bedrooms rather than an amount equal to that portion of the property tax the residence bears to the total property value.

The attached Wisconsin State Income Tax Form relate's to state payment or reimbursement of an amount equivalent to the property tax for both tenant and owner occupied residences. The Wisconsin Statutes require a certificate of rent paid, signed and dated by the landlord. Reimbursement credit amounts to 25% of the rent paid but not to exceed $500. A further limitation is provided, based on total household income for the year.

Attachment
SRD:nc

SCHEDULE H

WISCONSIN HOMESTEAD CREDIT CLAIM

1973

Mail this claim to:
WISCONSIN DEPARTMENT OF REVENUE
Post Office Box 59
Madison, Wisconsin 53701

1. LAST NAME (please print or type) | First name and initial of claimant | First name and initial of spouse

Social security number of claimant | Social security number of spouse

2. HOME ADDRESS (number and street or rural route) | MAY WE PLEASE HAVE YOUR PHONE NUMBER?

3. CITY OR POST OFFICE | STATE | ZIP CODE | (___) ___ - ____

IMPORTANT: IF YOU OR YOUR SPOUSE ARE REQUIRED TO FILE A WISCONSIN INCOME TAX RETURN, PLEASE ATTACH THIS CLAIM TO THAT RETURN

4. a. Enter your age as of December 31, 1973 . . . . . ____

b. If you are under 62 years of age, please enter the names and address of your parents . . . . . ____

5. Were you claimed as a dependent on anyone else's federal return for any of the years 1971, 1972, or 1973? . . . . . ☐ YES ☐ NO

6. a. Were you a resident of Wisconsin for all of 1973? . . . . . ☐ YES ☐ NO

b. Enter the name of the Wisconsin county in which you lived during 1973 . . . . . ____

7. At the present time are you receiving general relief or aid to families with dependent children? . . . . . ☐ YES ☐ NO
General relief does not include old age assistance, blind aid, disabled aid or social security

8. If you own your homestead, please answer the following questions:

a. Do you owe delinquent taxes on your homestead for prior years? . . . . . ☐ YES ☐ NO

b. Have you paid, or will you pay, the taxes on your homestead for 1973? . . . . . ☐ YES ☐ NO

ENTER YOUR HOUSEHOLD INCOME BELOW

Use either line 9 OR line 10, and line 11.

HOUSEHOLD INCOME

9. If you or your spouse are required to file a Wisconsin income tax return, enter the income of each from Form 1, page 1, line 5 or Form 1A, line 8

a. Your Wisconsin total income . . . . . $

b. Your spouse's Wisconsin total income . . . . .

10. If neither you nor your spouse are required to file a Wisconsin income tax return, itemize taxable income of each below (attach schedules to show rent or farm income, etc.)

a. Wages

b. Interest

c. Dividends

d. Other (specify)

11. All other household income (include all other income received by you or your spouse during the year from the sources listed below):

a. Social security payments of all types . . . . .

b. Veteran's pensions and disability payments . . . . .

c. Railroad retirement benefits . . . . .

d. Other pensions and annuities . . . . .

e. Interest on United States securities . . . . .

f. Workmen's compensation . . . . .

g. Loss of time insurance . . . . .

h. Support money . . . . .

i. Cash public assistance and relief . . . . .

j. Net income from out-of-state sources . . . . .

k. Scholarships, fellowship grants and GI Bill benefits .

l. Nontaxable military compensation or cash benefits.

12. TOTAL HOUSEHOLD INCOME FOR YEAR
(If line 12 is $4,000 or greater, no homestead credit is available) . . . . . ▶ $

ENTER YOUR TAXES AND/OR RENT

A COPY OF YOUR TAX BILL AND/OR PROOF OF PAYMENT OF RENT MUST BE ATTACHED TO THE BACK OF THIS CLAIM

13. Enter the amount of taxes which you have paid or will pay on your homestead for 1973 $

14. Enter one-fourth of the amount of rent which you paid for your homestead in 1973 for occupancy only . . . . .

15. TOTAL OF LINES 13 AND 14 . . . . . ▶ $

1 2 3 4

IF YOU WANT THE DEPARTMENT TO COMPUTE YOUR HOMESTEAD CREDIT FOR YOU, DO NOT COMPLETE LINES 16 THROUGH 19 BELOW

YOUR HOMESTEAD CREDIT COMPUTATION

16. Enter the smaller of
a. Amount on line 15, or
b. $500 . . . . . $

17. Using the income amount on line 12, enter the appropriate figure from . . . .

18. Subtract line 17 from line 16 (If line 17 is greater than line 16, enter zero) . . . . .

19. AMOUNT OF HOMESTEAD CREDIT
(Your homestead credit is determined by using the amount on line 18 and referring to TABLE 31) . . . . . ▶ $

0 2 3

IF THIS CLAIM IS ATTACHED TO A WISCONSIN INCOME TAX RETURN AND YOU DETERMINED LINE 19 ABOVE, CARRY THAT AMOUNT TO FORM 1, PAGE 1, LINE 14 OR FORM 1A, LINE 16

I declare under penalties of law that I have examined this claim (including accompanying schedules) and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than claimant, his declaration is based on all information of which he has any knowledge.

Sign here ▶ Claimant's signature — Date

Spouse's signature (if married, spouse must also sign)

▶ Signature of preparer other than claimant — Date

Address

County	Year	Type	Manner	Code

I-016

THIS PACKET CONTAINS

- *Certification of Rent Paid*
- *Schedule H (Homestead Credit Claim)*
- *Instructions*
- *Homestead Credit Computation Tables*

Detach at this Line

Form 1-017

ATTACH TO SCHEDULE H

CERTIFICATION OF RENT PAID

FOR HOMESTEAD CREDIT

WISCONSIN DEPARTMENT OF REVENUE

PLEASE PRINT

NAME OF CLAIMANT — Last Name | First Name and Initial

Social Security Number

Relationship to Landlord

Amount of Rent Per Month $

Number of Months of Rental

Number of Rooms Rented

Number of Occupants

NAME OF LANDLORD — Last Name | First Name and Initial

LANDLORD'S HOME ADDRESS

(A) Total Rent Paid For Year	(B) Rental Value Of Furnishings	(C) Value of Utilities Furnished	(D) Value Of Other Furnished Items	(E) Rent Paid For Occupancy Only
$	$	$	$	$ (Block A Less B, C and D)

I, the undersigned, do hereby certify that the above information concerning rent paid to me by the above named claimant fo and during the year 19____ is true, correct and complete to the best of my knowledge and belief.

(Date)

(Signature of Landlord or Authorized Representative)

Form 1-017

ATTACH TO SCHEDULE H

CERTIFICATION OF RENT PAID

FOR HOMESTEAD CREDIT

WISCONSIN DEPARTMENT OF REVENUE

PLEASE PRINT

NAME OF CLAIMANT — Last Name | First Name and Initial

Social Security Number

Relationship to Landlord

Amount of Rent Per Month $

Number of Months of Rental

Number of Rooms Rented

Number of Occupants

NAME OF LANDLORD — Last Name | First Name and Initial

LANDLORD'S HOME ADDRESS

(A) Total Rent Paid For Year	(B) Rental Value Of Furnishings	(C) Value of Utilities Furnished	(D) Value Of Other Furnished Items	(E) Rent Paid For Occupancy Only
$	$	$	$	$ (Block A Less B, C and D)

I, the undersigned, do hereby certify that the above information concerning rent paid to me by the above named claimant fo and during the year 19____ is true, correct and complete to the best of my knowledge and belief.

MEMORANDUM
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

State of Alaska
DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: JACK CHENOWETH
DIRECTOR

DATE: MARCH 20, 1975

FILE NO:

TELEPHONE NO:

FROM: S. ROBERT DOZIER
STATE ASSESSOR

SUBJECT: FISCAL NOTE AND RECOMMENDATIONS FOR HOUSE BILL NO. 272 "AN ACT EXTENDING THE BENEFITS OF THE SENIOR CITIZEN PROPERTY TAX EXEMPTION TO SENIOR CITIZEN RENTERS."

ESTIMATED COSTS - HOUSE BILL NO. 272
FISCAL YEAR 1977

COST OF	NUMBER OF APPLICATIONS	AVERAGE COST PER APPLICATION	PROGRAM COST
Reimbursement	1995	$311	625,000
Municipal Administration	1995	30.50	61,000 (see recommendations)
Optional Monthly/ Quarterly Payments	1000	10.00	20,000
State Administration	1995	4.00	8,000
Total Program Estimate	1995	$355.50	714,000

It is estimated that the program will require the reimbursement of 1,995 senior citizen applications in 1976 involving an estimated cost to the State of approximately $625,000. Reimbursement of administrative costs for the optional system of providing monthly or quarterly payments rather than in one lump sum, may reasonably be estimated to involve approximately $20,000. This would bring the total reimbursement cost of the program, to about $645,000.

RECOMMENDATIONS:

As outlined in the attached recommended amendment to H.B. No. 272, the following are suggested for consideration:

Line 13; resident has been clarified by adding "of the state".

Lines 12, 14, 15 & 16, page 1 and lines 6 & 12, page 2 have been revised to reflect the terminology used in the existing senior citizen program.

Line 18 expands the eligibility requirements to avoid misinterpretation of the definition of a resident "65 years of age or older". Numbering has been added to increase readability of the bill.

A section (lines 21 & 22) has been added, on subsidized housing to call attention to a possible problem area in the proposed program.

It is suggested that (f) be deleted for the reason that it would apparently further administrative complications and seems to add little to the equity of the program, such a system if initiated, would require additional deadlines throughout the year, as well as, screening, verification and reimbursement procedures being increased to as much as 12 times a year. It should also be noted that administrative costs of this service would be difficult to calculate and reimburse equitably, and that the reimbursement process would be inconsistant statewide.

Lines 24 through 28 of the bill have been adjusted to compensate municipalities for the administrative costs of the program under a reimbursement program outlined by the Department.

It has been demonstrated in Table III that the administrative cost to the local municipalities has worked a measurable penalty in regard to the existing owner occupant portion of the senior citizen program. The narrative following Table III further shows that this cost would be much increased by the program proposed by HB 272.

For these reasons it is suggested that municipalities should be compensated for the administrative costs involved in both reimbursement programs and in the interest of reducing administrative expense and possible inequities, the amount of compensation should be determined each year by the Department, based on a set formula rather than by an amount annually billed to the State without adequate control.

ESTIMATE OF ELIGIBLE APPLICANTS:

The estimated state reimbursement figure of $625,000 is based on projected 1974 census data together with historic and estimated population and cost data compiled and analyzed concerning administration of the Senior Citizen Property Tax Exemption Program AS 29.53.020(e).

TABLE I: ESTIMATED POPULATION DATA

The 1970 census reported state population of	302,361
Residents 65 years of age, 2.3%	6,950
Heads of households, 65 years of age, 1.3%	3,930
1975 census estimated by the Department of Labor was	357,200
The annual increase in population, averaged for the past 5 years, is	10,968
The above projections would indicate that the population in 1976 will total	368,168
For purposes of this report the 1976 census is rounded downward to	365,000

The same percentages attributed to senior citizens as indicated in the 1970 census, are used below;

Residents, 65 years of age, 2.3%	8,395
Heads of Households, 65 years of age, 1.3%	4,745

As indicated in Table I the estimated number of heads of households estimated for 1976 is 4745. Using the 1970 census data and actual data compiled for owner occupied senior citizens as a base, owner occupied residences would total 2750 and tenant occupied residences would total 1995.

ESTIMATE OF PROPERTY TAX REIMBURSEMENT TO MUNICIPALITIES:

Residential property owned by senior citizen is in general, of a higher quality than that which can be afforded by a tenant, primarily because the owner occupied property has, in whole or in part, been paid off before retirement, while the tenant's rent receipts reflect full amortization of the landlord's investment plys taxes. To reflect this difference, a 25% discount in average tax per application is given for tenant occupied housing.

The 11.5% annual increase in property values or average tax per application as indicated for 1975 over 1974 can reasonably be expected to continue its trend for the next few years.

In 1974 the Department received 1958 application forms from boroughs and cities which administered the program. A total of 70 applications were rejected due to late filing and 1 because the applicant reached age 65 after January 1, 1974, 1887 were approved. As indicated in Table II below, the average amount of tax per application was $335 for a total state reimbursement of $631,890.

A total of 2496 application forms were filed on or before January 15, 1975. The 32% increase over 1974 is not likely to continue as the program has been well publicized both by the state and by units of local government and the majority of eligible applicants, no doubt, have filed. Therefore only a 10% increase in the number of applicants is estimated for 1976.

TABLE II: ESTIMATED PROPERTY TAX REVENUE

AS 29.53.020(e) Senior Citizen Property Tax Exemption

Owner Occupied Housing

YEAR	NO. APPLICATIONS % INCREASE	AVERAGE TAX	% INCOME	TOTAL REVENUE	YEAR FUNDED
1974	1887	335		631,890	FY 74
1975	2496-32%	373	11.5%	931,429 est.	FY 76
1976	2750-10% est.	415	11.5%	1,141,250 est.	FY 77

House Bill No. 272

Tenant Occupied Housing

1976	1995 est.	311 discounted 25%		620,445 est.	FY 77

Table II indicates that the 1976 senior citizen, owner occupied property tax exemption program AS 29.53.020(e) will require a legislative appropriation of $1,141,250 and that for HB No. 272 the proposed tenant occupied senior citizen reimbursement program, the amount of state reimbursement is estimated to be $620,000 for a total estimated reimbursement cost to the state of $1,761,250.

ESTIMATED MUNICIPAL ADMINISTRATIVE COST:

The assessor's office of the City and Borough of Juneau has estimated that administrative costs to the borough for the 1974 Senior Citizen Property Tax Exemption Program included 446 personnel hours, and a projected cost breakdown has been tabulated below:

TABLE III: ADMINISTRATIVE COSTS PER APPLICATION

No. of Personnel Hours	Average Wage Rate	Total Cost
112 hours	$10.00/hour	$1,120
167 hours	6.50/hour	1,085
167 hours	4.50/hour	751
446 hours		$2,956
	Employee Benefits @ 17%	503
	Total Wage	3,459
	No. of Applications	197
	Total Per Application Cost 1974 program	$17.50

Estimating 25%, or 112 hours, of this time as being appraiser time at approximately $10/hour and 75%, or 335 hours, of clerical time, of which perhaps half was assessment clerk time at an estimated $6.50/hour and half general clerical time at $4.50/hour, the wage package, including employee benefits at a rate of 17%, would total $3,464. Given the 197 valid applications processed by the Juneau borough last year the figure of $17.50 may be derived per application. Based on the 1,887 applications funded in FY 75 by the State, it may be assumed that local municipalities absorbed approximately $33,000 in administrative costs for the 1974 statewide program.

By considering the relative complications inherent in the respective programs it may be estimated that the per application cost will be from 50% to 100% greater for the program outlined in HB No. 272. A per application cost of, from $26 to $35, on an estimated 2,000 claims will project the total administrative cost of the program to the local municipalities to between $52,000 and $70,000.

Under provisions of Subsection (g) HB No. 272 the state shall reimburse payments made by municipalties to tenants and in addition the state will reimburse that portion of the total administrative costs attributed to a program of monthly or quaterly payments.

Assuming approximately half of the eligible applicants reside within a municipality exercising this option, and that this service would approximate an additional average per application cost of $10, it may be estimated that the provision would require about $20,000 in municipal administrative costs reimbursement.

STATE ADMINISTRATIVE COSTS ESTIMATE:

As noted on the attached Man-hour Distribution Table, the cost of the owner occupant senior citizen program is estimated to be 5,187 for program year 1976. Assuming a near comparable number of applicants and assuming a greater detail of regulations, forms and audit procedure of approximately 50%, the administrative costs to the State Assessor's Office is estimated to require an additional $8,000 or about $4.00 per application for the first year of operation with a possible reduction in cost once draft regulations, forms preparation and program adjustments are completed.

MAN-HOUR DISTRIBUTION:

The Man-hour Distribution Table has been constructed for the purpose of illustrating the workload distribution of employee ranges through the seven major program categories in the State Assessor's Office. Therefore, wages were frozen at the FY 75 level and projected back, by time percentages, to FY 73 and forward to FY 76. The FY 76 projection does not allow for any new program areas or expansion of existing programs beyond a reasonable growth factor. No allowance was made for inflationary, budgetary or dollar value considerations nor for the fact that some clerical assistance included was furnished through budgetary contributions by other Division/Sections.

The Full Value Determination AS 14.17, includes the entire program from deed acquisition and questionnaire mail-out through market data/assessed value posting and field appraisal to final tabulation of calculations. Adoption of the Greater Anchorage Area Borough computerized market data survey cut the total volume of questionnaries sent and market data posted from approximately 13,500 in FY 73 to a little over 7,000 in FY 74. The growth in sales volume across the State indicates the office will process a probable 11,000 questionnaries in FY 76.

Senior Citizen Property Tax Exemption, AS 29.53.020, includes program initiation in 1973 through municipal instruction/assistance, forms preparation and distribution, revision of Alaska Administrative Code Regulations, to the final collection, audit and reimbursement.

Farm and Agricultural Land Use Deferred Taxation Program, AS 29.53.035, includes a portion of the new program initiation in FY 75 up to the final stages of implementation; thus, projected figures are not based on a full range of previous experience with the program. Alaska Administrative Code Regulations will be finalized in FY 75, after a conference with affected municipal officials.

Publications reflects the annual preparation for publication of the full value determination, property and sales tax rates, summary of assessment/taxation values and policies, program summaries on population data, bonded debt and related data contained in Alaska Taxable. Also, the 1974 revision of the Property Appraisal Cost Manual for Alaska Assessors has been considered as a factor. This publication is scheduled for update and revision every three years.

Legislation includes research and analysis, recommendations and proposed amendments, and the preparation of projected fiscal data concerning administration of proposed and recommended legislation.

Government Assistance includes assistance rendered in the areas of assessment/taxation to Alaska local governments, backup assistance to local government specialists and other state officials and national interaction with federal and state agencies outside Alaska. No consideration has been given to assessor training, an area of responsibility allocated to the State Assessor's Office, since no funding has been available in this regard for the time span covered in this tabulation.

General Office is a "catch-all" category covering areas of interest and responsibility not readily attributed to special programs, including administration, budget, office procedures, etc.

State Assessor range is apparently $1100 under the actual expenditure in the FY 74/75 budget but proportianate time and comparisons are still valid as illustrated, though, correlation to existing budget figures may be difficult. It should be noted that the ratio of time spent on the determination, government assistance and administration has been penalized to furnish time rendered to the new senior citizen and farm use programs.

Part Time Clerical Aide and Other has been assigned lump-sum, time-values to the volume of work performed by personnel from other offices, part time clerical aides - after school and NYC positions. Percentages were projected from a basic value of $8,850 assigned to one, full-time clerical position.

It may be noted that progressively more of the market data survey portion of the determination is being delegated to this category in order to free other category time to special programs, technical areas and secretarial support.

Clerk/Typist III reflects a reduction in routine typing/filing time due to greater use of computerized systems and standardization of methods allowing delegation of some duties to lesser positional time. Time spent in areas of secretarial support, sales analysis, and technical typing is increasing. Experience has shown that in order to retain quality assistance, the routine duties of the survey should be spread upon as broad a base as possible to avoid boredom and loss of interest.

Research Assistant has increasingly absorbed research, tabulation, analysis, special program details and routine correspondence by delegating routine secretarial support and routine sales data procedures to other positions. It should be kept in mind that the standardization and delegation of duties that has been a factor in the office's ability to absorb new programs and growth factors has reached saturation and was not considered in projecting FY 75/76 work loads.

Attachments
SRD:nc

RECOMMENDED AMENDMENTS

Introduced: 3/7/75
Referred: Community & Regional Affairs

IN THE HOUSE

BY: GRUENING AND DUNCAN

HOUSE BILL NO. 272

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act extending the benefits of the senior citizen property tax exemption to senior citizen TENANTS (RENTERS)."

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

* Section 1. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.060. REBATE OF PROPERTY TAX PAYMENTS TO SENIOR CITIZEN TENANTS (RENTERS). (a) A home rule or general law municipality which levies a REAL (GENERAL) property tax shall make a tax rebate payment to an eligible resident OF THE STATE 65 years of age or older who rents rather than owns HIS PLACE OF ABODE (THE RESIDENCE HE OCCUPIES). The payment shall be in an amount equal to the amount of REAL (GENERAL) property tax paid by the property owner on that PLACE OF ABODE (RESIDENCE) for the period it was occupied by the applicant.

(b) To be eligible for a rebate payment under this section, a person

(1) MUST HAVE REACHED THE AGE OF 65 YEARS ON OR BEFORE JANUARY 1 OF THE YEAR FOR WHICH EXEMPTION IS SOUGHT,

(2) must file an application with the municipal assessor not later than January 15 of the assessment year during which rebate payments are to be claimed, and

(3) must file a separate application for each assessment year for which payments under this section are sought. The application shall be on a form prescribed and provided by the Department of Community and Regional Affairs for use by the municipality.

(c) To obtain rebate payment under this section, the applicant must submit to the assessor rent receipts for the assessment year for which payment is claimed before January 15 of the following assessment year. Payment shall be made to qualified applicants for each assessment year by March 1 of the following year. An applicant is not eligible for rebate payments if the assessor determines, after notice and hearing to the parties concerned, that the landlord-tenant relationship was created primarily for the purpose of obtaining rebate payments. The determination of the assessor is appealable under AS 44.62.560 - 44.62.570.

(d) If an eligible applicant is a TENANT (RENTER) for only part of the assessment year, or if his PLACE OF ABODE (RESIDENCE) is an apartment in a multi-unit building or comprises only a portion of the taxable property, the rebate payment shall be proportionate to the annual assessment on the entire property. The Department of Community and Regional Affairs shall provide guidelines to assist municipalities in computing proportionate payments, in computing payments when an eligible applicant has more than one PLACE OF ABODE (RESIDENCE) during an assessment year, and in computing partial payments under (e) of this section.

(e) If two or more persons occupy a residence as tenants, not all of whom are eligible for rebate payments under this section, the assessor shall determine equitable partial payments to be made to the eligible tenants. However, rebate payments to an eligible applicant may not be reduced because his spouse is less than 65 years of age. If all occupants in a residence are eligible for rebate payments under this section, the occupants shall decide between and among themselves which shall receive payment under this section.

(f) REIMBURSEMENT TO AN OCCUPANT OF A SUBSIDIZED HOUSING UNIT SHALL BE REDUCED IN AN AMOUNT EQUIVALENT TO THE AMOUNT OF THE SUBSIDY. (A MUNICIPALITY MAY ESTABLISH A SYSTEM OF MONTHLY OR QUARTERLY PAYMENTS DURING THE ASSESSMENT YEAR IN LIEU OF A SINGLE ANNUAL PAYMENT.)

(g) The state shall reimburse the municipality for the tax rebate payments made under this section, (AND, IN THE CASE OF A MUNICIPALITY WHICH PROVIDES MONTHLY OR QUARTERLY PAYMENTS,) for the cost of administering the REIMBURSEMENT (MONTHLY OR QUARTERLY) payments (.), BASED ON AN APPROPRIATE COST FORMULA TO BE ESTABLISHED BY THE DEPARTMENT.

MAN-HOUR DISTRIBUTION TABLE

		DETERMINATION FY		SENIOR CITIZEN	FARM USE	PUBLICATIONS	LEGISLATION	GOVERNMENT ASSISTANCE
Research Assistant 11,300		72/73	6,780	-0-	-0-	565	565	565
		73/74	5,215	1,565	-0-	565	565	565
		74/75	4,520	1,695	565	1,130	1,130	565
		75/76	2,825	2,825	565	1,695	1,130	1,695
Clerk Typist III 10,300		72/73	7,725	-0-	-0-	515	515	515
		73/74	7,210	515	-0-	515	515	515
		74/75	6,180	515	-0-	1,030	515	515
		75/76	4,635	1,030	515	515	515	515
Part Time 5,752@65%		72/73	5,752	-0-	-0-	-0-	-0-	-0-
Clerical 6,421@72%		73/74	4,983	-0-	-0-	575	288	-0-
Aide & 6,638@75%		74/75	5,045	-0-	-0-	266	-0-	177
Other 13,275@150%		75/76	9,623	332	-0-	664	664	664
SubTotal 27,352		72/73	20,257	-0-	-0-	1,080	1,080	1,080
Clerical			*(2,849)*			*575*	*288*	
	28,021	73/74	17,408	2,080	-0-	1,655	1,368	1,080
			(1,663)	*130*		*771*	*277*	*177*
	28,238	74/75	15,745	2,210	565	2,426	1,645	1,257
			1,338	*1,977*	*515*	*449*	*664*	*1,617*
	34,875	75/76	17,083	4,187	1,080	2,874	2,309	2,874
State Assessor 27,600		72/73	14,620	-0-	-0-	2,760	3,312	4,128
		73/74	12,420	2,760	1,656	2,760	3,312	3,312
		74/75	12,420	2,760	1,656	2,760	3,312	3,312
		75/76	14,180	1,000	1,656	1,760	3,312	4,312
TOTAL	54,952	72/73	34,877	-0-	-0-	3,840	4,392	5,208
			(5,049)			*575*	*288*	*(816)*
	55,621	73/74	29,828	4,840	1,656	4,415	4,680	4,392
			(1,663)	*130*		*771*	[illegible]	*177*
	55,838	74/75	28,165	4,970	2,221	5,186	4,957	4,569
			3,098	*217*	*515*	*(552)*	*664*	*2,617*
	62,475	75/76	31,263	5,187	2,736	4,634	5,621	7,186

Department of Community & Regional Affairs
Division of Local Government Assistance
Office of the State Assessor
March __, 1975

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: Lynn A. Wegener
Administrative Officer

DATE: March 11, 1975

FILE NO:

THRU: Jack Chenoweth
Director

TELEPHONE NO:

FROM: S. Robert Dozier SRD
State Assessor

SUBJECT: HB. No. 168; an act providing for property tax reimbursement payments to a senior citizen who rents his residence.

It is estimated that state reimbursement, direct to individual senior citizens, under provisions of HB No. 168 in present form, will, during the year 1976, involve approximately 1995 tenant senior citizens, $625,000 in direct state reimbursement payments, and that the cost of administration will total approximately $50,000.

The estimate is based on the assumption that the definition of "residence" as implied in Sec. 34.08.010(b) of the bill corresponds to the definition of "permanent place of abode" as adopted for the administration of AS 29.53.020(e) and defined in Alaska Administrative Code Regulations 19 AAC 35.120(4).

> "Permanent place of abode" means a dwelling or a dwelling unit in a multiple dwelling including lots and outbuildings, or an appropriate portion thereof, which are necessary to convenient use of the dwelling unit.

This assumption would appear necessary, when considering the confusing statements in HB No. 168, Sec. 34.08.010(a), relating to reimbursement of that portion of the rent on the residence which is attributed to local property tax assessed on the residence as opposed to the formula set out in Sec. 34.08.040(a)(1)-(2) of the bill for estimating the required reimbursement. (1) Under provisions of subsection (a)-(1), the wording implies that reimbursement shall be based on an amount equal to the entire local property tax assessed on the property. No restriction is stated should the single family residence be situated on a large tract of land which, under terms of the lease or rental agreement may be used by the lessee. (2) Under provisions of subsection (a)-(2), the wording implies that reimbursement is contingent on the number of bedrooms in the applicant's residence as compared to the total number of bedrooms in the building. The wording fails to consider the square foot area and floor plan of the residence as it relates to the total property value, which may be a duplex, an apartment or any combination of an apartment-business multipurpose building.

The estimated state reimbursement figure of $625,000 is based on projected 1970 Census data together with historic and estimated population and cost data compiled and analyzed concerning administration of the Senior Citizen Property Tax Exemption Program AS 29.53.020(e).

TABLE I: Estimated Population Data

The 1970 census reported state population of	302,361
Residents 65 years of age, 2.3%	6,950
Heads of households, 65 years of age, 1.3%	3,930
1975 census estimated by the Department of Labor was	357,200
The annual increase in population, averaged for the past 5 years, is	10,968
The above projections would indicate that the population in 1976 will total	368,168
For purposes of this report the 1976 census is rounded downward to	365,000

The same percentages attributed to senior citizens as indicated in the 1970 census, are used below;

Residents, 65 years of age, 2.3%	8,395
Heads of households, 65 years of age, 1.3%	4,745

In 1974 the Department received 1958 application forms from boroughs and cities which administered the program. 70 applications were rejected due to late filing and one because the applicant reached his 65th birthday after January 1, 1974, 1887 were approved. As indicated in Table II below, the average amount of tax per application was $335 for a total state reimbursement of $631,890.

A total of 2496 application forms were filed on or before January 15, 1975. The 32% increase over 1974 is not likely to continue as the program has been well publicized both by the state and by units of local government and the majority of eligible applicants, no doubt, have filed. Therefore only a 10% increase in the number of applicants is estimated for 1976.

The 11.5% annual increase in property values or average tax per application as indicated for 1975 over 1974 can reasonably be expected to continue its trend for the next few years.

As indicated in Table I the estimated number of heads of households estimated for 1976 is 4745. Using the 1970 census data and actual data compiled for owner occupied senior citizens as a base, owner occupied residences would total 2750 and tenant occupied residences would total 1995.

Residential property owned by senior citizen is, in general, of a higher quality than that which can be afforded by a tenant, primarily because, the owner occupied property has, in whole or in part, been paid off before retirement, while the tenant's rent receipts reflect full amortization of the landlord's investment plus taxes. To reflect this difference, a 25% discount in average tax per application is given for tenant occupied housing.

TABLE II: Estimated Property Tax Revenue
AS 29.53.020(e) Senior Citizen Property Tax Exemption

Owner Occupied Housing

YEAR	NO. APPLICATION %increase	AVERAGE TAX	%Income	TOTAL REVENUE
1974	1887 (actual)	335		631,890(actual)
1975	2496 (actual 32%)	373	11.5%	931,429(est.)
1976	2750 (estimated 10%)	415	11.5%	1,141,250(est.)

House Bill No. 168

Tenant Occupied Housing

1976	1995 (estimated)	311(discounted 25%)		620,445(est.)

The above table indicates that the 1976 senior citizen owner occupied property tax exemption program AS 29.53.020(e) will require a legislative appropriation of $1,141,250 and that for HB No. 168 the proposed tenant occupied Senior Citizen Reimbursement Program, the amount of state reimbursement is estimated to be $620,000, for a total estimated reimbursement cost to the state of $1,761,250.

Administration of House Bill No. 168 will require the following:

1. The development of detailed Alaska Administrative Code Regulations.
2. Application forms must be developed and made available to the general public at the office of the Borough Assessor or City Clerk.
3. Instructions for assisting applicants should be prepared for the municipal official assigned to assist applicants.
4. As the applications must be filed on or before January 15, 1976, all application forms filed with the municipality may be forwarded to the Department on or about February 1.
5. The Department will screen all applications received for determining eligibility and for separating the forms into five categories; 1. single family residence and subdivisions, 2. condominiums, 3. duplex and apartments, 4. multipurpose buildings, and 5. forms incomplete with additional information required and marginal eligibility status will require extensive correspondence and field inspection.
6. Assessed values and equivalent amounts of tax will be determined to the extent possible through research of local assessment records. Farm residences, apartments and multipurpose buildings will require an examination of the municipal building cards and actual inspection and field appraisal by the appraiser assigned to the office of the State Assessor. Actual appraisal of all property except residences situated on subdivided lots or tracts will be required to determine the residence value as it applies to the total assessed property value.
7. Rent receipts to be submitted by the applicant to the Office of the State Assessor before December 31 of the year, are required under the bill for determining the number of months of residency and the percentage of equivalent tax for state reimbursement. In many cases, the appraiser will again be required to inspect local assessment records and appraise property when it is indicated by rent receipts that the tenant changed the location of his residence during the year covered by the application.

8. Before March 1, or before the start of the following year's program, a final reimbursement roll shall be prepared by the Office of the State Assessor and payment vouchers requested for all senior citizens qualifying under the program.
9. The bill fails to provide the taxpayer with adequate appeal procedure.

There are seven major areas of responsibility presently allocated to the Office of the State Assessor.

1. Determination of full and true value of taxable real and personal property within all organized boroughs and all cities outside organized boroughs except cities of the second class. (AS 14.17.140)
2. Senior Citizens Property Tax Exemption (AS 29.53.020(e))
3. Farm and Agricultural Land Deferred Tax AS 29.53.035
4. Publications
   (a) Alaska Taxable and
   (b) update and revise periodically the Residential Appraisal Cost Manual for Alaska assessors
5. Proposed legislation: Research, analysis and fiscal data
6. General Assistance: Property tax administration, appraisal problems, reappraisal contracts, and interpretation of State law and opinions.
7. Correspondence: Existing programs intra-and-inter-state.

TABLE III Office of the State Assessor

Present staff	Additional staff required HB No. 168
1. State Assessor	1. Assistant State Assessor Appraiser III
2. Research Assistant	2. Clerk Typist II
3. Clerk Typist III	
4. Clerical Aid Full time	

Administration of HB No. 168 will require the addition of 2 positions and the upgrade of one position. 1. Assistant State Assessor Grade 19. 2. Clerk Typist II Grade 7 and upgrading of the Research Assistant range 10 to Research Analyst I to Grade 13.

Duties and responsibilities of:

A. Assistant State Assessor(new postion)

1. Compile assessed value data on all applications.
2. Determine the total assessed value of the property.
3. Appraise the value of the residence as it applies to the value of the total property.
4. Determine the service area and rate of tax levied for the area of the borough in which the residence is located.
5. Assist the State Assessor in other property appraisal and program responsibilities.

B. Local Gov. Specialist/Special Program Research Analyst (upgrade from Research Assistant)

1. Shifting of a portion of existing duties to subordinates.
2. Set up new program procedures.
3. Assist with drafting of Administrative Code Regulations.
4. Responsible for special programs, operation, maintance, auditing and reimbursement.

C. Clerk Typist(new postion)

1. Assumption of existing program duties which are shifted from existing staff requirements.

Table IV, Column 2, illustrates the clerical workload of the State Assessor's Office during 1974 in the three main procedure areas. Column 1 has broken out some program phases for purposes of comparison with the projections carried out in Table V.

It is considered reasonable to equate the various categories of clerical assistance now being rendered to the projected work load required for administration of HB 168. From Table IV and V below, it is projected that it will reqire about 13.7 months of full-time clerical assistance to fulfill the requirements of HB No. 168 and, in addition, approximately 2.1 months, using about 70% of a full-time clerk's time for three months, to perform the work necessary to get the initial program under way.

Approximately 55% of Research Assistant time, 75% of Clerk-Typist time and 90% of Clerical Aide time is spent carrying transaction data through the market data survey to the full value determination and the publication of "Alaska Taxable," i.e. The Assessment Sales Ratio Study.

The Assessment-Sales Ratio Study has further been broken into categories for the purpose fo this projection: (1) deed preparation; (2) questionnaire mailout; (3) posting and filing of market data, assessed values and ratio calculations.

Secretarial support accounts for 15% of Research Assistant time, 25% of Clerk Typist time and 10% clerical aide time.

Nearly 30% of Research Assistant time is invested in the Senior Citizen Program and other special programs and projects.

TABLE IV: Analysis of 1974 personnel expenditures:

ASSESSMENT-SALES RATIO STUDY	Research Assistant		Clerk Typist III		Clerical Aide	
Deed Preparation	30%		10%			
Questionnaires	5%		20%		80%	
Market Data	20%	55%	45%	75%	10%	90%
SECRETARIAL SUPPORT		15%		25%		10%
SPECIAL PROJECTS						
Senior Citizen	15%					
Other	15%	30%				

Table V demonstrates the estimated amount of clerical time required to perform the various procedures that appear necessary for proper administration of the program outlined in HB 168.

To screen and categorize an estimated 2,000 tenant applications would be comparable, in time spent, to the 1974 senior citizen program audit or 15% of a clerical year, = 1.8 months. About 33% of typist time over a three-month span would be required for clarification correspondence related to the applications, or 1.0 months.

The posting and "paper" assessment of property values was equated to the market data survey which involves approximately 3,000 confirmed sales. This indicates about 50% of a full-time clerk would be required for this phase = 6 months.

Audit and calculation of reimbursement payments would be again comparable to the 1974 senior citizen program with perhaps some added detail, and would require an estimated 20% of a clerical year, or 2.4 months. Reimbursement and mailing would require 70% of a clerk's time for at least one month = .7 months.

Additional file maintenance and secretarial support could require, as an ultraconservative estimate, an added .8 clerical months.

Program Initiation, such as drafting regulations, forms preparation and distribution is estimated to require about 70% over a three month span, of a clerk's time = 2.1 months.

TABLE V: Clerical Assistance Requirements for Administration of HB 168:

	% of Time Required	No. months Duration	Portion of Clerical Year	
Screen/categorize	15%	12	1.8	
	33%	3	1.0	
Posting/assessment	10%	12	1.2	
	40%	12	4.8	
Audit/accounting/calc.	20%	12	2.4	
Reimbursement/mail	70%	1	.7	
Files/sec. support	15%	12	1.8	13.7
Program Initiation	70%	3	2.1	15.8

TABLE VI: Cost of Administration HB 168:

100 Personal Services

Assistant State Assessor Grade 19	1736 X 12	20,832
Clerk Typist II Grade 7	760 X 12	9,120
Upgrade Research Assistant to Grade 13 (Research Analyst Grade 13 1116) (Research Assistant Grade 10 945)	171 X 12	2,052
Total Salary		32,004
Fringe Benefits 17%		5,441
Total Personal Services		37,445

200 Travel & Per Diem

Assistant State Assessor

Travel to the majority of municipalities which levy taxes, two and three visits in some cases, requiring not only inspection of assessment records, but actual field appraisals, may be necessary to complete each year's program.

Air fare	2,000	
Car Rental	1,000	
Per Diem	3,000	
Total Travel & Per Diem		6,000

300 Contractual Services

310 Comm. Serv.	900	
311 Telephone	1,000	
314 Postage	500	
320 Printing & Advertising	1,000	
330 Space rent	900	
340 Repairs	100	
360 Equipment rental	200	
390 Other fees(Legal)	500	
Total contractual		5,100

400 Commodities

Reference materials	300	
Office supply	300	
Total commodities		600

500 Equipment

2 desks @200	400	
2 chairs @50	100	
2 typwriters @600	1,200	
1 calculator @600	600	
1 filing cabinet @125	125	
Total Equipment		2,425

Total FY 76 Budget request for operation of HB No. 168		$51,570
	Rounded to	$50,000

The assessor's office of the City and Borough of Juneau has estimated that administrative costs to the borough for the 1974 senior citizen reimbursement program included 446 personnel hours.

Estimating 25%, or 112 hours, of this time as being appraiser time at approximately $10/hour and 75%, or 335 hours, of clerical time, of which perhaps half was assesment clerk time at an estimated $6.50/hour and half general clerical time at $4.50/hour, the wage package, including employee benefits at a rate of 17%, would total $3,464. Given the 197 valid applications processed by the Juneau borough last year the figure of $17.50 may be derived per application. Based on the 1,887 applications funded, it may be assumed that local municipalities absorbed approximately $33,000 in administrative costs for the 1974 statewide program.

TABLE VII: Administrative Cost Per Application

No. of Personnel Hours	Average Wage Rate	Total Cost
112 hours	$10.00/hour	$1,120
167 hours	6.50/hour	1,085
167 hours	4.50/hour	751
446 hours		$2,956
	Employee Benefits @ 17%	503
	Total Wage Expense	3,459
	No. of Applications	197
	Total Per Application Cost 1974 program	$17.50

By considering the relative complications inherent in the respective programs it may be estimated that the per application cost will be from 50% to 100% greater for the program outlined in HB 168. A per application cost of, from $26 to $35, on an estimated 2,000 claims will project the total administrative costs of the program to the local municipalities across the state to a total of between $52,000 and $70,000.

Recommendations:

I. The tenant occupied senior citizen reimbursement plan can be administered by municipalities in conjunction with the AS 29.53.020(e) the Senior Citizen Property Tax Exemption or administered by the Department of Community and Regional Affairs. Administration of the property tax is a function of the municipality which deals almost entirely with ownership rights in taxable real and personal property and has no direct contact with a tenant which may occupy the owner's property.

There is no doubt that administration of the program at the grass roots can be administered more effectively and efficiently, as the municipality has the legal machinery necessary to carry out the program, by simply adopting an appropriate ordinance.

As indicated above, the cost to all municipalities in the State for administering the Senior Citizen Property Tax Exemption Program(AS 29.53.020(e)) in 1974 amounted to approximately $33,000. A tenant occupied reimbursement program can be expected to cost at least twice as much for the same number of applications due to the extensive appraisal allocations necessary. As the program progresses however, the costs will be reduced as appraisal allocation data is compiled for apartments and multi-purpose buildings and as appraisal allocation information is added as a programmed part of each year's reassessment project.

Municipalities should be compensated for the administrative costs involved on both reimbursement programs. The amount of compensation should be determined each year by the Department based on a set formula rather than by an amount annually billed to the State without adequate control.

II. HB No. 168 can be administered in total by the Department or in conjunction with the Alaska State Income tax program according to a formula as determined annually by the Department.

Using three Juneau, and two Ketchikan, properties as readily available examples, it becomes apparent that the property tax comprises a higher percentage of the total rent in middle to high income housing and would constitute a lesser value of the total rental in low income housing. It seems reasonable to expect that the great majority of the qualified senior citizens would not be housed in middle and high rental units but rather in lower income housing units.

It may be demonstrated that the percentage of property tax to rent receipts would become progressively greater as the mill rate increases. A formula, as demonstrated below, based on rent receipts would apparently subsidize, to some extent, those in lower class rentals while those in higher bracket rentals would be penalized to some degree. This would seem to be the case, although to a lesser degree, in using a straight assessed value times the mill rate computation.

Property Description	Rent Receipts	Assessed Value	Mill Rate	Dollar Amount Reimbursement	% of Receipts/year
Juneau Condo.	425/mo.	35,000	14.83	$519	10.2%
	5,100/yr.	@ ½% per Mill		377	7.4%
Juneau 4-plex	325/mo.	85,600	17.6	1,505/4=376	9.6%
	3,900/yr.	@ ½% per Mill		343	8.8%
Juneau Average Trailer	275/mo.	12,000	16.0	192	5.8%
	3,300/yr.	@ ½% per Mill		264	8.0%
Ketchikan Duplex	300/mo.	48,700	16.4	798/2=400	11.1%
	3,600/yr.	@ ½% per Mill		288	8.2%
Ketchikan Single Family	310/mo.	24,750	16.4	406	10.9%
	3,720/yr.	@ ½% per Mill		305	8.2%

III. House Bill No. 168:

(a) Fails to limit the reimbursement payment to the head of a household.
(b) Changes the age eligibility requirement from January 1, of the assessment year to January 15 of the assessment year. The two senior citizen reimbursement programs should have the same "ground rules" or confusion will reign, no matter who or how the program is administered.
(c) Fails to provide any reduction in reimbursement payments for low-rent subsidized housing.
(d) Requires reimbursement computations to be based on the number of bedrooms rather than an amount equal to that portion of the property tax the residence bears to the total property value.

The attached Wisconsin State Income Tax Form relate's to state payment or reimbursement of an amount equivalent to the property tax for both tenant and owner occupied residences. The Wisconsin Statutes require a certificate of rent paid, signed and dated by the landlord. Reimbursement credit amounts to 25% of the rent paid but not to exceed $500. A further limitation is provided, based on total household income for the year.

Attachment
SRD:nc

3-27-75
HB 272

30. miles

No city may levy TAXES which will result in TAX revenues which will exceed

1) 1000 p. yr. for each person

1000 people X $1000 =
$1,000,000

OR 2) when combined w/ the value of property otherwise taxable by the municipality, the product of 225% of avg. per capita assessed value of prop. in the state X # of res. of the municipality.

225% X avg per. cap. value in State X # of persons in munic.

2.25 X $1000 X 1000 p. - 2,500,000

300,000 X

13,000
2.25

law to Administer - thru state
- thru music.

appropriation

First Session - 94th Legislature

I. REQUEST

Bill No. HB 168 SB 218

Title: ...Property tax reimbursement payments to a Senior Citizen who rents

Requested by: House HESS/Senate C&RA Date: February 17, 1975

Return Date Requested:

Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Senior Citizens Property Tax Exemptions

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100	PERSONAL SERVICES		37.7	39.6			
200	TRAVEL		6.0	6.3			
300	CONTRACTUAL		5.0	4.8			
400	COMMODITIES		3	3			
500	EQUIPMENT		2.1				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.			620.4			
	TOTAL		51.1	671.4			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		51.1	671.4			
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	2 /	/	/	/
MAN MONTHS (P./T.)	/	24 /	24 /	/	/	/

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

ASSUMPTIONS

1.) Statewide population in 1976 will approximate 365,000.
2.) The increase in property values or average tax per application of 11% will continue for the next few years.
3.) Residential property owned by the Senior Citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.

IV. ATTACHMENTS

ANALYSIS

V. DATE: February 19, 1975 PREPARED BY: Robert Dozier /dbw

Robert Dozier, State Assessor
Local Government Assistance Division

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

Renter value
25% of owner occupied value

Administration costs of owner occupied ~~20%~~ 5%
That of Renter occupied / assements

70,000 00
200,000 00
600,000

7,800

7,800
2700
5,100

- the low state Rebate would probably supplement other aid.

The 1970 census indicated that 1.3% of the State population are Senior Citizen "Heads of Households". By deducting the projected number of Senior Citizen property owner in 1976, leaves a balance of 1,995 Senior Citizens to whom the benefits of this program would be extended under this bill. The projected average reimbursement per participant in 1976, discounted by 25% (assumption #3) equals $311.

1,995 x $311 = $620,445

The bill places the responsibility for administering this portion of the Tax Exemption program on the Department which includes verifying applications and determining the tax attributable to exemption for a Senior Citizen living in a multi-purpose building, condominium, duplex or apartment. This will require the services of an appraiser who will also develop regulations, prepare the necessary application forms, and instruction manual. The incumbent will travel to municipalities where Senior Citizens apply for rental exemption for the purposes of examining the tax roles and actual field appraisals. An existing research assistant position would be up-graded to a research analyst to take on the additional responsibilities of the initial screening process of applications, review of rental receipts upon submission and program follow-up through correspondence with landlords and tenant Senior Citizens. A Clerk Typist II position would provide clerical support.

The administrative costs are estimated at $51,106 and are detailed as follows:

Personal Services

Appraiser III (Range 19)	$20,136	
Clerk Typist II (Range 7)	9,192	
Up-grade Research Assistant to Research Analyst (Range 10 to 13)	2,652	
Benefits @ 18%	5,756	
		$37,736

Travel

Review of assessment roles and field inspection of multi-purpose and multi-resident buildings	$ 6,000

Contractual

Telephone and long distance	$ 1,600	
Postage	500	
Printing and advertising - hearing notices, application forms and manual	1,500	
Office Rent - 150 sq.ft. @ .50/sq./ft.	900	
Machine Rental and Xerox	500	
		$ 5,000

Commodities

Reference materials and office supplies	$ 300

Equipment

Executive desk	$ 270	
Secretarial desk	300	
Two chairs	190	
Typewriter	570	
Calculator	600	
Filing Cabinet	140	
		$ 2,070
Total Administrative		$51,106

The State Assessor is available to provide any additional information or discuss alternative proposals.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B – JUNEAU 99811

April 2, 1976

The Honorable Clark Gruening
Alaska State Legislature
Pouch V
Junea, AK 99811

Dear Mr. Gruening:

Enclosed is a copy of a fiscal note for section one of CS SS HB No. 272am S and a fiscal note for section two which indicated an FY 77 BRU Grant of $386,000 with a $250 maximum payment per applicant.

The fiscal note provides two alternate limitation amounts which may be considered.

Based on the same set of assumptions the $375 limitation would require a grant of $512,329 and the $500 limitation would require a grant of $596,148.

The formula as presented, ½% per mill times the annual rent is in itself a limitation formula adjusted to the rate of tax as levied.

Please refer to Table I, @ .5% per mill, (Underlined in red) As illustrated ½% per mill is on the low side. 6/10% per mill is about average, (underlined in green) and 7/10% per mill is on the high side (underlined in yellow).

Very truly yours,

Lee McAnerney
Commissioner

S. Robert Dozier

By: S. Robert Dozier
State Assessor

LMcA:SRD:nc

Enclosures

March 18, 1976

Senator John Butrovich
Alaska State Senate
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Senator Butrovich:

Re: 1. Limitation of Benefits, Senior Citizen Property Tax Exemption AS 29.53.020 (e). (Proposed Bill.)

2. Limitation of tax equivalency payments to Senior Citizen Tenants, CS SS HB No. 272 am. (Proposed Amendment)

You have requested a fiscal note and language for a bill which addresses the problem of perceived inequities in The Senior Citizen Property Tax Exemption Program between the very wealthy and the very poor.

The formula as outlined in the enclosed fiscal note and bill draft, is an attempt to avoid a fixed, assessed value limitation as proposed in Senate Bill No. 403, by allowing the program to adjust annually to increasing property valuations. The formula will support the program goals while avoiding total subsidy of presumably affluent taxpayers.

Additionally, you have requested a fiscal note and language for an amendment which will provide a limit of $250 for tax equivalency payments to senior citizen tenants as proposed in HB No. 272.

Suggested amendment, CS SS HB No. 272 am.

Page 1. Line 18, after "applicant" add <u>not to exceed $250.</u>

In addition, to a program analysis of the $250 suggested limitation, the enclosed fiscal note includes for your consideration a program summary for two additional dollar limitations, $375 and $500.

I am available at any time should you require additional data or an explanation of the enclosed data.

Sincerely,

Lee McAnerney
Commissioner

By: S. Robert Dozier
State Assessor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. Proposed legislation -- Assessed Value Limitation.
Title: An act relating to Senior Citizen Property Tax Exemption
Requested by: Senator John Butrovich Date: 3-19-76
Return Date Requested:
Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Property Tax Exemption Program

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		893.8				
	TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		893.8				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assumptions:

1.	Statewide population FY 77 will approximate	389,960
2.	Senior Citizens claimants FY 77	2,665
3.	Average assessed value 1/1/77	24,196
4.	Average tax per applicant FY 77	432
5.	FY 77 BRU Program Budget Request	1,150,000

Analysis continued:

IV. ATTACHMENTS

Memo: Lee McAnerney, Commissioner, C & RA, dated 1/23/76
Table I: Assessed valuations in intervals of $5,000 (FY 76)
Table II: Exempt tax dollars in intervals of $100 (FY 76)

V. DATE: 3-19-76 PREPARED BY: S Richards Logan

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

50

Proposed Legislation
Assesed Value Limitation

Limitation Formula: The upper limits of the third quartile class in a frequency distribution of the prior program year assessed values arranged in intervals of $5,000.

Program Analysis:

Number of applications	FY 77	2665
Assessed Value Limitation		35,000
Applicants 100% exempt	79%	2,105
Applicants partially exempt	21%	560
Estimated FY 77 BRU Grant required		$893,794
Average tax per applicant		$335

Based on the FY 77 Program Analysis applying the above formula, 2,105 claimants would pay no property tax. The remaining 560 applicants would be required to pay an average of $485 in taxes on property valuations above 35,000.

Total Grant Reduction: $256,206 = (1,150,000 -- 893,794)

Average impact per affected applicant: $458 = (256,206 ÷ 560)

Benefits to individual taxpayers are in direct proportion to the assessed value of the property and the rate of tax as levied by the municipality in which the property lies: Rates of levy vary from .5 to 25 mills and average about 15 mills statewide. A typical tax break of $525 is indicated for a claimant owning a residence valued by the assessor at 35,000. (525 = 35,000 x .015).

The administrative costs will not be appreciably affected by enactment of the assessed value limitation formula.

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS — DIVISION OF LOCAL GOVERNMENT ASSISTANCE

TO: Lee McAnerney
Commissioner

DATE: January 23, 1976

FILE NO:

TELEPHONE NO:

FROM: Palmer McCarter
Director

By: S. Robert Dozier
State Assessor

SUBJECT: Attached bill relating to the Senior Citizen Property Tax Exemption Program

The legislation, as presented in the Attorney General's memorandum to Governor Hammond, dated December 8, 1975, recommends a formula be initiated which recognizes perceived inequities in the existing Senior Citizen Property Tax Exemption Program, AS 29.53.020 (e), between the very wealthy and the very poor. The formula as recommended is an attempt to avoid an arbitrary limitation, as proposed in SB 403, by allowing the program to adjust annually to variations in property valuations. The formula will support the program goals while avoiding total subsidy of presumably affluent taxpayers.

Under the formula as presented, the applicant would be required to pay only the amount of the tax as levied on the property exceeding the limitation, as annually determined by the Commissioner.

A statewide limitation formula based on assessed values is the most equitable, as a limitation based on tax dollars levied is distorted by the wide variations in the rates of tax levied.

Stipulations	FY 76 (actual)	FY 77 (Estimate)
Number of applications	2,423	2,665
BRU expenditure	$ 933,000	$1,150 ,000
Average tax per application	$ 385	$ 432

As a result of our analysis of the 2,432 applicants involved in the 1975 (FY 76) exemption program, we recommend adoption of one of the two formulas as outlined below:

Limitation Formula No. 1

Line 15: "The assessed value limitation is the [LOWER] UPPER limit of the third quartile class in a frequency distribution of the previous program year assessed values arranged in intervals of $5,000."

The analysis of the FY 76 program based on the above formula indicates an assessed value limitation of $35,000. Adoption of the above limitation formula will exempt in full, approximately 75% of the 2,665 applicants estimated to be involved in the FY 77 program.

Limitation Formula No. 2

Line 15 is amended to read: "The assessed value limitation is the assessed value adjusted to the next $1,000 in a frequency distribution of the previous program year assessed values arranged in intervals of $5,000, which exempts in full, 35% of all applicants."

Adoption of Limitation Formula No. 2 will exempt in full, approximately 80% of the 2,665 applicants estimated to be involved in the FY 77 program.

Attached are tables summarizing the statistical analysis of two separate frequency distributions of the 2,423 approved 1975 senior citizen application forms. Table 1 is based on assessed values, and Table 2 is based on tax dollars levied.

Table 1 indicates that the lower limit of the third quartile class results in an assessed value limitation of 30,000, which exempts in full, 69% of 1,678 senior citizens. And that the upper limit of the third quartile class results in an assessed value limitation of 35,000, which exempts in full 79%, or 1,923 senior citizens. The remaining 500 applicants would be forgiven 13 to 99% of their tax bills and 52 applicants would be paying in excess of 50% of their total tax bill.

Table 2, which is based on tax dollars levied, arranged in intervals of $100, indicates that the lower limit of the third quartile class results in a tax dollar limit of $500, which would exempt in full 73%, or 1,760 senior citizens. While the upper limit of the third quartile class results in a tax dollar limit of $600. The latter exempts in full 82%, or 1978 senior citizens, which amounts to $543,400 or 58% of the total FY 76 program BRU expenditure.

Enclosure

SRD:lmb

TABLE NO. 1

SENIOR CITIZEN PROPERTY TAX EXEMPTION
1975 PROGRAM ANALYSIS
AS 29.53.020 (e)-(i)

VALUATION IN $5,000 INTERVALS	NUMBER OF APPLICATIONS WITHIN INTERVALS	CUMULATIVE TOTAL	PERCENT TO TOTAL	PERCENT OF TAX FORGIVEN
0-4.9	185		8%	
5.0-9.9	303	488	20%	
[1]10.0-14.9	265	753	31%	
15.0-19.9	360	1,113	46%	
[2]20.0-24.9	289	1,402	58%	
25.0-29.9	276	1,678	69%	
[3]30.0-34.9	245	1,923	79%	100%
35.0-39.9	146	2,069	85%	88-100%
40.0-44.9	101	2,170	90%	78-88%
45.0-49.9	82	2,252	93%	70-78%
50.0-54.9	54	2,306	95%	64-70%
55.0-59.9	34	2,340	96.5%	58-64%
60.0-64.9	19	2,359	97.3%	54-58%
65.0-69.9	12	2,371	97.8%	50-54%
70.0-74.9	13	2,384	98.4%	47-50%
75.0-99.9	22	2,406	99.3%	50-35%
100.0-260.0	17	2,423	100%	35-13%

1) 1st quartile=12,218 2) Median= 21,565 3) 3rd quartile = 32,758

Office of the State Assessor
Division of Local Government Assistance
Department of Community & Regional Affairs
January 16, 1976

TABLE NO. 2

SENIOR CITIZEN PROPERTY TAX EXEMPTON
1975 PROGRAM ANALYSIS
AS 29.53.020 (e)-(i)

	NUMBER OF APPLICATIONS			EXEMPT TAX DOLLARS		% DOLLARS TO TOTAL	
EXEMPT TAX DOLLARS IN $100 INTERVALS	WITHIN INTERVALS	CUMULATIVE TOTAL	% TO TOTAL	WITHIN INTERVALS	CUMULATIVE TOTAL	WITHIN INTERVALS	CULUMATIVE TOTAL
0-99	365	365	15%	18,250	18,250	2%	2%
[1]100-199	399	764	32%	59,850	78,100	6%	8%
200-299	325	1,089	45%	81,250	159,350	9%	17%
[2]300-399	378	1,467	61%	132,300	291,650	14%	31%
400-499	293	1,760	73%	131,850	423,500	14%	45%
[3]500-599	218	1,978	82%	119,900	543,400	13%	58%
600-699	165	2,143	88%	107,250	650,650	12%	70%
700-799	99	2,242	93%	74,250	724,900	8%	78%
800-899	57	2,299	95%	48,450	773,350	5%	83%
900-999	48	2,347	97%	45,600	818,950	5%	88%
1,000-1,099	22	2,369	97.7%	23,100	842,050	2%	90%
1,100-1,199	13	2,382	98.3%	14,950	857,000	2%	92%
1,200-1,299	8	2,390	98.6%	10,000	867,000	1%	93%
1,300-1,799	19	2,409	99.4%	29,350	896,350	3%	96%
1,800-2,299	8	2,417	99.7%	16,200	912,550	2%	98%
2,300-5,000	6	2,423	100%	20,500	933,050	2%	100%

1) 1st quartile = 160.40 2) Median = 332.50 3) 3rd quartile = 526.60

Office of the State Assessor
Division of Local Government Assistance
Department of Community & Regional Affairs
January 16, 1976

IN THE SENATE BY THE FINANCE COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to property tax exemption.

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

Section 1. AS 29.53.020(e) is amended to read:

(e) [AFTER JANUARY 1, 1973] The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property [.] up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs. The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous program year assessed values. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560-44.62.570.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. CS for SS for HB No. 272 am (with limitation of $250)
Title: Tenant Senior Citizen Reimbursement payment program
Requested by: Senator Butrovich Date: 3/19/76
Return Date Requested:
Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Property Tax Exemption Program

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		26.4				
200	TRAVEL		2.0				
300	CONTRACTUAL		17.2				
400	COMMODITIES		.6				
500	EQUIPMENT		3.1				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		386.0				
	TOTAL		435.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		435.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 / 1	/	/	/	/
MAN MONTHS (P./T.)	/	12 / 9	/	/	/	/

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

Assumptions

1. Statewide population July 1, 1976 (FY 77) will approximate 389,960.
2. The increase in property values or average tax per application of 11.5% will continue for the next few years.
3. Residential property owned by the senior citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.
4. Section 1(c) means payments would be made for this period January 1 - December 31, 1976.
5. Tax equivalency payments may not exceed $250.
6. Estimated FY 77 BRU Program Grant $385,956 (2,492 applicants x $155 average)

Analysis continued

IV. ATTACHMENTS

V. DATE: 3/19/76 PREPARED BY: S. Robert Carter, State Assessor
Division of Local Affairs and Assistance

Originals: Legislative Finance
cc: Budget and Agency
Senate and House Finance Committees

Limitation Formula (Fiscal Note)

Individual tax equivalency payments may not exceed $250.

Program Analysis:

Number of claimants		2,492
Claimants 100% exempt	(38%)	946
Claimants partially exempt	(62%)	1,546
Estimated FY 77 BRU grant		$385,956
Average tax per claimant		$155

Based on the FY 77 program analysis applying the $250 limitation, 946 claimants would be reimbursed 100% of the amount as indicated by application of the formula up to $250. The remaining 1,546 claimants would be paid $250 each.

Total program reduction: $339,164 = (725,120 - 385,956)
Average impact per affected claimant: $219 = (339,164 ÷ 1,546)

Dollar Limitation, Alternates

1. Individual tax equivalency payment may not exceed $375.

Number of claimants		2,492
Claimants 100% exempt	(57%)	1,420
Claimants partially exempt	(43%)	1,072
Estimated FY 77 BRU grant		$512,329
Average tax per claimant		$206

Total program reduction: $212,791 = (725,120 - 512,329)
Average impact per affected claimant: $198 = (212,791 ÷ 1,072)

2. Individual tax equivalency payment may not exceed $500.

Number of claimants		2,492
Claimants 100 exempt	(73%)	1,819
Claimants partially exempt	(27%)	673
Estimated FY 77 BRU grant		$596,148
Average tax per claimant		$239

Total program reduction: $128,972 = (725,120 - 596,148)
Average impact per affected claimant: $192 = (128,972 ÷ 673)

Program development, implementation, administration and reimbursement is the responsibility of the Department. The pilot program will require in-depth research to develop appropriate standardized methods, procedures and forms. A professional services fee is included in the first year for this purpose which includes a survey of residential rent receipt equivalency rates which reflect variables for utilities, facilities, and services and reflect the validity of the original program assumptions. The existing Research Analyst will assume responsibility including program implementation, initial screening of applications, review of rental receipts, audit, and tabulation of claims and follow-up contact with landlords and tenants. Under direction of the Research Analyst, a Clerk IV position and Clerk Typist II. position will assume major program responsibilities and clerical back-up, distribute materials, answer questions, and handle the multitudinous follow-up details.

The administrative costs are estimated as follows:

100 Personal Services

Clerk IV Range 9 Step B		$ 12,612
Clerk Typist III Range 8 Step B (part-time 9 mo.)		8,833
Total Salary		21,495
Fringe Benefits 23%		4,943
Total Personal Services		26,438

Travel & Per Diem

State Assessor	1,000	
Consultant	1,000	
Total Travel & Per Diem		$ 2,000

Contractual Services

Telephone and long distance	2,900	
Postage	1,600	
Printing and advertising - hearing notices, application forms, posters & manual	4,000	
Office Rent - 150 sq. ft. @.55/sq. ft.	990	
Machine Rental and Xerox	400	
Professional Fees	7,316	
Total Contractual Services		$ 17,206

Commodities

Reference Materials	300	
Office Supplies	300	
Total Commodities		$ 600

Equipment

Secretarial Desk @370	740	
Secretarial Chair @115	115	
Typewriter @800	1,600	
Calculator @440	440	
Filing Cabinet @230	230	
Total Equipment		$ 3,125

Total FY 77 Budget Request for Operation of CS SS HB No. 272 am	$ 49,369

SRD:lmb

TABLE I

RENTAL PROPERTY SURVEY
1974

Description	Mill Rate	Assessed Value	Actual Tax	Annual Rent	COMPARISON OF FORMULA VALUES AND DEVIATION FROM ACTUAL TAX @ .5% Per Mill Tax Equiv.	Deviation	@ .6% Per Mill Tax Equiv.	Deviation	@ .7% Per Mill Tax Equiv.	Deviation
Ketchikan										
7-8 Plexes	16.4	1,429,800	23,448.72	187,656	15,387.79	- 8,060.93	18,465.35	- 4,983.37	21,542.91	- 1,905.81
5 Plex	16.4	52,550	861.82	12,060	988.92	+ 127.10	1,186.70	+ 451.98	1,384.49	+ 974.65
4 Plex	16.4	44,900	736.36	7,656	627.79	- 108.57	753.35	+ 16.99	878.91	+ 142.55
3 Plex	16.4	43,650	715.86	7,200	590.40	- 125.46	708.48	- 7.38	826.56	+ 110.70
3 Plex	16.4	57,500	943.00	9,720	797.04	- 145.96	956.45	+ 13.45	1,115.86	+ 172.86
Duplex	16.4	27,450	450.18	2,880	236.16	- 214.02	283.39	- 166.79	330.62	- 119.56
Duplex	16.4	39,350	645.34	6,240	511.68	- 133.66	614.02	- 31.32	716.35	+ 71.01
Duplex	16.4	43,250	709.30	6,600	541.20	- 168.10	649.44	- 59.86	757.68	+ 48.38
Duplex	16.4	45,100	739.64	5,520	452.64	- 287.00	543.17	- 196.47	633.70	- 105.94
Duplex	16.4	46,450	761.78	5,760	472.32	- 289.46	566.78	- 195.00	661.25	- 100.53
Duplex	16.4	49,700	815.08	7,200	590.40	- 224.68	708.48	- 106.60	826.56	+ 11.48
Duplex	16.4	58,900	965.96	7,200	590.40	- 375.56	708.48	- 257.48	826.56	- 139.40
Duplex	8.0	28,550	228.40	4,800	192.00	- 36.40	230.40	+ 2.00	268.80	+ 40.40
Duplex	8.0	40,200	321.60	6,600	264.00	- 57.60	316.80	- 4.80	396.60	+ 75.00
1 Br. Condo.	16.4	13,050	214.02	3,360	275.52	+ 61.50	330.62	+ 116.60	385.73	+ 171.71
3 Br. Condo.	16.4	44,950	737.18	4,400	360.80	- 376.38	432.96	- 304.22	505.12	- 232.06
S.Fam. Resid.	16.4	25,300	414.90	3,900	319.80	- 95.10	383.76	- 31.14	447.72	+ 32.82
S.Fam. Resid.	16.4	24,000	393.60	3,600	295.20	- 98.40	354.24	- 39.36	413.28	+ 19.68
10x40 Trailer	8.0	3,250**	26.00	1,800	72.00	+ 46.00	86.40	+ 60.40	100.80	+ 74.80
2 Br. Trailer	8.0	17,000	136.00	3,000	120.00	- 16.00	144.00	+ 8.00	168.00	+ 32.00
92 Units		2,134,900	34,264.74	297,152	23,686.06	- 10,578.68	28,423.24	- 5,841.50	33,160.42	- 1,104.32
Juneau										
26 Unit Apt.	17.59	263,600	4,636.72	68,352*	6,011.56	+ 1,374.84	7,213.83	+ 2,577.11	8,416.11	+ 3,779.39
24 Unit Apt.	17.59	542,300	9,539.06	100,596	8,847.42	- 691.64	10,616.97	+ 1,071.91	12,386.35	+ 2,847.29
4 Plex	16.71	85,600	1,430.38	15,000	1,303.38	- 127.00	1,564.06	+ 133.68	1,824.73	+ 394.35
Duplex	16.00	50,200	803.20	9,360	748.80	- 54.40	898.56	+ 95.36	1,048.32	+ 245.12
Duplex	16.71	41,900	700.15	6,984	583.51	- 116.64	700.15	-0-	816.95	+ 116.80
Condo.	14.83	35,000	519.05	5,100	378.17	- 140.88	453.80	- 65.25	529.43	+ 10.38
S.Fam. Resid.	17.59	32,500	315.00	3,780	332.45	+ 17.45	398.94	+ 83.94	465.43	+ 150.43
S.Fam. Resid.	16.71	60,300	1,007.61	6,000	501.30	- 506.31	601.56	- 406.05	701.82	- 305.79
10x50 Trailer	15.62	3,668	57.29	2,400	187.44	+ 130.15	224.93	+ 167.64	262.42	+ 205.13
14x70 Trailer	15.62	12,234	191.10	3,600	281.16	+ 90.06	337.39	+ 146.29	393.62	+ 202.52
63 Units		1,127,302	19,199.56	221,772	19,175.19	- 24.37	23,010.20	+ 3,810.64	26,845.36	+ 7,645.80
92 Ketchikan		2,134,900	34,264.74	297,152	23,686.06	- 10,514.68	28,423.24	- 5,841.50	33,160.42	- 1,104.32
63 Juneau		1,127,302	19,199.56	221,772	19,175.19	- 24.37	23,010.20	+ 3,810.64	26,845.36	+ 7,645.80
155 Total		3,262,202	53,464.30	518,924	42,861.25	- 10,603.05	51,433.44	- 2,030.86	60,005.78	+ 6,541.48
Ketchikan Average Deviation						120.09		76.67		49.80
Juneau Average Deviation						51.58		75.35		143.09
Total Average Deviation						92.24		76.13		87.72

*Minus lights @$12/unit
**No land

TABLE I

The rental property surveys for Ketchikan and Juneau were compiled from readily available information and should not be considered a representative random sample.

Properties have been listed by categories in the following order:

Apartment and multi-unit complexes: reflects the net assessed value for the entire property. Rental rates include centralized heat and facilities, but excludes electricity and such special items as telephone and cable T.V.

Condominium units: reflect the net assessed value for a dwelling unit. Rental rates include such facilities as parking and laundry, but exclude heat and electricity which were found to be billed separately.

Single family residences and mobile homes: reflect net assessed value for the entire property. Rental rates exclude all utilities.

The percent of tax to rental rate is shown in relation to the actual rate of tax levied and again with a "frozen" mill rate of 15 mills for purposes of comparison of properties in differential tax areas.

RENTAL PROPERTY SURVEY 1974

Description	Mill Rate	Assessed Value	Actual Tax Levy	Annual Rent	% of Tax to Rent Actual	Tax @ Avg. %	% of Tax to Rent @ 15 Mills
Ketchikan							
7-8 Plexes	16.4	1,429,800	23,448.72	187,656	12.5	22,406	11.4
5 Plex	16.4	52,550	861.82	12,060	7.15	1,440	6.5
4 Plex	16.4	44,900	736.36	7,656	9.62	914	8.8
3 Plex	16.4	43,650	715.86	7,200	9.94	860	9.1
3 Plex	16.4	57,500	943.00	9,720	9.7	1,161	8.9
Duplex	16.4	27,450	450.18	2,880	15.63	344	14.3
Duplex	16.4	39,350	645.34	6,240	10.34	745	9.5
Duplex	16.4	43,250	709.30	6,600	10.7	788	9.8
Duplex	16.4	45,100	739.64	5,520	13.4	659	12.3
Duplex	16.4	46,450	761.78	5,760	13.2	688	12.1
Duplex	16.4	49,700	815.08	7,200	11.3	860	10.4
Duplex	16.4	58,900	965.96	7,200	13.4	860	12.3
Duplex	8.0	28,550	228.40	4,800	4.7	211	8.9
Duplex	8.0	40,200	321.60	6,600	4.8	290	9.1
1 Br. Condo.	16.4	13,050	214.02	3,360	6.37	401	5.8
3 Br. Condo.	16.4	44,950	737.18	4,400	16.75	525	15.3
S. Fam. Resid.	16.4	25,300	414.90	3,900	10.64	466	9.7
S. Fam. Resid.	16.4	24,000	393.60	3,600	10.93	430	10.0
10x40 Trailer (low quality)	8.0	3,250 (no land)	26.00	1,800	1.44	79	2.7
2 Br. Trailer (high quality)	8.0	17,000	136.00	3,000	4.5	132	8.5
83 Units	16.4	2,045,900	33,552.74	280,952	11.94avg.		
4 Units	8.0	89,900	713.00	16,200	4.40avg.		

Description	Mill Rate	Assessed Value	Actual Tax Levy	Annual Rent	% of Tax to Rent Actual	% of Tax to Rent Actual
Juneau						
26 Unit Apt	17.59	263,600	4,636.72	68,352	6.4	5.8
24 Unit Apt	17.59	542,300	9,539.06	100,596	9.5	8.1
4 Plex	16.71	85,600	1,430.38	15,600	9.2	8.2
Duplex	16.00	50,200	803.20	9,360	8.6	8.0
Duplex	16.71	41,900	700.15	6,984	10.0	9.0
Condo.	14.83	35,000	519.05	5,100	10.2	10.3
S. Fam. Resid.	17.59	32,500	315.00	3,780	15.1	12.9
.S. Fam. Resid.	16.71	60,300	1,007.61	6,000	16.8	15.1
10x50 Trailer (1965)	15.62	3,668	57.29	2,400	2.4	2.3
14x70 Trailer (1974)	15.62	12,234	191.10	3,600	5.3	5.1

In the table below two Juneau apartment complexes were combined to illustrate the effect of averaging the contract rental rates and dividing by the average tax levy.

Unit rental rates are arranged in ascending order in Column I. Column II gives the number of units commanding the Column I rate and Column III states the total rent collected. Column IV shows the tax equivalency payment per unit which is based on the average tax equivalency percentage of 8.2% applied to the rental rate in Column I. Individual unit tax levies are not available for comparison without extensive analysis of the properties illustrated.

Consideration should be given to the fact that this represents information regarding only apartment units of a low-medium and medium range quality and no consideration is given to unit living space, availability of facilities, etc. Heat is centralized in both buildings and therefore is included in the contract rent. Electricity is included in the contract rent of one building. Mill rates are the same.

ANALYSIS OF 50 APARTMENT UNITS

Unit Annual Rent	Number of Units	Total Rent	@ Average 8.2%
2,232	4-efficiency	8,928	183.02
2,760	18-1 bedroom	49,680	226.32
3,360	2-1 bedroom	6,720	275.52
3,408	4-2 bedroom	13,632	279.46
3,768	1-1 bedroom(f)	3,768	308.98
4,116	13-2 bedroom	53,508	337.51
4,440	5-2 bedroom(f)	22,200	364.08
4,800	3-3 bedroom	14,400	393.60
	50	172,836	

(f)=includes furnishings

Total Tax $14,175.78	=	Building No. I $4,636.72	+	Building No. II $9,539.06
Average Tax $ 283.52	=	Property Tax $14,175.78	÷	Number of Units 50
Average Rent $ 3,457	=	Total Rent $172,836	÷	Number of Units 50
Tax Equivalency Percentage 8.2%	=	Average Tax $ 283.52	÷	Average Rent $3,457.

TABLE II

The unit contract rental is illustrated below and shows the extensive variation in rates after categorization by number of bedrooms.

DISPERSION BY NUMBER OF BEDROOMS

	EFFICIENCY	1 BEDROOM	1½ BEDROOM	2 BEDROOM	3 BEDROOM	OVER 3 BEDROOM
Ketchikan						
7-8 plex		245 x 14		280 x 28	312x 14	
5 plex	175	165/175		240/250		
4 plex	85	112	216	227		
3 plex			200 x 3			
3 plex				270 x 3		
Condominium		280				
Condominium					370	
Single Family					300	
Single Family				325		
Mobile Home		200				
Mobile Home				250		
Juneau						
Duplex				285		
Apartment	186 x 4	229 x 18		284 x 4		
Apartment		314/280 x 2		5 x 370/343 x 13	400	
Single Family						500
Mobile Home				275		
Mobile Home					375	
Condominium					425	
4 plex				325		

TABLE III

Table III shows an array of unit assessed values arranged in ascending intervals for the purpose of comparison with variable rental rates. Column II illustrates unit tax per year calculated at an equalized tax levy of 15 mills.

Study of the table shows that reasonable rental rates compared to realistic assessed values will normally fall within an area between 2% and 15%. It may be assumed that an in-depth survey of rental markets and assessed valuations thereof would yield average percentiles within these bounds.

COMPARISON OF EQUALIZED TAX VALUE TO RENTAL RATES

Unit Assessed Value	Unit Tax @15 Mills	Percentage of Tax to Rental Rate 100 Mo.	150 Mo.	200 Mo.	250 Mo.	300 Mo.	400 Mo.	500 Mo.	600 Mo.	800 Mo.	1,000 Mo.
2500	38	3%	2%	1.6%	-	-	-	-	-	-	-
5000	75	6.3	4.2	3.1	2.5%	-	-	-	-	-	-
7500	113	9.4	6.3	4.7	3.8	3.1%	-	-	-	-	-
10000	150	12.5	8.3	6.3	5.0	4.2	3.1%	-	-	-	-
12500	188	15.6	10.4	7.8	6.3	5.2	3.9	3.1%	-	-	-
15000	225	-	12.5	9.4	7.5	6.3	4.7	3.8	3.1%	-	-
20000	300	-	16.7	12.5	10.0	8.3	6.3	5.0	4.2	-	-
25000	375	-	-	15.6	12.5	10.4	7.8	6.3	5.2	3.9%	-
30000	450	-	-	18.8	15.0	12.5	9.4	7.5	6.3	4.7	-
35000	525	-	-	-	17.5	14.6	10.9	8.8	7.3	5.5	4.4%
40000	600	-	-	-	20.0	16.7	12.5	10.0	8.3	6.3	5.0
45000	675	-	-	-	-	18.8	14.1	11.3	9.4	7.0	5.6
50000	750	-	-	-	-	20.8	15.6	12.5	10.4	7.8	6.3
55000	825	-	-	-	-	-	17.2	13.8	11.5	8.6	6.9
60000	900	-	-	-	-	-	18.8	15.0	12.5	9.4	7.5
65000	975	-	-	-	-	-	-	16.3	13.5	10.2	8.1
70000	1050	-	-	-	-	-	-	17.5	14.6	10.9	8.8
80000	1200	-	-	-	-	-	-	-	16.7	12.5	10.0
90000	1350	-	-	-	-	-	-	-	18.8	14.1	11.3
100000	1500	-	-	-	-	-	-	-	-	15.6	12.5

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / *POUCH B - JUNEAU 99811*

April 19, 1976

The Honorable Clark Gruening
Alaska State House of Representatives
Pouch "V"
Juneau, Alaska 99811

Dear Mr. Gruening:

RE: CS SS HB 272 am s

It is my understanding that HB No. 272 in present form is being seriously considered for enactment this year in which case it is essential that the 1977 program BRU fiscal implications be considered in proper prospective.

House Bill No. 272 as amended by the Senate is composed of two parts: Section one relates to an assessed value limitation for the existing Senior Citizen Property Tax Exemption Program AS 29.53.020 (e)-(i); and section two relates to a new program which provides tax equivalency payments to senior citizen tenants.

Section 1, Page 1, Line 10

A. The fiscal note for section one of the bill prepared 3/19/76 for Senator Butrovich and entitled "Proposed legislation-assessed value limitation" was intended to reflect the dollar amount decrease in FY 77 program BRU grant for the senior citizen property tax exemption program with the assessed value limitation in effect on January 1, 1976. Enactment of HB No. 272 in present form will apply to administration of the 1977 Senior Citizen Property Tax Exemption Program, the funding for which will be reflected by a decrease in the Department's FY 78 Program BRU grant Request. The Department's FY 77 Program BRU grant request of $1,150,000 which was timely submitted to the legislature after approval of the Budget & Audit Committee will not be affected by enactment of HB 272 am s.

B. The following amendment to Section one of HB No. 272 am s is recommended for the purpose of clarifying the intent of the limitation formula.

V. | DATE: 3-19-76 PREPARED BY: [signature]

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

Page 1. Line 17: After the word 'previous'; add PROGRAM.
"The assessed value limit is the upper limit of the third quartile class in a frequency distribution of the previous program year's assessed values in the state."

The intent of the above formula is to base the assessed value limitation on information contained in the previous year senior citizen exemption program application forms estimated to number 2665 in 1976. Without the amendment, the formula calls for a frequency distribution of an estimated 165,000 parcels of real property in the state which will require an additional staff member or an FY 77 Administration BRU request of $18,000.

Section 2: Page 1, Line 26:

The fiscal note for section two of the bill prepared 3/19/76 for Senator Butrovich and entitled "CS for SS for HB No. 272 am" properly reflects the estimated FY 77 Program administrative costs and BRU Grant for senior citizen tenants.

I am available at any time should you require additional data or an explanation of the enclosed data.

Sincerely,

Lee McAnerney
Commissioner

S. Robert Dozier

By: S. Robert Dozier
State Assessor

LMcA:SRD:gw

Enclosure

V. | DATE: 3-19-76 PREPARED BY: S. Robert Dozier

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

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST

Bill No. Proposed legislation -- Assessed Value Limitation
Title: An act relating to Senior Citizen Property Tax Exemption
Requested by: Senator John Butrovich Date: 3-19-76
Return Date Requested:
Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Property Tax Exemption Program

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
00	PERSONAL SERVICES						
00	TRAVEL						
00	CONTRACTUAL						
00	COMMODITIES						
00	EQUIPMENT						
00	LAND & STRUCTURES						
00	GRANTS, CLAIMS, ETC.		893.8				
	TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		893.8				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assumptions:

1. Statewide population FY 77 will approximate 389,960
2. Senior Citizens claimants FY 77 2,665
3. Average assessed value 1/1/77 24,196
4. Average tax per applicant FY 77 432
5. FY 77 BRU Program Budget Request 1,150,000

Analysis continued:

IV. ATTACHMENTS

Memo: Lee McAnerney, Commissioner, C & RA, dated 1/23/76
Table I: Assessed valuations in intervals of $5,000 (FY 76)
Table II: Exempt tax dollars in intervals of $100 (FY 76)

V. DATE: 3-19-76 PREPARED BY: S Richards Rogers

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

Proposed Legislation
Assesed Value Limitation

Limitation Formula: The upper limits of the third quartile class in a frequency distribution of the prior program year assessed values arranged in intervals of $5,000.

Program Analysis:

Number of applications	FY 77	2665
Assessed Value Limitation		35,000
Applicants 100% exempt	79%	2,105
Applicants partially exempt	21%	560
Estimated FY 77 SAU Grant required		$893,794
Average tax per applicant		$335

Based on the FY 77 Program Analysis applying the above formula, 2,105 claimants would pay no property tax. The remaining 560 applicants would be required to pay an average of $485 in taxes on property valuations above 35,000.

Total Grant Reduction: $256,206 = (1,150,000 -- 893,794)

Average impact per affected applicant: $458 = (256,206 ÷ 560)

Benefits to individual taxpayers are in direct proportion to the assessed value of the property and the rate of tax as levied by the municipality in which the property lies: Rates of levy vary from .5 to 25 mills and average about 15 mills statewide. A typical tax break of $525 is indicated for a claimant owning a residence valued by the assessor at 35,000. ($525 = 35,000 x .015)

The administrative costs will not be appreciably affected by enactment of the assessed value limitation formula.

IN THE SENATE BY THE FINANCE COMMITTEE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to property tax exemption.

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

Section 1. AS 29.53.020(e) is amended to read:

(e) [AFTER JANUARY 1, 1973] The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property [.] up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs. The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous program year assessed values. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560-44.62.570.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. CS for SS for HB No. 272 am (with limitation of $250)
Title: Tenant Senior Citizen Reimbursement payment program
Requested by: Senator Butrovich Date: 3/19/76
Return Date Requested:
Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Property Tax Exemption Program

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		26.4				
200	TRAVEL		2.0				
300	CONTRACTUAL		17.2				
400	COMMODITIES		.6				
500	EQUIPMENT		3.1				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		386.0				
	TOTAL		435.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		435.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 / 1	/	/	/	/
MAN MONTHS (P./T.)	/	12 / 9	/	/	/	/

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

Assumptions

1. Statewide population July 1, 1976 (FY 77) will approximate 389,960.
2. The increase in property values or average tax per application of 11.5% will continue for the next few years.
3. Residential property owned by the senior citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.
4. Section 1(c) means payments would be made for this period January 1 - December 31, 1976.
5. Tax equivalency payments may not exceed $250.
6. Estimated FY 77 BRU Program Grant $385,956 (2,492 applicants x $155 average)

Analysis continued

IV. ATTACHMENTS

V. DATE: 3/19/76 PREPARED BY: S. Robert Dozier

S. Robert Dozier, State Assessor
Division of Local Government Assistance

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

Limitation Formula (Fiscal Note)

Individual tax equivalency payments may not exceed $250.

Program Analysis:

Number of claimants		2,492
Claimants 100% exempt	(38%)	946
Claimants partially exempt	(62%)	1,546
Estimated FY 77 BRU grant		$385,956
Average tax per claimant		$155

Based on the FY 77 program analysis applying the $250 limitation, 946 claimants would be reimbursed 100% of the amount as indicated by application of the formula up to $250. The remaining 1,546 claimants would be paid $250 each.

Total program reduction: $339,164 = (725,120 - 385,956)
Average impact per affected claimant: $219 = (339,164 ÷ 1,546)

Dollar Limitation, Alternates

1. Individual tax equivalency payment may not exceed $375.

Number of claimants		2,492
Claimants 100% exempt	(57%)	1,420
Claimants partially exempt	(43%)	1,072
Estimated FY 77 BRU grant		$512,329
Average tax per claimant		$206

Total program reduction: $212,791 = (725,120 - 512,329)
Average impact per affected claimant: $198 = (212,791 ÷ 1,072)

2. Individual tax equivalency payment may not exceed $500.

Number of claimants		2,492
Claimants 100 exempt	(73%)	1,819
Claimants partially exempt	(27%)	673
Estimated FY 77 BRU grant		$596,148
Average tax per claimant		$239

Total program reduction: $128,972 = (725,120 - 596,148)
Average impact per affected claimant: $192 = (128,972 ÷ 673)

Program development, implementation, administration and reimbursement is the responsibility of the Department. The pilot program will require in-depth research to develop appropriate standardized methods, procedures and forms. A professional services fee is included in the first year for this purpose which includes a survey of residential rent receipt equivalency rates which reflect variables for utilities, facilities, and services and reflect the validity of the original program assumptions. The existing Research Analyst will assume responsibility including program implementation, initial screening of applications, review of rental receipts, audit, and tabulation of claims and follow-up contact with landlords and tenants. Under direction of the Research Analyst, a Clerk IV position and Clerk Typist III position will assume major program responsibilities and clerical back-up, distribute materials, answer questions, and handle the multitudinous follow-up details.

The administrative costs are estimated as follows:

100 Personal Services

Clerk IV Range 9 Step B		$ 12,612
Clerk Typist III Range 8 Step B (part-time 9 mo.)		8,883
Total Salary		21,495
Fringe Benefits 23%		4,943
Total Personal Services		26,438

Travel & Per Diem

State Assessor	1,000	
Consultant	1,000	
Total Travel & Per Diem		$ 2,000

Contractual Services

Telephone and long distance	2,900	
Postage	1,600	
Printing and advertising - hearing notices, application forms, posters & manual	4,000	
Office Rent - 150 sq. ft. @.55/sq. ft.	990	
Machine Rental and Xerox	400	
Professional Fees	7,316	
Total Contractual Services		$ 17,206

Commodities

Reference Materials	300	
Office Supplies	300	
Total Commodities		$ 600

Equipment

Secretarial Desk @370	740	
Secretarial Chair @115	115	
Typewriter @800	1,600	
Calculator @440	440	
Filing Cabinet @230	230	
Total Equipment		$ 3,125

Total FY 77 Budget Request for Operation of CS SS HB No. 272 am	$ 49,369

SRD:lmb

Alaska State Legislature

Senate

JUNEAU, ALASKA

Date: March 25, 1976

MESSAGE TO THE HOUSE

MR. SPEAKER:

The Senate has passed COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 272 amended (property tax equivalency payments to senior citizen renters) with the following amendment:

Page 1, line 6: Change title to read:

"An Act relating to property tax equivalency payments and exemptions for senior citizens."

Page 1, between lines 8 and 9: Insert a new section 1 to read:

"Section 1. AS 29.53.020(e) is amended to read:

(e) [AFTER JANUARY 1, 1973] The [THE] real property owned and occupied as a permanent place of abode by a resident 65 years of age or over is exempt from taxation of the assessed value of the real property [.] up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs. The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the State. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to

Senate Secretary

the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under AS 44.62.560-44.62.570."

Renumber remaining section accordingly.

Page 1, line 18: After "applicant" insert "or $250, whichever is less,"

and so, COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 272 amended by the Senate (property tax equivalency payments and exemptions for senior citizens) is tranmitted herewith for your consideration.

March 18, 1976

Senator John Butrovich
Alaska State Senate
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Senator Butrovich:

Re: 1. Limitation of Benefits, Senior Citizen Property Tax Exemption AS 29.53.020 (e). (Proposed Bill.)

2. Limitation of tax equivalency payments to Senior Citizen Tenants, CS SS HB No. 272 am. (Proposed Amendment)

You have requested a fiscal note and language for a bill which addresses the problem of perceived inequities in The Senior Citizen Property Tax Exemption Program between the very wealthy and the very poor.

The formula as outlined in the enclosed fiscal note and bill draft, is an attempt to avoid a fixed, assessed value limitation as proposed in Senate Bill No. 403, by allowing the program to adjust annually to increasing property valuations. The formula will support the program goals while avoiding total subsidy of presumably affluent taxpayers.

Additionally, you have requested a fiscal note and language for an amendment which will provide a limit of $250 for tax equivalency payments to senior citizen tenants as proposed in HB No. 272.

Suggested amendment, CS SS HB No. 272 am.

Page 1. Line 18, after "applicant" add <u>not to exceed $250.</u>

In addition, to a program analysis of the $250 suggested limitation, the enclosed fiscal note includes for your consideration a program summary for two additional dollar limitations, $375 and $500.

I am available at any time should you require additional data or an explanation of the enclosed data.

Sincerely,

Lee McAnerney
Commissioner

By: S. Robert Dozier
State Assessor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. CS for SS for HB No. 272 am (with limitation of $250)
Title: Tenant Senior Citizen Reimbursement payment program
Requested by: Senator Gutrovich Date: 3/19/76
Return Date Requested:
Agency: Community & Regional Affairs Program: Social Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Property Tax Exemption Program
A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 75	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		26.4				
200	TRAVEL		2.0				
300	CONTRACTUAL		17.2				
400	COMMODITIES		.6				
500	EQUIPMENT		3.1				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		386.0				
	TOTAL		435.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		435.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 / 1	/	/	/	/
MAN MONTHS (P./T.)	/	12 / 9	/	/	/	/

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

1. Statewide population July 1, 1976 (FY 77) will approximate 389,960.
2. The increase in property values or average tax per application of 11.5% will continue for the next few years.
3. Residential property owned by the senior citizen is generally of a higher quality than can be afforded by a tenant. To reflect this difference, a 25% discount in average tax per application is used for tenant occupied housing.
4. Section 1(c) means payments would be made for this period January 1 - December 31, 1976.
5. Tax equivalency payments may not exceed $250.
5. Estimated FY 77 BRU Program Grant $385,956 (2,492 applicants x $155 average)

Analysis continued

IV. ATTACHMENTS

V. DATE: 3/19/76 PREPARED BY: S. Robert Dozier, State Assessor
Division of Local Government Assistance

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

/S 50

Limitation Formula (Fiscal Note)

Individual tax equivalency payments may not exceed $250.

Program Analysis:

Number of claimants		2,492
Claimants 100% exempt	(38%)	946
Claimants partially exempt	(62%)	1,546
Estimated FY 77 BRU grant		$385,956
Average tax per claimant		$155

Based on the FY 77 program analysis applying the $250 limitation, 946 claimants would be reimbursed 100% of the amount as indicated by application of the formula up to $250. The remaining 1,546 claimants would be paid $250 each.

Total program reduction: $339,164 = (725,120 - 385,956)
Average impact per affected claimant: $219 = (339,154 ÷ 1,546)

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Average impact per affected claimant: $198 = (212,791 ÷ 1,072)

2. Individual tax equivalency payment may not exceed $500.

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Average tax per claimant		$239

Total program reduction: $128,972 = (725,120 - 596,148)
Average impact per affected claimant: $192 = (128,972 ÷ 673)

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The administrative costs are estimated as follows:

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Total Salary		21,495
Fringe Benefits 23%		4,943
Total Personal Services		26,438

Travel & Per Diem

State Assessor	1,000	
Consultant	1,000	
Total Travel & Per Diem		$ 2,000

Contractual Services

Telephone and long distance	2,900	
Postage	1,600	
Printing and advertising - hearing notices, application forms, posters & manual	4,000	
Office Rent - 150 sq. ft. @.55/sq. ft.	990	
Machine Rental and Xerox	400	
Professional Fees	7,316	
Total Contractual Services		$ 17,206

Commodities

Reference Materials	300	
Office Supplies	300	
Total Commodities		$ 600

Equipment

Secretarial Desk @370	740	
Secretarial Chair @115	115	
Typewriter @800	1,600	
Calculator @440	440	
Filing Cabinet @230	230	
Total Equipment		$ 3,125

Total FY 77 Budget Request for Operation of CS SS HB No. 272 am	$ 49,369

SRD:lmb

	HB272	Notified	Present	Testified
3/26/75	Ala Municipal League	X	X	
	CRA (esp. Dozier)	X	X	X
	Rep. Gruening	X	X	X
	Rep. Duncan	X		
	[illegible]	X	X	X
	[illegible]		X	
	Rep Union (Sponsor HB168)	X	X	X

4/2	Plotnick	X	X	
	Gruening	X	X	X
	Dozier	X	X	X
	M.L.	X	X	

HC&RA 4/2/75

HB272-

Hackney - what about landlords who raise rent the amt of the bonus

Kaik - Rent control?

Mack - If rent control is instituted no new housing will be built

Freeman - Have sr citizens bring in rent receipt & proof of age when they pick up $30/mo

How are you going to work it so this not construed as income

HB.290

"An Act creating a child care facility revolving loan fund."

COMMITTEE REPORT

3/12/75 HOUSE FINANCE

Mr. Speaker: Date 3-18-76

The Committee on C&RA has had HB 290 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

(✓) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(✓) recommends it BE REPLACED WITH CS FOR HB 290 AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: Community & Regional Affairs Committee

To: _____ HOUSE BILL No. 290

SENATE BILL No. _____

PAGE: 2 LINE: 1-3, 9, 13-14

Lines 1-3: DELETE

Line 9: After "loans" and before "under"

INSERT: "held by the Department of Commerce and Economic Development"

Lines 13-14: DELETE

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't want to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come.Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

no Tape of This meeting

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 7, 1975

Meeting was called to order at 8:00 for discussion of HB 290. Present:

Representative Sam Cotten, Chairman
" Kathryn Ostrosky
" Larry Davis
" Glenn Hackney
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Rep. Duncn, Sponsor
Eric Lee, Director SEOO, C&RA
Susan Clark, League of Women Voters
Larry Epenbach, Deputy Commissioner, Revenue
Dr. McGinnis, Deputy Commissioner, H&SS
Bill [redacted] Atabomb, came with Eric Lee
Pete Jean, Director Small Business

Revolving Loan Fund - Deputy Commissioner Epenbach gave a description of a revolving loan fund: self perpetuating-the proceeds of the loan are paid back and put into new loans. A fund is actually a line appropriation, not a pot of money. The money stays in the general fund until called upon. HB 290 sets up the conditions of a revolving loan but calls upon the general fund.

Amendments from Revenue

The Dept. of Commerce has the loan making apparatus and power. Revenue and Commerce agree that the power should be in Commerce, not C&RA. Reserve the certification procedure for C&RA.

Revenue suggests: eliminating revolving since this is not a true revoling fund; substitute Commerce for Community & Regional Affairs on page 1; use C&ra on page 2; change 240(a) to Commissioner of Commerce; eliminate provision of Dept. of Revenue purchasing notes; delete subsection 240. Have the dept. of Revenue put notes and mortgages in a permanent fund instead of general fund (if HB 324 passes). Rep. Cotten asked if deleting section 240 would necessitate taking out revolving? The Bill is open-ended with sec. 240, Eppenbach said. Revolving is misleading.

H&SS Amendments

Page 2, line 1 &2-Office of child development should be depp. of Health and Social Services. They want the limit to be $15,000 instead of $10,000.

Licensing Day Care Centers

Rep. Hackney asked for a run down of the licensing procedures: 1) center will indicate an interest to HESS; 2) person from the Division of Family and Children Services makes a personal visit. Checks for motivation, services, room etc; 3) person makes extensive report, 4) makes recommendation to local officials; 5) report sent to Juneau, reviewed and sent to Commissioner. The new Commissioner of HESS is now having the certificate issued at the divisional level instead of by the Commissioner.

Both the State and local fire marshall inspect the facility and it is included in the recommendation.

C&RA Position

Eric Lee agreed with the opinions of the others. C&RA does not want the banking power in their dept. They are not currently set up to handle administering the revolving fund but if CSSB 120 passes they will have the manpower already there.

Condition of Loan

Rep. Hackney asked about page 2, line 7--"money not available to applicant from private lending institutions". Mr. Jean said this clause forces people to go to the bank and get a letter saying that they can't get a loan. It really serves no purpose, he said.

Small Business Loans

Mr. Jean said that his division has had a couple of applications from day care centers for a loan from the small business revolving fund, but they wanted $100,000 and couldn't finance them.

Pre-school vs. day care center

Hackney wanted to know the difference between a pre-school and day care center. McGinnis said that certain powers are given to the dept. of Education when it is a pre-school and HESS when a day care center. There is a whole set of regulations that constitutes the difference. Hackney asked for a copy of these regs.

Sale & Transfer of Notes

Rep Hackney asked Mr. Eppenbach how many veterans loans have been sold direct to lending institutions? None at this time. Hackney suspects the same will be true in this case.

Interest

McGinnis asked if the interest was frozen or used again? The principal is used again and the interest is put in the general fund. Rep. Duncan envisions the money being used again. Wants to retain the conept of revolving fund Pete Jean said the $50,000 itself would revolve but the rest goes to the general fund.

Adjourn

The Chairman said the committee will have to consider the proposed amendments. He would also like to talk to Mr. L after he attends the 3 day conference being held on Day care needs in Alaska. Meeting was adjourned at 9:15.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

March 18, 1976

The meeting was called to order at 9:20 am by Chairman Cotten for discussion of HB's 290/291. Present were:

Rep. Cotten
Rep. Hackney
Rep. Rudd
Rep. Kelley
Rep. Ostrosky
Rep. Freeman
Rep. Duncan
Rosalee Walker, Dept. of Education
Larry Eppenbach, Revenue
Pete Jeans, Economic Development
Eric Lee, Community & Regional Affairs
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

Rep. Rudd explained the bill. She said that Rep Ostrosky and herself had drawn up a CS for HB 290 which tried to meet the concerns of the committee which were made the last meeting in two areas. She explained these areas.

Rep. Duncan suggested certain language changes and Rep. Hackney asked if this was not customary language.

Chairman Cotten stated that if the day care centers did quit, it was probably because they were out of money.

Hackney said that he felt that this might present legal problems.

Rep. Rudd stated that she was in favor of Rep Duncan's language because there was more of a chance of recooping the loss.

Pete Jeans from Economic Development said that there is no wording such as this at present.

Rep Duncan stated that this language in not included in other loan funds and he would be happy with leaving it completely out.

Rep Kelley asked on the other loan funds what is the ratio of playback.

Pete Jeans said that an average of 3% delinquency on the loans that they now have.

Chairman Cotten asked what the wish of the committee was to do about line 12 page 2.

Rep Rudd said that she would prefer to take the wording out.

Eric Lee from Community & Regional Affairs said that the Department was pleased with the language of this bill. Larry Eppenbach from Revenue said that it was agreeable with their Department also.

There was more discussion on the bill and Rep. Ostrosky made a motion to pass the bill out. Meeting was adjourned at 9:50 am.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

March 10, 1976

The meeting was called to order at 9:00 am for discussion of HB's 290/291. Present were:

Rep. Cotten
Rep. Davis
Rep. Ostrosky
Rep. Rudd
Rep. Freeman
Rep. Hershberger
Rep. Hackney
Rep. Jim Duncan

Harvey Pitts, C&RA
Susan Clark, League of Women Voters
Rosalee Walker, Dept. of Education
Larry Eppenback, Dept. of Revenue
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

Side 1

0000 Rep. Jim Duncan was asked to briefly explain the bills. HB 291 would establish a child care facility revolving loan fund and the purpose of that loan fund would be to make loans for construction, renovation or equiping child care facilities. It provides that the maximum amount any one facility can receive for one loan would be $10,000.00 so this bill does not involve a large amount of money. Rep. Duncan explained that after it is determined whether or not a facility would qualify for a loan, the loan could be made by the Department which is determining if the loan is needed, determines that the day care facility, if it qualifies, would make that loan. The mortgages and notes shall be purchased by the Dept. of Revenue. The Department of C&RA would determine the eligibility and perhaps issue the Certificate of Need and then they
0165 could come to the Dept. of Commerce and draw the $10,000.00 and the Dept. of Commerce would go to Dept. of Revenue and sell them that note and then at that time they would be able to replenish their fund and they would then have $50,000.00 in their fund.

0244 Rep. Ostrosky brought out the fact that she was reviewing the notes from last year and she found that Eppenbach had made the point that "revolving" is not an appropriate term because it is misleading. Eppenbach agreed and stated that the concept of "revolving" implies that somehow this is sitting within a self-contained fund and loans are made from it and they are paid back and new loans are made. Somehow these loans turn over within some confined area. That is not really the case.

0402 The language of the bill was discussed within the committee.

0472 Chairman Cotten asked the question that of the other loan funds that are operated in the same manner, are there limits on any of those? Eppenbach said that there is no set rule but most of them do have limits.

0549 Susan Clark testified and stated that the reason they are suggesting the loan is because day care is not a "make money" proposition. It is low income. People who are doing the day care are frequently on poverty wages or below minimum wages. They are not the kind of people who are going to child care to make money. The people who are goin into child care to make money are doing a pretty poor job at child car . This bill is to aid those people who for the most part need simply a small renovation in their homes. Rep. Hershberger misunderstood the term of day care.

There was discussion as to the difference between Foster care and day care.

0591 Susan Clark explained that a Day Care Center is different than a Day Care Home. This bill is aimed toward Day Care Homes. The regulations for Day Care have different requirements than Foster Care.

0616 Clark explained the problems of Day Care in Alaska.

0756 Harvey Pitts from C&RA stated that he felt that a realistic figure for start up for this bill would be $250,000.00.

Susan Clark felt that $10,000.00 was a sufficient amount for minor renovations.

0819 Rosalee Walker from Dept. of Education was asked to testify. She stated that $10,000.00 would be sufficient in that this way you would not be tempting the people to lie. She stated that in Anchorage last week were four homes closed down simply because they had not planned and did not follow through with paying the taxes that they withheld from the salaries. She felt that $10,000.00 was sufficient for any renovation on a home.

0950 Meeting adjourned at 10:00 am.

ALASKA
STATE LEGISLATURE

March 12, 1974

MEMORANDUM

Rep Rudd -

I talked with Eppenbach at Revenue and he said it was fine as drafted. He did note that by making the whole loan payable on cessation of operation creates a hardship - as the

people probably won't have the money to pay back the entire balance. He suggested a grace period. Let me know if you have any changes.

Love Carpenter

#3

(a)

(Load by the 6th of January next year.)

U-1 a year out note.

POSITION PAPER
ON
HOUSE BILL 290

An act creating a child care facility revolving loan fund.

This bill coupled with the Special Appropriation Bill, HB 291, would allow Day Care Centers, Family Day Care Homes, and schools for pre-school aged children to apply for a loan to assist them in start up costs or facility expansion costs.

In the Department's position as licensing agent for Family Day Care Homes and Day Care Centers, we have encountered many proposed facilities that were deficient in appropriate fire exits, kitchen facilities, and equipment. Child care is not a big money making operation, and frequently non-profit parent groups are turned down for loans which would allow a proposed facility to meet standards. In some very fine proposed Day Care Homes the Department has had to deny a license because there was not an appropriate second fire exit or, the family could not afford to purchase the necessary cribs, fire extinguisher, and the few toys required for licensure. Since income obtained by a Family Day Care mother is marginal, a small business loan is difficult to obtain. A low interest loan would greatly assist in the development of day care resources.

Head Start facilities in rural communities are not currently licensed by the Department of Health and Social Services or certified by the Department of Education. This bill would allow low-interest loans for sub-standard Head Start facilities to meet fire and sanitation codes, which in turn would make them eligible for licensure or certification.

The Department believes that the items under Certificate of Need are appropriate. We do not feel that it is appropriate for our Department to speak to loan terms. The Department of Commerce could be consulted in this regard.

The Department recommends two changes in the bill:

Page 2, lines 1 and 2 - delete the words "Office of Child Development" and insert the words "Department of Health and Social Services".

Page 2, lines 20 and 21 - delete the words "Office of Child Development" and insert the words "Department of Health and Social Services"

Page 2, line 11 - delete the amount "$10,000" and insert the amount "$15,000".

Page 2, line 24 - delete the amount "$10,000" and insert the amount "$15,000".

The Department believes that for rennovation and equipment $15,000 is a more appropriate figure. That amount is not so high that it would allow major rennovation of a sub-standard building, but it is high enough to allow for necessary rennovation and equipment costs for new programs.

* The Department strongly supports the concept of this bill. We do not recommend that the Governor's Budget be exceeded.

Recommended By: _____ _____
Freda M. Borchick, Acting Director (Date)

Approved BY: Frederick McGinnis for 4/7/75
Francis S. L. Williamson, Commissioner (Date)

Comments by Governor's Office:

By: _____ _____
(Date)

* We note that this is a loan program and thereby funds used may be considered as an investment rather than an expenditure.

Bill 324 passed.
Perm. Loan Fund.

STATE OF ALASKA

OFFICE OF CHILD ADVOCACY

JAY S. HAMMOND, Governor

Pouch AL
Juneau, Ak. 99811
Phone: (907) 465-3584

March 3, 1976

Representative Sam Cotten
Pouch V
Juneau, Ak. 99811

Dear Representative Cotten:

I am sorry that I will be out of town on March 5th so will be unable to attend the Hearing on HB 290 and HB 291, but I appreciate being invited.

Although the Board of Child Advocacy has not reviewed this Bill at this Session, I, as Executive, would like to make the following comments:

1) On Page 2, line 2, reference is made to the Office of Child Development as the licensing agency which is incorrect; the Department of Health and Social Services is the licensing agency for day care facilities in this State at this time.

2) It is apparent, since SB 120 and 121 became effective in July, that one of the main difficulties for providing day care (either in Centers or in homes) is the lack of licensed facilities. Part of the reason for this is that some of the regulations for licensing as presently written are inappropriate, especially for rural Alaska. However part of the problem also is that people do not have any "start-up" monies to repair the facilities (home or center) so they CAN meet licensing requirements. If the concept is that $50,000 would be used for such kinds of funding, then this might be a feasible Bill; if it is limited to help build a new facility, then $50,000 would be inconsequential. I also wonder whether the administrative costs for such a program would outweigh the total appropriation.

3) There is no question that more day care facilities for both infant, preschool, and school age children are needed, but it is questionable without an "outreach" program by DHSS and/or Community and Regional Affairs to inform people of the availability of such funding, that the Bill as written would have a great impact on helping to provide more care.

Sincerely,

Betsey W. McGuire kh

Betsey W. McGuire
Executive Director
BWMc/kh
cc: Fran Ulmer
Eric Lee

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. HB 291
Title: Appropriation for child care facility revolving loan fund
Requested by: _____ Date: _____
Return Date Requested: _____
Agency: Commerce & Economic Devel. Program: Development

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Division of Business Loans

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	CAPITALIAZTION	50.0	---	---	---	---	---
	TOTAL	50.0					

B. FUNDING: (Thousands of dollars)

GENERAL FUND	50.0	---	---	---	---	---
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	--/-	--/-	--/-	--/-	--/-
MAN MONTHS (P./T.)	0 / 0	/	/	/	/	/

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

IV. ATTACHMENTS

V. DATE: 3-17-76 PREPARED BY: [signature]

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

H/S 50

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. CS HB 290
Title: Child Care Facility Revolving Loan Fund
Requested by: _____ Date: _____
Return Date Requested: _____
Agency: Commerce & Economic Devel. Program: Development

II. FISCAL DETAIL
Budget Request Unit(s) Affected: DIVISION OF BUSINESS LOANS

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES	5.9	23.5	24.7	25.9	27.2	28.6
200	TRAVEL	.5	2.0	2.0	2.1	2.1	2.2
300	CONTRACTUAL	5.0	5.0	3.0	3.2	3.4	3.7
400	COMMODITIES						
500	EQUIPMENT	1.7	---	---	---	---	---
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	13.1	30.5	29.7	31.2	32.7	34.5

B. FUNDING: (Thousands of dollars)

GENERAL FUND	13.1	30.5	29.7	31.2	32.7	34.5
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	1 / 0	1 / 0	1 / 0	1 / 0	1 / 0	1 / 0
MAN MONTHS (P./T.)	3 / 0	12 / 0	12 / 0	12 / 0	12 / 0	12 / 0

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

1. Assumption is made that administration of the Child Care Facility Revolving Loan Fund will be consolidated with the Division of Business Loans.
2. Figures represent the total cost of administering the program.
3. 5% inflation factor used.
4. Contractual, promulgation of regulations, publishing and printing, equipment lease.
5. Assumption is made that approximately 30 applications will be received and processed the first year.
6. FY 76 is figured for 3 months only.

IV. ATTACHMENTS

V. DATE: 3-17-76 PREPARED BY: [signature]

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

H/S 50

Request for New Positions

POSITION TITLE	RANGE	LOCATION	GOVERNOR
Loan Examiner I	15	Juneau	APPROVED ☐ DISAPPROVED ☐

TYPE OF POSITION (PFT, PPT, SEAS)	NEW	MAINT.	CHANGE	PRIORITY	PAGE/LINE
	XX				

TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE GF	OTHER	RECEIPT CODE	DETAIL OF RELATED EXPENSES
PERSONAL SERVICES	21,787	21.8			18,156 and benefits of 3,631
TRAVEL					
CONTRACTUAL					
COMMODITIES					
EQUIPMENT	1,700				Desk, chair, utility table, file cabinet, typewriter and calculator
OTHER					
TOTAL	23,487	23.5			BRU COMPONENT

JUSTIFICATION:

This position will be responsible for promulgation of regulations and administration of this program. This person will handle all correspondence and applications including disbursement of funds and any inspection trips that may be required. A good working relationship must be maintained with the Department of Community and Regional Affairs, the Department of Education, and the Department of Health and Social Services.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES REQUEST FOR NEW POSITION

02-1013 (Rev)

HB290
Anne Carpenter

		Notified	Present	Testified
4/1/75	Susan Clark 6-6952	X	X	X
4am	Rep. Jim Duncan	X	X	X
	CHA, Eric Lee	X	X	X
4/7/75	Dept. of Commerce, Bill Miles 2532	X	X	
	Dept. of Revenue, ~~Dick Alexander~~ Larry Eppenbach	X	X	X
	Clark 6-6952	X	X	
	Duncan	X	X	X
	CHA, Lee	X	X	X
	Pat Munroe 465-3170			
	Pete Jean, Small Business		X	X

March 5, 1976

Susan Clark	6-6952	Y
Rep. Jim Duncan		X
CHA	4761	X
Pat Munroe	Call D. Fuller or Kate Tate 3030	X
Pete Jean, Small Business Loan		X
Dept. Commerce & Econ. Dev.	2532	X
Dept. of Rev.	2397	X
Office of Child Advocacy		X

HB.291

"An Act making a special appropriation to the Department of Community & Regional Affairs for funding the child care facility revolving loan fund; and providing for an effective date."

COMMITTEE REPORT

3/12/75 HOUSE FINANCE

Mr. Speaker: Date 3-18-76

The Committee on C&RA has had HB 291 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: Community & Regional Affairs Committee

To: _____ HOUSE BILL No. 291

SENATE BILL No. _____

PAGE: 1 LINE: 7, 12

Line 7: DELETE: "Community and Regional Affairs"

INSERT: "Commerce and Economic Development"

Line 12: DELETE: "Community and Regional Affairs"

INSERT: "Commerce and Economic Development"

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't want to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. HB 291
Title: Appropriation for child care facility revolving loan fund
Requested by: _____ Date: _____
Return Date Requested: _____
Agency: Commerce & Economic Devel. Program: Development

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Division of Business Loans

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	CAPITALIAZTION	50.0	---	---	---	---	---
	TOTAL	50.0					

B. FUNDING: (Thousands of dollars)

GENERAL FUND	50.0	---	---	---	---	---
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	--/-	--/-	--/-	--/-	--/-
MAN MONTHS (P./T.)	0 / 0	/	/	/	/	/

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

IV. ATTACHMENTS

V. DATE: 3-17-76 PREPARED BY: [signature]

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

H/S 50

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session -- Ninth Legislature

I. REQUEST
Bill No. CS HB 290
Title: Child Care Facility Revolving Loan Fund
Requested by: _____ Date: _____
Return Date Requested: _____
Agency: Commerce & Economic Devel. Program: Development

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A. EXPENDITURES: (Thousands of dollars)

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100	PERSONAL SERVICES	5.9	23.5	24.7	25.9	27.2	28.6
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400	COMMODITIES						
500	EQUIPMENT	1.7	---	---	---	---	---
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	13.1	30.5	29.7	31.2	32.7	34.5

B. FUNDING: (Thousands of dollars)

GENERAL FUND	13.1	30.5	29.7	31.2	32.7	34.5
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	1 / 0	1 / 0	1 / 0	1 / 0	1 / 0	1 / 0
MAN MONTHS (P./T.)	3 / 0	12 / 0	12 / 0	12 / 0	12 / 0	12 / 0

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

1. Assumption is made that administration of the Child Care Facility Revolving Loan Fund will be consolidated with the Division of Business Loans.
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3. 5% inflation factor used.
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5. Assumption is made that approximately 30 applications will be received and processed the first year.
6. FY 76 is figured for 3 months only.

IV. ATTACHMENTS

V. DATE: 3-17-76 PREPARED BY: [signature]

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

H/S 50

Request for New Positions

POSITION TITLE	RANGE	LOCATION	GOVERNOR
Loan Examiner I	15	Juneau	APPROVED / DISAPPROVED

TYPE OF POSITION (PFT, PPT, SEAS) _____ NEW XX MAINT. RPA CHANGE PRIORITY _____ PAGE/LINE _____

TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE GF	OTHER	RECEIPT CODE	DETAIL OF RELATED EXPENSES
PERSONAL SERVICES	21,787	21.8			18,156 and benefits of 3,631
TRAVEL					
CONTRACTUAL					
COMMODITIES					
EQUIPMENT	1,700				Desk, chair, utility table, file cabinet, typewriter and calculator
OTHER					
TOTAL	23,487	23.5			BRU COMPONENT

JUSTIFICATION:

This position will be responsible for promulgation of regulations and administration of this program. This person will handle all correspondence and applications including disbursement of funds and any inspection trips that may be required. A good working relationship must be maintained with the Department of Community and Regional Affairs, the Department of Education, and the Department of Health and Social Services.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES REQUEST FOR NEW POSITION

02-1013 (Rev)

HB.293

14004 KODIAK ALASKA 30 03-25 315P ADT

PMS REPRESENTATIVE SAM COTTEN CHAIRMAN COMMUNITY AND REGIONAL AFFAIRS

JUN

IN REFERENCE TO HOUSE BILL 293 KODIAK CITY COUNCIL IS OPPOSED

TO THIS BILL. COUNCIL PREFERS THAT BOROUGH SURPLUS FUNDS BE

CARRIED FORWARD AS BUDGETARY ITEM TO REDUCE TAX OBLIGATIONS.

TOM FROST, MAYOR OF KODIAK

1976

HB 293

Don Berry (Ak Municipal League – 6-1325)

Comm. McAnerney, Dept C&RA (Contact: Barbara Morse 4761)

Rep. Hugh Malone, Sponsor

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
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HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

HB 293	Notified	Present	Testified
AK Municipal League			
C & RA, Chenoweth	X		

HB-322

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE
March 11, 1976

The meeting was called to order at 9:15 am by Chairman Cotten for discussion of HB 322. Present were:

Rep. Cotten	Palmer McCarter, C&RA
Rep. Ose	Don Berry, Municipal League
Rep. Freeman	Jack Chenowith, Senate C&RA
Rep. Rudd	Ken Jacobus, Valdez City Attorney
Rep. Kelley	Herbert Lehfeldt, City Manager Valdez
Rep. Ostrosky	Chuck LaPage, City Councilman, Valdez
Rep. Specking	Barbara Englert Thomas, Staff
	Vicci Hansen, Staff

0000 First to testify was Representative Specking. Essentially in attempting to meet a particular problem, they came to the conclusion that they could do so with the concept contained in HB 322. What they are attempting to do is to create an additional bit of policy to cut through amounts of red tape in order to achieve the unification of a city into a borough status.

0063 Specking called attention to a letter from McCarter dated March 10th and explained the reasoning of the letter. He argued a couple of points in the letter.

Mr. Lehfeldt from Valdez was next to testify. He stated that basically the intent of the City of Valdez in proposing this particular bill is to simplify the manner in which a municipality can become a borough. The ultimate plan would be that subsequently they would anticipate a large annexation in the Valdez area in order to make it more meet the criteria for the regional type of government.

0219 Cotten asked when referring to future annexations which areas did they have in mind.

0220 Lehfeldt passed around a sketch of the area which they feel their sphere of influence includes. He explained the map and stated that quite possibly the most easterly boundary, the right hand boundary on the map, would be an area of dispute as far as jurisdictional concern between the City of Valdez and Cordova. They plan to meet with Cordova to obtain mutually satisfactory boundaries.

0293 Palmer McCarter from DC&RA testified and stated the Departmental position. It appears on the face of it that it is negative. He feels that if the language in that bill were to be adopted, they would be permitting the possibility of small boroughs in the future. He felt that there would be in the future thousands of potential municipalities. He stated that the Department is not opposed to the concept. They are not opposed to the idea of a unified government.

Rep Rudd asked specific questions about the wording of the bill.

Lehfeldt explained the basic boundary principle. The City of Valdez would like to have a borough in a small community but he stated that this was not acceptable to the C&RA.

0549 Rep Rudd asked if it would be possible to fight the battle at the time that the state mandates boroughs or at the time that the local boundary commission makes decisions concerning this particular area. Lehfeldt agreed that this would be possible.

0671 Don Berry from the Municipal League stated that if the local community wants to do this, he can't see why they are not given a chance to try it.

0685 Ken Jacobus testified that the City of Valdez is in fact almost a borough right now. It exercises all of the Borough powers; taxing powers, education power; planning and zoning power. These are exercised in a 284 square mile area which is partially urban and partially rural. The City of Valdez is the only city in the state of Alaska which is actually divided up into service areas by constitution. The Constitution of the City of Valdez is suitable in its present form for borough government. The question that is really before the committee is not really what size the city of Valdez should be allowed to come, but rather should a new vehicle be created to get to the final result. As it is now, the only way to get to a unified government is for a first class city to create a borough in its area. You then have two governments. That is the first step. The next step is to put the package together; the municipality and the borough. What the City of Valdez wants to do is to set up a method whereby the municipality or the group of municipalities could get together and be unified and then be unified in one step rather than being forced to the intermediate government and then putting them together. They want to be able to go from one to the other without having to go through the intermediate step.

0928 Rep Rudd questioned the intermediate steps.

0908 Meeting adjourned at 10:00 am.

TAPE #13
side 2
772-1418

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 13, 1975

Meeting was called to order at 9:10-to discuss HB 322. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Hershberger	ANdrea Guernsey, Staff
REp. Ose	Don Berry, Municipal League
Rep. Davis	Jack Chenoweth, Director, Local Gov't
Rep. Ostrosky	Bob Pavitt, Planning Consultant
Rep. Freeman (late)	

BACKGROUND — Valdez, a home rule city, wants to change the statutes to allow them to petetion to become a unified municipaltiy. Presently, they can petetion to Boundary Commission to become any sort of Borough. Jack said they are looking to protect themselves against encroachment by other governments. Local Government division has had two inquiries about borough government: One from Cordova and one from Chugiak Natives, Inc. who have employed Mr. Pavit to research borough government.

LINE 14 — Jackn said the Department doesn't like this bill but he suggests changing line 14 if the Committee is going to pass it out. Change to "29.18.030." This is the section that deals with standards for borough incorporation. The bill also doesn't say anything about elections.

DIFFERENCE IN POWERS — Cotten asked what the differene in powers would be. Jackn said a borough can establish service areas but Valdez has differential tax zones which is comparable to service areas. They have a charter now.

PAVITT — Pavitt said the lack of election is the only differenc in the process we have now, so if they were to add taht to bill then there is no reason for it. Valdez should go through the proper channels. Cotten said the idea seemed to be to avoid duplicate governemnts.

Jack said one concern was the other 3 home rule cities; PEtersbug, Wrangell, and Cordova. This bill would allow Petersburg to beocme Unified municipality without regard to the 200 people' living outside the city limits. This bill encourages fragmentation of the unorganized borough.

DON BERRY

There was a lot of discussion of the idea of boraugh goverenment. Don Berry is in favor of the bill. He thinks the people are trying to help themselves and they should be able to do it. The League has no official opinion, this is his own.

Ose wants to table the bill. Without officially doing so, Cotten said they won't move it without more information.

Meeting was adjourned at 10:00.

TAPE # 10
side 2
685-1484

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 22, 1975

Meetng was called to order at 9:00 to discuss HB 322, HB 359. Present:

Rep. Cotten
Rep. Ostrosky
Rep. Freeman
Rep. DAvis
Rep. Ose
Andrea Guernsey, Staff
Barbara ENglert Thomas, Staff
Jack Chenoweth, Director, Local Government
Keith Specking, Sponsor
Rep. Huntington

STATEMENT BY CHENOWETH
HB 322

Mr. Chenoweth started by saying his department doesn't look kindly upon this bill, which says that a Home rule city can move to reclassify as a unified municipality. This is aimed at Valdez, which already has a substantial tax base. It's not so differnet from the procedures already in operation to warrant a different formula. There is no mechanism in the bill to form a Board to form a charter. Trying to step outside present provisions.

FREEMAN'S OPINION

Rep. Freeman asked if one could form a borough and vote on unified municipality simultaneously. No, it is a separate issue. Oral doesn't like the bill. It seems like special legislation like Eagle River and it isn't the proper way to go.

DIFFERENCE?

Cotten asked what would be different if Valdez reclassified? Jack said they could not be put in another borough. They don't really have much to gain. They already have a $700 million tax base. These communities should have a cooperate effort instead of each going own way.

SPECKING COMMENTS

Rep. Specking now came in and made a few comments. He said the request came from the City of Valdez. He then read a memo concerning this from Greg Machowatz of Legislative Council. Copies were distributed to the Committee. Valdez area is large and as far as he knows they don't plan to expand their boundaries.

Freeman thinks this is a selfish move on Valdez's part. Also it would be unreasonable not to put Valdez and Cordova in the same governmental unit.

FREEMANS OPINION — They are already doing well with impact monies and taxable property. Specking said it would be unreasonable to combine Cordova and Valdez. The idea will never fly, they don't want to be associated with each other.

Specking said the way of life in Valdez has been destroyed. Valdez needs new school and their charter precludes them from bonding. This is not special legislation like Eagle river because it applies to everywhere and not just one area.

2ND CLASS BORO? — Cotten asked why they don't apply for second class borough status. They culd use service areas and get forest receipts. they probably fear that the Boundary Commission would not look favorably upon them. Jack doesn't know what the Commision would do. Personally, Jack would turn them down. They can already do what they're doing as a city.

HB 359 — The Committee now took up HB 359 since Specking was the sponsor of this bill also. He said the subject needs to be looked at by the Legislature. the $2million was plucked out of the air and will be adjusted in Finance to what is reasonable.

SEC. 2 — Secion 2 places stringent controls. Bill is for emergency needs and not goodies bag. Opposed to the use of impact funds lowering taxes. He has no objection to putting in restrictive language in that capacity.

IMPACT FUNDS — Jack said this is the only sum that has been requeste He submitted for $10 million to continue the program through next year but it was turned down. The Governor wants impact monies to go the foundatio program for education. No continuation of grant programs.

Specking put the bill in so the Legislature would at least addrress the problem.

ADJOURN — Meeting was adjourned at 10:00.

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't want to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constituti nal problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 30, 1976

The meeting was called to order at 9:10 am by Chairman Cotten for discussion of HB 322. Present were:

Rep. Cotten	Rep. Davis
Rep. Ose	Rep. Kelley
Rep. Rudd	Don Berry, Municipal League
Rep. Ostrosky	Greg Machyowsky, Legislative Affairs
Rep. Freeman	Barbara Englert Thomas, Staff
	Vicci Hansen, Staff

0001 Chairman Cotten stated that the whole subject is a little confusing and there has been two different approaches suggested to the end result that the people in Valdez apparently want.

0015 Greg Machyowsky from Legislative Affairs testified and was able to answer questions. He started with a technical correction on the bill. On page 1 there should be a phrase inserted between lines 28 and 29. They left out the introductory language for that petition. He suggested that they take care of that matter after the committee is over.

He stated that the bill was prepared rapidly and he added some additional language because of a constitutional reason. That additional language starts out on page one at line 10. He discussed additional changes in the bill. The original draft left out that provision about petition of the local boundary commission but in evaluating the draft it became rather apparent that in effect the status as a unified municipality would be a borough status and the state constitution as was pointed out in a mem that accompanied the draft requires that the standards for incorporation of boroughs be set out by law and the constitution actually refers to specific standards like population, geography and economics. So, therefore, the thought is for constitutional reasons, if a city is going to go to unified municipality status which is more or less accepted as a borough status that it should satisfy the standards to be a borough, under the state constitution. Those standards have been spelled out in more detail in the state law through incorporation of boroughs therefore, that provision saying before you will invoke this unification process you have to satisfy the local boundary commission that you are qualified to be a borough was added. It was not in the original draft. Then assuming that qualification has been met a city that has developed to a point where it meets the standards for a borough under this bill can follow essentially the same process with a borough and cities within it would follow and would unify under present law.

0312 There were questions from the committee to Machyowsky and discussion on the bill.

0328 Machyowsky said that this bill goes on to cover one other situation where you have two or more cities. This provision was inserted in the bill and starts at line 19 of page 2. It is really a repetition of the first part of the bill except where you have a concept of two cities assuming unified municipality status. This was placed in the bill following the suggestion of Pal

of Palmer McCarter. His feeling was that HB 322 which deals with only a home rule city in an unorganized borough reclassifying that concept should be expanded into not just a home rule city in an unorganized borough reclassifying into a unified municipality but rather the concept should be carried farther and the unification law should be adapted to all cities in the unorganized borough or unincorporated community. Essentially this is a bill which trys to take the present unification law, the procedures for a petition and an election, the charter commission adopting a charter, take that and adopt this to a situation of a city, not a borough but a city and try to give them unified municipality status. Obviously what you might ask what does a unified municipality status mean. Under the law, if you are a unified municipality, you have the powers of both the city and an unorganized borough and you have home rule status. In actuality Machyowsky thinks that the real distinction between this kind of municipality and say a home rule borough or even a home rule city is that you could not incorporate a borough once you have the unified municipality.

0513 Cotten asked if this bill had been simplified somewhat. If they have to get approval from the Boundary Commission to prove that they satisfy the standards for a borough incorporation.

0529 Machychowsky says that this bill really follows the requirements of the unification law. The only thing is that you don't have to have a borough before you start.

There was committee discussion on this.

0591 Rep. Freeman stated that it is his feeling that what Valdez wants to do can be simply done by the original bill. He said that there is no question about what they want to do. They want to get themselves in a position so that they are not swallowed up in a borough.

There was discussion on this.

0901 Rep. Rudd suggested tableing the motion and Chairman Cotten said that he would not entertain a tableing motion.

Meeting was adjourned at 9:45 am.

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Attorneys at Law

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March 4, 1976

Representative Samuel Cotten, Chairman
House Committee on Community and
Regional Affairs
Pouch V- State Capitol
Juneau, AK 99801

Re: House Bill 322, Allowing Certain Cities to Become Unified Municipalities with the Approval of the Local Boundary Commission

Dear Representative Cotten,

Thank you very much for the opportunity to speak with you in Juneau regarding House Bill 322, and your agreement that the committee will conduct a hearing on this bill on Thursday, March 11, 1976.

The City of Valdez is very interested in the enactment of House Bill 322 this session. The Bill is in the best interests of the State of Alaska, and the Prince William Sound area generally, because it should ultimately result in an organized and unified government for that area, consisting of people who have similiar concerns and interests. The city does not intend to become a borough the same size as the present city. On the other hand, the city has no desire to come into any conflict with any of the other municipalities in the area. Unified local government can be very beneficial to an area, both because it is close to the people and responsive to their needs, and because it affords a vehicle whereby the local area can obtain state and federal benefits.

The present City of Valdez is very suitable for a borough form of government. As a first class, home rule city, located outside an organized borough, it presently exercises the powers that it would as a borough, and is experienced in the exercise of these powers. Additionally, the differential tax zones already provided for by the Valdez City Charter will allow the borough to expand, but will ensure that the taxpayers in areas receiving fewer services will be taxed only for those services that they actually receive.

Under the present statutes, the only way to provide a single, unified government in the Valdez area would consist of two complicated, expensive and time consuming steps. First, a separate borough would have to be organized. Second, that organized borough would have to be unified with the city. The experience of Juneau and Anchorage, in which unification was accomplished the hard way, show that unified local government is desired by the people. House Bill 322 will allow the City of Valdez to reach the same result as Juneau and Anchorage, without the extreme difficulties and expense that has taken place in those areas because of the creation and existence of two separate local governments.

The city of Valdez is very interested in the enactment of House Bill 322 this session. The City Manager, Herb Lehfeldt, two members of the City Council, and I will be traveling to Juneau for the hearing on March 11, 1976. On March 1, 1976, the City Council, by a unanimous vote of the members present, adopted resolution No. 7607 requesting enactment of house Bill 322, and a copy of this resolution is attached.

I am sending copies of this letter to the other members of the House Committee on Community and Regional Affairs so that they will be aware of the importance that the city of Valdez attaches to the enactment of House Bill 322.

Thank you very much for your assistance and consideration of this Bill. If you or any of the committee members have any questions, or desire any further information, please let me know.

Very truly yours,

HUGHES, THORSNESS, GANTZ, POWELL & BRUNDIN
Attorneys for the City of Valdez

By Kenneth P. Jacobus
Kenneth P. Jacobus

KPJ:am
Enclosures
cc: Kathryn Ostrosky
Lisa Rudd
Ramona Kelley
Al Ose
Larry Davis
Mike Hershberger
Glenn Hackney
Oral Freeman

CITY OF VALDEZ, ALASKA

Resolution No. 7607

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, SUPPORTING HOUSE BILL 322, ALLOWING CERTAIN CITIES TO BECOME UNIFIED MUNICIPALITIES WITH THE APPROVAL OF THE LOCAL BOUNDARY COMMISSION.

WHEREAS, it is in the public interest of the City of Valdez, the Prince William Sound area, and the State of Alaska to strengthen the powers of local government under our Constitution providing for home rule municipalities and mandated boroughs, and

WHEREAS, House Bill 322 is in furtherance of this end.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, THAT:

Section 1. House Bill 322, presently in the House Committee on Community and Regional Affairs, should be reported out of that committee with a favorable recommendation, and should be enacted into law this session of the legislature.

Section 2. Copies of this resolution shall be transmitted to the governor, the Department of Community and Regional Affairs, the chairman and members of the House Committee on Community and Regional Affairs, Rep. Specking, Sen. Kertulla, the Alaska Municipal League, and any other persons who are able to assist in having this legislation enacted.

Dated this 1st Day of March, 1976.

CITY OF VALDEZ, ALASKA

By _____

ATTEST:

_____

SEAL

HUGHES THORSNESS LOWE GANTZ & POWELL

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SIGURD E. MURPHY
BILL LAWRENCE
FRED B. ARVIDSON
DENNIS M. BUMP

23 April 1975

Samuel R. Cotton
Chairman House Community
and Regional Affairs Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

RE: House Bill No. 322 authorizing a home rule city outside an organized borough to reclassify as a unified municipality.

Dear Chairman Cotton:

As city attorneys for Valdez, we have reviewed House Bill No. 322 in light of the recent decision of the Alaska Supreme Court on April 15, 1975, relating to the Eagle River-Chugiak Borough. This decision does not affect the constitutionality of House Bill No. 322. The legislation authorizing the creation of the Eagle River-Chugiak Borough was both special and local in that it provided a new method of creating a borough which is peculiar to the Eagle River-Chugiak area. On the other hand, House Bill No. 322 is of general effect, and requires that the local boundary commission procedure be used to effect the unification. Any unification accomplished under the provisions of proposed AS29.08.040(j) would not be overturned by the Alaska Supreme Court.

House Bill No. 322 is a relatively simple concept, and simply provides for a method of unification which probably should be provided for in the statutes, but presently is not. The City of Valdez would appreciate it very much if this bill could be enacted prior to the adjournment of the present session so that the City of Valdez can go forward with this part of its difficult task in meeting the present pipeline impact.

I thank you very much for whatever efforts you might make to expedite this bill.

Very truly yours,

HUGHES, THORSNESS, LOWE,
GANTZ & POWELL, Attorneys for the
City of Valdez

By: Kenneth P. Jacobus
Kenneth P. Jacobus

KPJ:mv

cc: Herbert W. Lehfeldt
P.O. Box 506
Valdez, Alaska 99686

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B - JUNEAU 99811

March 10, 1976

The Honorable Sam Cotten
Chairman, Community and Regional Affairs
Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

I would like to comment on House Bill 322, "An Act authorizing a home rule city outside an organized borough to reclassify as a unified municipality".

The Department is opposed to passage of this particular piece of legislation. First, the legislation appears applicable to only a very small number of municipalities (currently 4 would qualify). Second, there seems an inherent conflict in requiring a city to satisfy borough incorporation standards; in other words, it seems paradoxical to state that a city - - a form of local government designed to meet community needs - - could meet borough - - the form of local government designed to meet regional governmental needs - - incorporation standards. Third, we are opposed to any method of change in municipal status which does not allow the constituents of the local government affected the opportunity to approve or disapprove of the reclassification by referendum. Finally, allowing a home rule city in the unorganized borough to reclassify as a unified municipality, under HB 322, would have minimal, if any, effect upon the status of the municipality.

I would note, too, that we have contacted the Chairman of the Local Boundary Commission and he concurs in our comments.

In closing, I would add that we do not find the concept of providing for a single regional government improper; on the contrary, we feel it is a commendable concept. However, we do think that the method of achieving "unification" suggested by HB 322, is improper.

One method of accomplishing this, would be to amend AS 29.68.240 to read as follows; "An organized borough and all cities within the borough or any city or group of cities or communities in the unorganized borough may unite to form a single unit of home rule government by complying with this chapter." Additional sections of Article 3 "Unification of Local Governments" must be reviewed for compliance with the proposed changes suggested by amending AS 29.68.240

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director
Division of Local Government
Assistance

Presently this would
affect only Cordova &
Valdez and Wrangell
& Petersburg

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

March 18, 1975

M E M O R A N D U M

TO: Representative Specking

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Attached bill relating to home rule city as unified municipality

Upon study of the draft and letter of the city attorney of Valdez submitted with the bill request, review of the municipal code, and discussion of the concept of the request with Bill Berrier of this office, who is also a specialist in local government matters, I have redrafted the draft submitted so as to provide for reclassification of a home rule city outside an organized borough to unified municipality status, rather than dissolution of the city and new incorporation as a unified municipality.

This more limited approach would seem to accomplish the intent of the draft and still integrate well with concepts of the municipal code relating to reclassification. If I have overlooked any aspect of intent and a dissolution and incorporation are indicated, the bill can be revised accordingly.

The reclassification provided in the bill follows the same principle as already authorized in the law for reclassification of boroughs, i.e., on the basis of powers authorized, and permits reclassification to a unified municipality having the home rule powers of both a city and borough.

The primary advantages of this dual status for the former home rule city would seem to be, as with existing unified municipalities, clear authority to utilize the service area concept of boroughs within the area of the former city and areas which may be annexed in the future, and the probable qualification of the unified municipality for (forest service receipts) allowed by federal law to counties (boroughs) for road and school purposes, and possibly other federal tax revenues.

As a practical matter, too, the dual status of the unified municipality as city and borough should also preclude the addition of

another unit of government, an organized borough, within the area of the unified municipality, since the unified municipality already has satisfied the standards for incorporation of an organized borough and has the powers of an organized borough as well as a city.

Please let me know in the event I can be of further assistance with the bill request.

GM/am

HB322

DEQ - worst than 1st

totally unacceptable

as this bill. Not making positive statement - will kill

Permit Streamlining at any city

Eliminates DEQ coordination.

Sec 7 (5)

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99801

March 25, 1976

M E M O R A N D U M

TO: Representative Samuel Cotten, Chairman,
House Community and Regional Affairs Committee

ATTN: Barbara Thomas, Administrative Assistant

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Draft of proposed CS for HB 322 (unification of local governments)

On further review of the draft of the proposed committee substitute bill furnished yesterday, it appears that additional provisions should be inserted into the draft as follows:

Page 1, line 10, delete "A" and substitute: "Upon petition to the Local Boundary Commission setting out maps, documents and other information satisfying the standards for organized borough incorporation and approval of the petition, a"

Page 2, line 18, delete "Outside an organized borough two or more cities" and substitute: "Upon petition to the Local Boundary Commission setting out maps, documents and other information satisfying the standards for organized borough incorporation and approval of the petition, two or more cities located outside an organized borough and".

The reason for the additional provisions is to insure compliance with Article X, Section 3 of the state constitution requiring that boroughs be established according to standards provided by law. Since the unified municipality authorized under AS 29.68.240-29.68.440 has apparent organized borough status, the standards currently provided by law for organized borough incorporation would seem to require satisfaction as a prerequisite to incorporation of a city or cities as a unified municipality under the new sections to the unification law added by the proposed bill.

A revised draft of the proposed bill reflecting the changes noted above is being prepared; in the meantime I thought it advisable to furnish this memorandum in case the committee is presently considering the draft.

Greg Machyowsky

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

M E M O R A N D U M March 24, 1976

TO: Representative Samuel Cotten
Chairman, House Committee on
Community and Regional Affairs

ATTN: Barbara Thomas, Admin. Asst.

FROM: Greg Machyowsky, Legislative Counsel

SUBJECT: Attached bill (relating to unification of local governments)

The bill request, reflecting the recommendation of the Department of Community and Regional Affairs, calls for the procedures of AS 29.68.240 - 29.68.440 relating to home rule unified municipalities to be adapted and extended to apparently four categories:

(1) a city outside an organized borough

(2) a group of cities outside an organized borough

(3) a group of unincorporated communities outside an organized borough

(4) a combination of (2) and (3).

It would appear that only (1) and (2) are appropriate for inclusion in the bill because of Article X, Section 10 of the state constitution which limits the extension of home rule government to cities and boroughs. To permit unincorporated communities to assume home rule status immediately through application of the unification law, or cities to include unincorporated communities in a unification plan (without at least prior annexation of the unincorporated communities), would seem to contravene that provision. I've therefore limited application of the requested bill to a city in the unorganized borough and to two or more cities in the unorganized borough having contiguous boundaries and seeking to come under the unification law.

In the very short time available for execution of this request, I have thought it advisable to prepare the bill in draft form only.

GM/dd

HB-350

"An Act relating to powers of municipal taxation; and providing for an effective date."

COMMITTEE REPORT

3/20/75 HOUSE JUDICIARY

Mr. Speaker: Date _____

The Committee on CARA has had HB 350 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends: _____

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #10
side 1
376-1140

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 17, 1975

Meeting was calld to order at 9:00 to discuss HB 246 and HB 350.Present:

Rep. Cotten	Rep. Mackney
Rep. Ostrosky	Don Clocksin, Legal Services
Rep. Freeman	Phil Wall, Dept. of Revenue
Rep. DAvis	Barbara ENglert Thomas, Staff

EXPLANATION OF SOME AMENDMENTS

Don explained some of his amendments. Ben Marsh wanted to exclude organized boroughs from the unincorporated areas so line 19 was changed to "a municipality" from "an incorporated city". Marsh had beenconcerned about the area ouside Anchorage. Marsh also wanted more than 35% required so Don eliminated the voting district provision and made it within 2 miles of place or established village. Themandatory reference in section 300 is now limited to established villages determined by C&RA. This solves Ose's problem of an establishment along a hiway not in the village. The desires of the community are taken into account but not mandatory on the Board. The resident requiremtn was changed to "an adult resident having a permenent place of abode". Section 200 no longer requires posting of application for reissuance or renewal but will require other kinds of notice.

VOTING DRY

Chairman Cotten wants the bill to be addressed to voting dry or wet but not to revoking individual licenses. Clocksin said there was a legal question on whether you can have organized election in unincorporated area to go dry or not.

"APPEARS"

Rep. Freeman made an objection to part of sec. 300. He doesn't understand how you cna mandate a hearing if 35% ask for it and if it only appears that the majority are against it the Board shall not issue the license. Appear wouldn't stand up in court. Rep. Ostrosky noted that the word "appear" is used in the original statute but that is only in the original issuance. Mr. Wall agreed that a definitor of appear was necessary. It hasn't been handled well in the present situation. Clocksin suggested striking it and requiring the Board to'

TAKING A VOTE

take a vote. Freeamn says why not have an election. Kathryn asks how would you establish the majority?

Wall said there are two ways: require Board to have regulations or spell it out. He's not sure of the legality of the Board administering vote.

AMENDMENT — Wall--Should be within 2 miles of his permanent place of abode and (instead of or) within 2 miles of the established village.

Wall said that definition of 2 miles within village might be a problem. For instance tok is 6 miles long.

TITLE OF SEC 300 — He also suggested changing the Title of Section 300 to PROTEST OF LICENSE ISSUANCE IN AREAS OUTSIDE MUNICIPALITIES.

COMMITTEE SUB. — The staff will have a committee substitute drawn up to be ready for tomorrow.

HB 350(1080) — The Committee now had before it HB 350. The Chairman wants to delete all of sec. A. He had a request from Anchorage for 5% maximum sales tax. The problem in Anchorage is the city charges 5% but in order to raise in Borough the people have to vote. The city charges 5% on hotels and motels within city but the borough only charges 3%. Want to tax all the transients and tourists the same.

COMMITTEE SUB. — A committee substitute will be drawn up deleting the first secion and putting a maximum of 5%.

REPORT OUT — (The committee members signed the report.) Meeting was adjourned at 10:00.

Tape #8
side 2
1050-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 9, 1975

Meeting was called to order at 9:00 for discussion of HB 350. Present:

Representative Sam Cotten, Chairman
" Kathryn Ostrosky
" Lary Davis
" Al Ose
Oral Freeman
Glenn Hackney

Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Bob Dozier, State Assessor
Don Berry, Municipal League
Sam Coxom, City Manager, Dillingham

PERSONAL PROPERTY

HB 350 was introduced by Coxom's request. IN section 1 subsection (a) insert "personal" in front of property. Cotten asked if this would be left to the voters whether to exempt property or not? Mr. Berry said, yes, the people should have the say. The way the bill is written now the voters don't have a say on personal property but do concerning residential property. Voter ratification should apply to the whole section.. Rep. Hackney would like to make that clear. Suggested amendment for subsection (a) of section 1: "Municipalities may by ordinance subject to voter approval at a regular or special election exclude from..."

DEFINITION OF PERSONAL PROPERTY

Ose asked Mr. Coxom for a definition of personal property: business inventories, mobile homes by ordinance can be real or personal, business equipment, household goods (Dillingham is 1 of 4 communities to tax household goods), boats, cars, airplanes, bank accounts,anything a person owns other than house or land can be considered personal.

SALES TAX

This bill asks for the lid on the sales tax be raised. 3% sales tax is not enough now with inflation. This is permissive legislation requiring the people to vote. Cotten brought up the point that Anchorage was now taxing 5% sales tax. Is that legal? Coxom said that between the borough and the city they could tax a total of 8%.

Sales tax in Dillingham brings in $60, 665.

PROBLEM IN DILLINGHAM

Coxom said one problem is inflation. They have a logistics problem with personal property. Inventories are usually depleted after JANUARY1. Have to fly in everything for six months a year. It costs 9% of the $60,000 received from personal property tax for administration. If personal property were exempted then there would be no excuse for businesses to be depleted and charging more to have evertything flown in. Causing a high rise in prices in this respect. if it costs more than 3% to administer something is wrong.

SALES TAX VS PERSONAL PROPERTY

Ose objects to the bill because the little man will be payng more in sales tax while the person with a lot of expensive personal property will be getting off. Coxson said he will not be paying more but a different kind. The check is voter ratification. The wage earner won't vote if he is going to get hurt.

Cotten-What if there was an exemption on food stuffs? It would be optional. The voter will have to assess whether he pays by mill rate or sales tax. (Mill rate in Dillingham is 18.5)

Will the average citizen pay more taxes if you raise the sales tax and exempt personal property? Coxson said yes, if the goods go up. the 3% sales tax will not be enogh soon with the rate of inflation.

TAXING BUSINESS INVENTORIES

Mr. Dozier said that to take care of inventories being depleted on January 1 in order to have small inventory for personal property tax in title 29 53.060.B you may tax on a monthly assessment.

Meetng was adjourned at 10:00 until 1:30.

1:30. Present were Mr. Cotten, Ose, DAvis and Mrs. Ostrosky. (No tape of this meeting.) Continued discussion of the little man getting socked with a high sales tax.

MEMORANDUM

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

POUCH Y — STATE CAPITOL
JUNEAU, ALASKA 99811

TO: Representative Anderson

DATE: March 15, 1975

FROM: Greg Machyowsky
Legislative Counsel

SUBJECT: Attached bill relating to municipal taxation of personal property and sales

The attached bill makes the changes necessary as to taxation of personal property under existing law which are called for in Resolution No. 75-2 of the City Council of Dillingham and the communications of Mr. Coxson, the City Manager, furnished with the bill request. Specifically, the bill authorizes a home rule or general law city or borough to exempt ("exclude") all personal property from taxation. In preparing the bill I have assumed that the power to exclude personal property is not intended to override the existing prohibition on municipalities exempting personal property related to oil and gas production set forth in AS 43.56.010. If that assumption is not correct, the bill will of course have to be revised.

The bill also removes the present three per cent limit on sales taxation by cities and boroughs and permits taxation without limit. While it would not seem that a home rule city is bound under existing law by the three per cent limit (as discussed below) the bill removes the limit for general law cities and boroughs as well. If some limit, higher than three per cent is intended, the bill can of course be revised; the city resolution and communications of the manager request no specific limit, however.

In the two drafts of legislation submitted with the bill request (one as to personal property taxation, the other as to sales taxation), a five per cent sales tax limitation is provided; also, as to personal property taxation, authority for a city or borough to tax personal property at a different rate of levy than real property is provided, in addition to the option of a city or borough to exclude all personal property from taxation. If intended, these provisions can be readily incorporated into a revised draft of the attached bill.

The bill is given an immediate effective date, rather than a retroactive effective date of January 1, 1975, as proposed in the draft relating to personal property taxation submitted with the bill request. If the retroactive effective date of the draft is intended to permit refunds of taxes being paid on personal property

for the current fiscal year of a city or borough, it would seem advisable to make specific provisions in the bill for that purpose. I have assumed that the retroactive effective date is primarily intended to insure that cities and boroughs have authority, in currently assessing property for taxation in the upcoming fiscal year, to exclude personal property from taxation. For that purpose, an immediate effective date would seem to suffice.

With respect to the power under present law of a home city outside a borough to levy a sales tax in excess of three per cent, review of the municipal code provisions, and the accompanying statements of legislative intent, indicates that the home rule governing body may now levy in excess of three per cent (with or without the election required of general law cities or boroughs to levy or increase a sales tax). AS 29.43.010 is the controlling provision on the point. (Counsel to the city of Dillingham, in the good and extensive replies to the questions posed by the city manager, apparently differs as to AS 29.43.010 and concludes that specific authority for home rule cities outside boroughs to levy sales taxes in excess of three per cent would have to be accomplished by amendment to present law. The attached bill, in any case, expressly confers authority without percentage limitation to all cities and boroughs).

You may wish to separate the provisions of the bill relating to personal property taxation from those relating to sales taxation and make each subject a separate bill, as is done in the drafts submitted with the request. If so, or if there are other revisions you wish made or questions which I may be able to answer concerning the attached bill, please let me know.

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-3483 or 842-3933

March 10, 1975

Representative Nels. A. Anderson, Jr.
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Nels:

Enclosed is a cost breakdown on the administration of the personal property tax collection. As is indicated in the breakdown the major cost is the personnel, the time spent on processing the forms, mailing the forms out, making the adjustments, assisting people in filling out the forms, etc. The percentages of the bookkeepers time and my time are rough estimates and would vary from year to year depending on the number of mailings and the number of property returns that include equipment or inventory that I would have to check out.

One important perspective which is written as a note to the cost breakdown that I think should be emphasized is that litigation is not figured into the cost. One could go either way in estimating litigation. For example, one year there may be one or two persons which have to be taken to court and the following year there may be ten to fifteen. In other words, the number could change; hence the time and the cost would vary also. Since I mentioned the specific costs of collection in the letter that I wrote you before, I have detailed them as accurately as possible in this cost breakdown. I would like to know, also, if Guy was able to find out from the legislative affairs attornies or the attorney that was coming from New York whether or not the change in the personal property statute was necessary.

I want to thank you for the time and consideration that both you and Guy Van Doren showed Ray Kase and myself while we were in your office. I realize that you are extremely busy now and would appreciate any time that you can spend with the taxation question.

Sincerely yours,

Samuel L. Coxson
City Manager

SLC/lrh

Encl. One

CITY OF DILLINGHAM

ADMINISTRATION COST BREAKDOWN

PERSONAL PROPERTY TAX COLLECTION

362 mailings @ 2 hrs. each 362x2x6.80/hr. =	$ 4;923.00	
Postage 36.20x3 =	109.00	
362 forms @ .24 each =	87.00	
Delinquency notices	8.00	
Additional postage (115 notices) =	12.00	
Total City Clerk	5,139.00	
City Bookkeeper .02 of salary	280.00	
Total Clerical	$ 5,419.00	
City Manager's time .02%	340.00	
Total Administration	$ 5,759.00	.09598 of total Revenue Received

In addition to administration costs may be added litigation costs which can not be estimated accurately in advance. Since this is the case, litigation costs would tend to distort the actual costs by interjecting mere potential costs, though they may be large depending on the circumstances.

$20,000 in personal property (eg. car + fish boat)
$10,000 annual income

P.P.T. 20,000 X .0185 = $370

Sales tax at 3%
80% of total income paid for things covered by sales tax
10,000 X .8 = 8,000 X .03 = $240

Regressivity of tax is a variable depending on rate and valuation relative to individual income. The hypothetical person above earns less than the state average mean income and reflect persons of the middle income to low-middle income scale. In the above example the personal property is more regressive than the sales tax. By this, it is meant that the $10,000 per year income person is having a relatively larger portion of his total income go toward the personal property tax. Assuming the same millage rate and sales tax rate (18.5 mills and 3%) the same would apply to various income levels. There is a point at the lower income scale where ~~~~ sales tax becomes the more regressive of the two taxes, assuming persons at the lower income level do not own much personal property.

6,000 personal property
6,500 annual income
P.P.T. 6,000 X .0185 = $111
Sales Tax 6,500 X .8 X .03 = $156

Sam,

Cox in left this this morning. He hopes it does what you want but if it isn't he will try again. He says to amend if you must. Leave the personal property tax on boats, airplanes but take the nuisances out.

He'll be back later to find out what you think.

Dear Chairman Cotten:

Enclosed is an actual breakdown of revenues that would be received by each tax - personal property and sales. To the taxpayer in Dillingham there is no large net gain in taxes he has to pay. As a matter of fact, the "efficiency" of collection of the sales tax accounts for its larger potable revenue.

Many home rule cities (municipalities) did away with personal property tax when state statutes did not prohibit such acts. None, to my knowledge, have reinstated the personal property tax. Although there is no set direct relation between the desirability of the personal property tax and the lack of reinstating it, there seems to be some basis for not wanting to reinstitute it whether it be for political or administrative reasons.

Tax shifting from merchants to the wage earner occurs only to a very limited extent. Merchants pass on any personal property tax (tax on inventory) to the consumer. When we consider the problems accompanying the personal property tax: high cost for goods because of inventory depletion to avoid tax on inventory and consequent higher freight costs because air freight rather than ocean freight must be used to replenish inventory; high tax collection costs; one or two lump sum payments instead of small periodic payments throughout the year and lack of built-in inflation adjustment, it seems clear that the proposal is the preferred approach to resolving the problem.

In the case of Dillingham there is very little tax shifting and when the merchant to consumer pass-through is considered, it appears that there is little to oppose in the proposed statute amendments. If permission to change is given in the form

of passed amendments, it is probable that Dillingham, at least, and possibly other communities can more flexibly approach their fiscal problems.

yours respectfully,

Kenneth Cofson

ENCL. Total Dollar Cost Estimate

Total Dollar Estimate of Eliminating the Personal Property Tax

Sales tax if we went back to two percent:

@ $5,000 per percent $5,000 x 2% x 12 months = $120,000

Sales tax if we stay at three percent:

@ $5,000 per percent $5,000 x 3% x 12 months = $180,000

net difference $60,000

Personal property tax revenue:

$3,277,217 x .0185 = $60,665 *

net loss if personal property tax abolished ($60,665)

Total net difference (665)

* assumes 100% collection which is not practical. at least 14-5% of this figure will not be collected (60,665 x .03 = ($1,820))

Probable amount personal property tax (58,875)

Probable amount sales tax @ 3% 60,000

net difference $ 1,155 *

* assumes that revenue per percent will remain same when in actuality they will increase with inflation.

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

April 4, 1975

Gary Thurlow
Borough Attorney
Greater Anchorage Area Borough
3500 East Tudor Road
Anchorage, Alaska 99507

Dear Gary:

Thank you for your letter of March 6. A Bill has been introduced by Andersen and myself which would cover the request you made in your letter. The problem is a different one for Dillingham, as per HB 350, but would also cover your concern. Thanks again.

Sincerely,

Sam

Sam R. Cotten

SRC:asg
Enclosure-HB 350

GREATER ANCHORAGE AREA BOROUGH
3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW
279-8686

March 6, 1975

Senator Sam Cotten
Chairman
Senate Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska 99801

RE: Increasing Permissable Municipal Sales Taxes From 3% to 5%

Dear Sam:

Attached are:

1. Draft bill raising municipal sales tax ceiling from 3% to 5%.

2. Borough Memorandum 74-849, dated November 18, 1974 regarding City of Anchorage 5% levy on hotel-motel rentals and placement of issue on borough ballot for non-areawide (outside of cities) borough vote.

3. Resolution No. RE 74-158A adopted December 30, 1974, placing borough non-areawide hotel-motel tax on ballot (ballot proposition was approved by the voters on February 11, 1975; 4,218 yes, 2,331 no).

4. Resolution No. RE 74-159 adopted December 30, 1974 requesting change of state law so that general law municipalities can charge same sales tax as home rule cities not to exceed 5%.

The foregoing are self-explanatory.

We currently have an anomaly in the Anchorage area as the City of Anchorage now levies a 5% hotel-motel tax under its powers as a home rule city. The Anchorage Borough is a general law municipality and it, as well as other general law boroughs and cities, are limited to a 3% sales tax. The attached bill would put general law municipalities in the same position as home rule municipalities.

A number of Alaska cities now levy sales taxes in excess of 3%.

CLEAN AIR . CLEAN WATER . A CLEAN COMMUNITY

I anticipate that the Borough Assembly would adopt a 5% hotel-motel tax similar to that of the City of Anchorage hotel-motel tax after any legislative change of the 3% ceiling. The voters in the Borough have approved imposition of a 5% hotel-motel sales tax levy should the Legislature change existing law.

I am sending a similar letter to Senator Pat Rodey, Chairman of the House Committee on Community and Regional Affairs.

We will testify on the bill if you so desire.

Sincerely yours,

Gary Thurlow

Gary Thurlow
Borough Attorney

GT:msm
Encl.

cc: Lee MacAnerney, Commissioner, Dept. of Community & Regional Affairs.
Donald Berry, Alaska Municipal League
Norman Levesque, Borough Director of Finance
Douglas Weiford, City Manager, City of Anchorage

REQUESTED BY ASSEMBLYMAN MARSH

GREATER ANCHORAGE AREA BOROUGH

RESOLUTION NO RE 74-158A

A RESOLUTION PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE GREATER ANCHORAGE AREA BOROUGH, ANCHORAGE, ALASKA, OUTSIDE OF CITIES, THE QUESTION OF WHETHER THE BOROUGH ASSEMBLY SHOULD ENACT A HOTEL AND MOTEL RENTAL TAX IN THE AMOUNT NOT TO EXCEED FIVE PERCENT (5%) AT THE REGULAR ELECTION TO BE HELD ON TUESDAY, FEBRUARY 11, 1975.

WHEREAS, AS 29.53.415 and AS 29.53.420 permit a Borough to levy and assess a sales tax not exceeding three percent (3%) of such amount allowed by laws, whichever is the less, on sales and rentals if the electorate approves the imposition of the tax by a majority of votes cast, and,

WHEREAS, there is a need for additional sources of revenue to meet the expanding needs of the Greater Anchorage Area Borough, and,

WHEREAS, the voters of the City of Anchorage have authorized the imposition of such a tax at five percent (5%) of sales and rentals of hotels and motels within the City, and,

WHEREAS, the Greater Anchorage Area Borough wishes to determine whether the electorate favors the imposition of a tax upon the amount charged as room rentals in motels and hotels;

NOW THEREFORE BE IT RESOLVED by the Greater Anchorage Area Borough Assembly:

1. That it is hereby declared to be in the public interest to establish a hotel and motel room rental tax in the amount of not to exceed five percent (5%) on motel and hotel accommodations to transients occupying rooms for fewer than thirty (30) days.

2. That at the regular election to be held on Tuesday, February 11, 1975, the following proposition shall be submitted to the qualified voters of the Greater Anchorage Area Borough outside of cities for approval or rejection:

PROPOSITION NO. 2

Shall the Greater Anchorage Area Borough impose in the area outside of cities a tax on hotel-motel rentals of accommodations to transients occupying rooms for fewer than thirty (30) days in an amount not to exceed at any time five percent (5%) of such rentals, or such percent as is allowed by law, whichever is less.

YES [/] 1201

NO [ ] 2,531

Upon passage of the above proposition, the Borough Assembly may by appropriate Ordinance enact a motel-hotel rental tax in an amount not to exceed five percent (5%) of such rentals or such amount as is allowed by law, whichever is less, and may, from time to time, modify the amount of the tax so long as it does not exceed five percent (5%) of hotel-motel rentals or the amount allowed by law, whichever is less.

PASSED AND APPROVED by the Assembly of the Greater Anchorage Area Borough on this 30th day of December, 1974.

Edward C. Willis
Presiding Officer

ATTEST:

Phyllis Eileen Banks
Borough Clerk Deputy

APPROVED this 30th day of December, 1974.

John A. Rodeniz
Borough Mayor

ap 12-30-74

REQUESTED BY ASSEMBLYMAN MARSH

GREATER ANCHORAGE AREA BOROUGH

RESOLUTION NO RE 74-159

A RESOLUTION REQUESTING THE STATE LEGISLATURE TO AUTHORIZE BOROUGHS TO IMPOSE A TAX IN THE AMOUNT OF NOT TO EXCEED FIVE PERCENT (5%) OF HOTEL AND MOTEL SALES AND RENTALS.

WHEREAS, AS 29.53.415 and AS 29.53.420 permit Boroughs to levy and assess a sales tax not exceeding three percent (3%) on sales if the electorate approves the imposition of the tax by a majority of votes cast, and,

WHEREAS, home rule cities in Alaska often impose sales taxes, including sales taxes on hotel and motel sales and rentals, in an amount of up to five percent (5%) and,

WHEREAS, a more uniform and equitable taxation policy can be achieved if home rule municipalities and boroughs within which they are located levy sales taxes in the same amount, and,

WHEREAS, the voters of the City of Anchorage, a home rule city, have authorized the imposition of a sales tax of five percent (5%) on hotel and motel sales and rentals, and,

WHEREAS, the Assembly of the Greater Anchorage Area Borough wishes to impose a sales tax of five percent (5%) on hotel and motel sales and rentals if such levy is authorized by law and if such levy is approved by a vote of the people.

NOW THEREFORE BE IT RESOLVED by the Greater Anchorage Area Borough Assembly:

1. That the Legislature is requested to amend AS 29.53.415 to permit voters of any municipality to authorize the imposition of a sales tax in an amount not to exceed five percent (5%) of hotel and motel sales and rentals.

2. That copies of this Resolution be sent to the Chairman of the House Committee on Community and Regional Affairs, to the Chairman of the Senate Committee on Community and Regional Affairs, and to the Commissioner of Community and Regional Affairs.

PASSED AND APPROVED by the Assembly of the Greater Anchorage Area Borough on this 30th day of December, 1974.

Edward C. Willis
Presiding Officer

ATTEST:

Mary Cotter
Borough Clerk

APPROVED this 30th day of December, 1974.

John R. Rodenick
Borough Mayor

IN THE SENATE

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act increasing sales tax which borough may levy from 3% to 5% and providing for an effective date."

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

Section 1. Subsection (a) of Section 29.53.415 is amended to read:

(a) A borough may levy and collect a sales tax not exceeding five [three] percent on sales or rents, and on services within the borough. The sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

Legal Department

November 18, 1974

Hotel-Motel Tax Levy

The attached Resolutions were requested by Assemblyman Ben Marsh. They are modeled after a City of Anchorage Resolution on the same subject.

State law (AS 29.53.415) places a 3% ceiling on any sales tax levied by a borough. Accordingly, one Resolution has been drafted which provides for a 3% levy instead of the 5% levy approved by the City of Anchorage voters for imposition within the City.

Also attached is Resolution No RR 74-158A which provides for the imposition of a motel-hotel tax not to exceed five percent (5%) or the amount allowed by State law, whichever is less. Approval by the voters of the proposition set forth in this Resolution would permit an increase to the 3% levy now permitted by State law or such higher amount as might later be permitted by a change in State law not to exceed 5%.

Also attached is Resolution No RR 74-159 urging the State legislature to change the 3% ceiling on borough sales taxes to 5%.

Respectfully Submitted,

Jack Roderick
Borough Mayor

MEMORANDUM

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

POUCH Y — STATE CAPITOL
JUNEAU, ALASKA 99811

TO: Rep. Cotten, Chairman,
Community and Regional
Affairs Committee

DATE: April 9, 1975

FROM: Grey Madisonsky, Legislative
Counsel

SUBJECT: HB 350

I note that HB 350 has a typographical omission, at p. 1, line 11, "personal" should be inserted before "property" where the latter word first appears. A committee substitute bill, or amendment, can readily be prepared to make this correction, of course.

CHAIRMAN:
NELS A. ANDERSON, JR.

STAFF ASSISTANT:
GUY VANDOREN

POUCH V
JUNEAU, ALASKA 99811

VICE CHAIRMAN:
TED SMITH

SECRETARY:
BETH O'DONNELL

PHONE: 465-3715
465-3781

House Resource Committee

FRED BROWN ALVIN OSTERBACK DICK ELIASON LEO RHODE
MIKE HERSHBERGER LESLIE (RED) SWANSON JAMES HUNTINGTON

March 25, 1975

Representative Sam Cotten
Chairman- House Community and Regional Affairs
Pouch V
Juneau, Alaska 99801

Dear Representative Cotten:

A bill relating to municipal taxation of personal property and sales will be referred to your committee. This bill was from a request by the city of Dillingham. They would like the initial hearing to be held on the 31st of March as they will have a representative in Juneau at that time. If this is not possible, would you notify Mr. Sam Coxem, City Manager, Dillingham, P.O. Box 191, Dillingham, Alaska 99576 as to when the bill will be scheduled. Thank you.

Sincerely,

Guy A. VanDoren

Guy VanDoren
Staff Assistant
House Resources Committee

GVD/bd

CITY OF DILLINGHAM

BOX 191 • DILLINGHAM, ALASKA 99576 • PHONES 842-3483 OR 842-3933

MESSAGE

TO [Sam Cotten, Chairman
House CRA Committee]

SUBJECT alternate strategy re HB 350

DATE 4/13/75

Dear Sam:

I didn't get a chance to write this Thursday night and leave in your office. If HB350's provisions for personal property exemption does not fly, then I suggest an alternate approach. Such an approach would not remedy the total set of problems with the tax but would go a long way toward removing the "nuisance" part of the tax. Collection cost and efficiency would be increased. Moreover, the amendments would only be permissive.

BY Sam Cotten

REPLY

DATE

SIGNED

Form N-81-S-P The Dimension Builder, Inc., Box 205, Dallas, Texas

INSTRUCTIONS TO SENDER:
1. KEEP YELLOW COPY. 2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

INSTRUCTIONS TO RECEIVER:
1. WRITE REPLY. 2. DETACH STUB, KEEP PINK COPY, RETURN WHITE COPY TO SENDER.

ALTERNATIVE TO ORIGINAL PERSONAL PROPERTY TAX AMENDMENT REQUEST

Should the committee not accept the original proposed amendments, then I would request that the committee consider what I believe to be "nuisance" aspects of present statutes.

Delete 29.53.025 (b)(1)

Again, the emphasis is on the commercial aspect of the current statute.

Rationale

a. If the income gained by taxing under the current statutorial exemption limits would bring on a relatively minimal amount of revenue. Indeed, there may even be a revenue loss if complications in collection are encountered. There is a possibility since jurisdiction or legal questions still apply. (We discussed this Thursday night)

b. If the "full and True value" assessment and levy is used, then the tax revenue is much more substantial but the tax also becomes increasingly more difficult to collect. By this I mean that there are jurisdictional or legal problems with levying the tax on boats. Since there is a jurisdictional or legal question, then litigation costs may and are anticipated to cut deeply into the possible revenue from taxing boats. In fact, there are no clear precedent court cases to cover the situation and many cases would ensue. The net result would be the assessment for unproductive item of personal property.

Sam –

HB 350

Talking to Bill Barrier, he said prior to 1972 (Municipal Code passage) personal property tax was an option only for home rule cities. The Municipal Code made it mandatory for all. ~~Bill used to be the~~ except for those already excluding it got grandfather's rights. This was done for uniformity of tax laws. Bill used to be the attorney for Juneau and he said the reason there's no car tax here is that they only ever collected 60% of the revenues.

On the sales tax, Dan Berry said they have no real position in favor of this.

HB-352

HB352

Why does the Dept H&SS approve the design?

According to AS 46.030.090 – .110 the Dept. of Environmental Conservation has responsibility for waste disposal plans and permits

call Morley

HB 352

Does munic. have to run & own the facility?
Cie Juneau does private concessions count
Why H&SS

diff. of certifying whether a munic has an adequate solid waste system

Problems –
definition
maintenance vs. Construction v. both

145 – providing allows for franchising?

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE *POUCH B - JUNEAU 998*

May 2, 1975

The Honorable Samuel R. Cotten
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

In response to your request for comment on HB 205, 352, and 445, all of which would provide revenue sharing payments to municipalities carrying out certain solid waste handling responsibilities, I should like to offer a number of suggestions.

In view of the forthcoming legislative study on the total problem of revenue sharing and the various formulas which might be used to allocate revenue sharing payments, I recommend delay in adding new elements to this system until the second session of the Ninth Legislature. If you do elect to proceed with development of legislation at this time, however, the Department suggests consideration of certain desirable features which appear in each of the three measures.

Because of the lack of attention generally accorded this universal municipal problem, the Department does favor stimulation of proper muncipal solid waste management through revenue sharing payments. Recognizing the economies of scale in handling refuse, the Department further favors the concept of a sliding scale of payments such as that set forth in HB 445. A fixed amount applicable to all municipal claimants would generally be inadequate for the purpose in smaller municipalities and could represent a substantial windfall to Alaska's larger cities and boroughs.

For consistancy with other revenue sharing entitlements, the Department suggests that payment be made for operating or having operated solid waste disposal programs such as the suggestions in HB 205 and HB 445. In contrast, HB 352 appears to grant a one-time payment for construction of a facility. In that proper solid waste disposal may take a variety of forms such as incineration, sanitary land fill, or waste reclamation, facility construction might occur only once or it might be construed to be a continuous process in the case of a land fill.

The Department recommends that the wording of the finally approved bill be such that a muncipality employing the services of a franchised private scavenger for solid waste handling as distinct from performance of the collection and disposal function by municipal forces would qualify for revenue sharing aid. Municipalities relying on private contractors would not appear to qualify under HB 352 and might not under HB 445.

The Department recommends inclusion of a firm criterion for compliance such as the wording in HB 445 that the municipal program be approved by the Department of Environmental Conservation. Presumably, the Department of Environmental Conservation would be expected to develop regulations, if it has not already done so, to reduce the amount of controversy regarding adequacy of sanitary handling of solid wastes.

The final bill should cover a situation where one municipal government operates the collection system (e.g., City of Fairbanks) and another the disposal operation(e.g., Fairbanks North Star Borough). It is suggested that the wording in such a case exclude the possibility that the same tax payer could entitle both governments to a revenue sharing payment.

If the intent of the Legislature is to provide a revenue sharing payment for construction of a "facility," presumably the 50% State ceiling of HB 352 is consistant with the idea of the 25% ceiling for hospital construction in the present law. It is not clear, however, what purpose might be served by section (7) (B) of HB 352, wherein 25% local participation is required.

The Department recommends against a percentage ceiling for revenue sharing payments in the operational phase of solid waste management. Revenue sharing payments for fire, police, or highway maintenance, may or may not adequately provide the actual costs of these services to a recipient municipality and it seems reasonable that payment for solid waste management similarly would not necessarily fully cover all costs involved.

In summary, I recommend development of a bill which will provide adequate stimulus to local governments to plan and manage this important municipal problem. Implicit in such a program will be an adequate definition of compliance, either in law or in regulations, so that the Department will not devote an undue amount of time to debate with local officials on adequacy of the local program for handling and disposal of wastes.

Sincerely,

Mick Hayes

for Lee McAnerney
Commissioner

LMcA:JAA:dt

	HB 352	NOT.	Fcst	Rec.
5/1	Rep Bradner	X		
	Chenowith	X		

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM

April 1, 1976

SUBJECT: Low Water Waste Facilities

TO: The Honorable Sam Cotten

FROM: A. R. Latham
Research Analyst

Perhaps you would like to distribute this to the members of HCRA.

ARL:jm
Attachments

H/B. 359

"An Act making a special appropriation to the Department of Community and Regional Affairs; and providing for an effective date."

COMMITTEE REPORT

3/28/75 HOUSE FINANCE

Mr. Speaker: Date _____

The Committee on C&RA has had HB 359 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ _____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #11
side 2
0-1063

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 25, 1975

Meeting was called to order at 9:00 to discuss CS for HB 88. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Hackney	Andrea Guernsey, STaff
Rep. Ostrosky	Don Berry, Municipal League
Rep. Freeman	Dennies Robertson, Public Safety (late)
Rep. DAvis	Mike Miller, Sponsor, (late)

Mr. Hackney wanted to hear from Mr. Robertson on the vehicle inspection law. Perhaps this could be worked in with that in some way.

Mr. Davis wuld like to see the people vote instead of by ordinance. Hackney thinks it might by inequitable because trucks would be paying for something they wouldn't collect on.

REPORT OUT

Hackney makes a motion to pass out with individual recommendations. So moved. (435)

PIPELINE IMPACT (510)

The Committee talked about pipeline impact funds for a minute. Hacney would like to see the funds on a loan basis. the municipality will be able to tax the pipeline property for years to come.

Freeman has objected to monels from the beginning. Thinks it's a rip off. Relates the example of Valdez.

VEHICLE INSPECTION (745)

Dennis Robertson gave a summary of the Vehicle Inspection law situation. They have developed a whole new Title 28 to be introduced at end of session.

Meeting was adjourned at 10:00.

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't want to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come. Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

TAPE # 10
side 2
685-1484

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 22, 1975

Meetng was called to order at 9:00 to discuss HB 322, HB 359. Present:

Rep. Cotten
Rep. Ostrosky
Rep. Freeman
Rep. DAvis
Rep. Ose
Andrea Guernsey, Staff
Barbara ENglert Thomas, Staff
Jack Chenoweth, Director, Local Government
Keith Specking, Sponsor
Rep. Huntington

STATEMENT BY CHENOWETH

HB 322

Mr. Chenoweth started by saying his department doesn't look kindly upon this bill, which says that a Home rule city can move to reclassify as a unified municipality. This is aimed at Valdez, which already has a substantial tax base. It's not so differnet from the procedures already in operation to warrant a different formula. There is no mechanism in the bill to form a Board to form a charter. Trying to step outside present provisions.

FREEMAN'S OPINION

Rep. Freeman asked if one could form a borough and vote on unified municipality simultaneously. No, it is a separate issue. Oral doesn't like the bill. It seems like special legislation like Eagle River and it isn't the proper way to go.

DIFFERENCE?

Cotten asked what would be different if Valdez reclassified? Jack said they could not be put in another borough. They don't really have much to gain. They already have a $700 million tax base. These communities should have a cooperate effort instead of each going own way.

SPECKING COMMENTS

Rep. Specking now came in and made a few comments. He said the request came from the City of Valdez. He then read a memo concerning this from Greg Machowatz of Legislative Council. Copies were distributed to the Committee. Valdez area is large and as far as he knows they don't plan to expand their boundaries.

Freeman thinks this is a selfish move on Valdez's part. Also it would be unreasonable not to put Valdez and Cordova in the same governmental unit.

FREEMANS OPINION — They are already doing well with impact monies and taxable property. Specking said it would be unreasonable to combine Cordova and Valdez. The idea will never fly, they don't want to be associated with each other.

Specking said the way of life in Valdez has been destroyed. Valdez needs new school and their charter precludes them from bonding. This is not special legislation like Eagle river because it applies to everywhere and not just one area.

2ND CLASS BORO? — Cotten asked why they don't apply for second class borough status. They culd use service areas and get forest receipts. they probably fear that the Boundary Commission would not look favorably upon them. Jack doesn't know what the Commision would do. Personally, Jack would turn them down. They can already do what they're doing as a city.

HB 359 — The Committee now took up HB 359 since Specking was the sponsor of this bill also. He said the subject needs to be looked at by the Legislature. the $2million was plucked out of the air and will be adjusted in Finance to what is reasonable.

SEC. 2 — Secion 2 places stringent controls. Bill is for emergency needs and not goodies bag. Opposed to the use of impact funds lowering taxes. He has no objection to putting in restrictive language in that capacity.

IMPACT FUNDS — Jack said this is the only sum that has been requested He submitted for $10 million to continue the program through next year but it was turned down. The Governor wants impact monies to go the foundation program for education. No continuation of grant programs.

Specking put the bill in so the Legislature would at least addrress the problem.

ADJOURN — Meeting was adjourned at 10:00.

HB 359		Not.	Pres.	Test
4/22	Specking	X		
	Chenoweth	X		
	M.L.	X		

HB-377

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
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HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come.Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

TAPE #9
side 2
622-1392

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 15, 1975

Meeting was called to order at 9:15 todiscuss HB 377. Present:

Reps. Ostrosky, Ose, DAvis and Freeman.

Andrea Guernsey, Staff
Barbara Englert Thomas, Staff
Rep. Guy, Sponsor
Sandy Williams, Engineer, Dept of Hiways
Ray Shumway, Designer, Dept of Hiways
Cathy Jackobson, Natural Resources

BACKGROUND

Rep. Guy started by giving the background and purpose behind this bill. He said the intent is not to delete other requirements but to supplement them. In his region during construtions some gravel was removed which had detrimental effects on the riverside and private land was disturbed without the consent of the owner. There will be increasing construction activities in this region.

PRIVATE LAND

Rep. Davis is worried about a provision covering the private land owner. Guy anf Freeman say you don't have to. Freeman wants to insert "public land" on page 1, line 13, after the word "gravel". Private land is already covered in the law. Adjacent land in line 20 covers both public and private lands. REp Ose said that you could just bring a law suit against them if they disturbed your land without your permission but Guy said that is somtimes difficult out in the bush. People are just now learing how to do these things.

POLITICAL SUB-DIVISION

REp. Ostrosky asked about the contracting political subdivision. This would be a municipality if they were requiring the removal of the gravel. It is pretty much defined on line 14.

EIS

Mr. Williams said they were not here to give testimony but to find out the backgound of the bill. Althoug Mr. Shumway did make a few comments. The dept. distributes Environmtnal Impact Statements to the area concerned and they have a chance to comment. They contact the unincorporatd areas through the regional offices. They also hold public hearings. Usually 2 hearings carried out in the area already required.

PERMITS

Shumway stated that it was already the general practice of the detp. to obtain a permit. They develop a mining plan which they submit to the appropriate agency and then receive a permit. This existing practice is in compliance with the bill. There are cases when the State does not obtain the permit but let the contractor do it. the time frame to get a permit is often 9-18 months and letting the contractor do it is often faster. Could result in a delay in projects if State always has to get permit.

Guy emphasized that periodic inspection is important. Not n ow done in the Kuskoquim area.

Meeting adjourned at 10:00.

HB 377

		Notified	Present	Testified
4/15	Alaska Municipal League	X		
	CBJ	X		
	Department of Public Works Ben Pollard 6-6411	X		
	Department of Highways Bruce Freetag 364-2121	X		
	~~Dept. Natural Resources~~ Cathy Jacobson	X	X	
	Rep. Gray	X	X	X
	Mark Jensen, Associated General Contractors (Douglas, 14)			
	~~Dept of Highways~~ Hiways - to- Ray Shumway Wallace W. Williams (Sandy)		X	/

HB-445

TAPE #12 tape #12 HB 445, 205
side 1 side 2 May 1, 1975
1545-end 0-570

SOLID WASTE BILLS ATTENDENCE

Meeting was continued with all members of the Committee still present plus: Jim Anderegg, Dept. of C&RA, Jerry Rienvon, deputy Commissioner of Environmental Conservation, Red Swanson, Sponsor of HB 205, Chet Strohmeyer, Acme Disposal.

CSSB 127

Before discussing solid waste bills, the Committee looked over the committee substitute for SB 127 which had been prepared for today and it was passed out.

HB 445

Mr. Rienvon said there were two things at issue here: revenue and intent. The Dept. supports the intent but the issue of funding transends the dept. Disposal is a real problem especially in the bush and rural areas. The sliding fee scale is a good concept. Fiscal note around $1,500,000.

FISCAL NOTE

EXAMPLE OF HYDABURG

Rep. Hackney asked what a place like Hydaburg with a population of 300-400 would be able to do with the $4,000 the bill would give them. Jerry said in this case they would probably use it for a driver for a cat to bury the land fill. A small amount will improve the situation somewhat.

REP. OSE

Rep. Ose objects to Anchorage getting the 1/2 million they would get because they are already doing a good job. Oral said the sliding fee scale favors the small communities. The facilities that Anchorage and Fairbanks have the people paid for. Oral thinks it's a good bill, but perhaps there should be a provision making it mandatory to use the money for solid waste.

FREEMAN

HB 205

Rep. Swanson stated that while in the 7th Legislature he saw that the problem existed and so decided to introduce this bill. He represents 30 small communities in interior who have a real problem. He has an idea--to get the Hiway dept. to let the small communities use their old equipment, and with the $5 from revenue sharing the communities will be able to take care of their problem.

CSSB 90 (side 2)

Cotten pointed out that CSSB90 transfers state equipment to political subdivisions. Will take up that bill tomorrow.

JIM ADEREGG C&RA POSITION

The dept. is aware of the review of revenue sharing thats supposed to take place this summer so they don't want to push anything right now, but they do favor solid waste. They like the sliding fee scale in HB 445, a fixed amount is not good. The dept. recommends wording that will allow the municipalities to use private contractors. Also set criteria for compliance, and wording to cover the situation in double governments. They recommend against state ceiling on revenue sharing.

Rep. Swanson said the issue in his district was disposal and not collection. Jerry agreed.

Chairman Coten wants to try to put some of these bills together. Freeman likes the approach in HB 445.

Meeting was adjourned at 9:40.

National Solid Wastes Management Association

1730 RHODE ISLAND AVENUE, N.W. • SUITE 800 • WASHINGTON, D.C. 20036
TELEPHONE (202) 659-4613

EUGENE J. WINGERTER
EXECUTIVE DIRECTOR

March 27, 1975

101 k ac

Dear Chairman:

The National Solid Wastes Management Association was established 12 years ago as a professional and industry organization for the solid waste management field. NSWMA's membership spans virtually all aspects of the solid waste management equipment and service field. Its membership is comprised of over 2,000 private refuse collection, processing and disposal firms, and public officials. The business activities of these firms encompass the collection and disposal of all types of wastes materials, the processing and reclamation of secondary materials, the specialized handling of commercial/industrial wastes and the manufacture of mobile collection, stationary compaction, processing and landfill equipment.

According to a survey conducted by the U.S. Environmental Protection Agency, the private sector of the waste management field handles 3/4ths of the nation's wastes--including 90% of the commercial/industrial wastes generated and 50% of the residential wastes handled. The NSWMA is vitally concerned with legislation which impacts on the solid waste management and resource recovery activities of this industry. Legislation dealing with the disposal, recovery and handling of toxic and hazardous wastes as well as vehicle weight and noise emission limitations, and safety regulations that would directly affect the operations of many solid waste management firms in your state.

NSWMA has, and is, working closely with many state legislative and regulatory officials in developing and reviewing those programs which would impact significantly on this industry. The NSWMA Institute of Waste Technology (IWT) encompasses the Sanitary Landfill Committee, the Chemical Waste Committee, as well as the Resource Recovery Committee--all consisting of members active in their respective Committee's field of interest. The expertise of the IWT--sanitary landfill planning, design and operation; toxic and hazardous waste handling and disposal; recovery and processing of wastes--has and can be extended to serve as a center of coordination for both government and industry organizations.

The NSWMA Waste Equipment Manufacturers' Institute (WEMI) covers in its program area the development of equipment safety standards, equipment rating criteria and market statistics reporting.

If your committee is developing or reviewing legislative proposals which address these areas of the waste management field, NSWMA would extend to you the expertise of its members and staff in the review of these measures.

We would appreciate receiving notification of upcoming meetings or public hearings.

Sincerely yours,

W. T. Gregory

Warren T. Gregory
Director, State Legislative Programs

WTG/js

- INSTITUTE OF WASTE TECHNOLOGY
  - CHEMICAL WASTE COMMITTEE
  - NATIONAL SANITARY LANDFILL COMMITTEE
  - RESOURCE RECOVERY COMMITTEE
- WASTE EQUIPMENT MANUFACTURERS INSTITUTE

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE *POUCH B - JUNEAU 99811*

May 2, 1975

The Honorable Samuel R. Cotten
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

In response to your request for comment on HB 205, 352, and 445, all of which would provide revenue sharing payments to municipalities carrying out certain solid waste handling responsibilities, I should like to offer a number of suggestions.

In view of the forthcoming legislative study on the total problem of revenue sharing and the various formulas which might be used to allocate revenue sharing payments, I recommend delay in adding new elements to this system until the second session of the Ninth Legislature. If you do elect to proceed with development of legislation at this time, however, the Department suggests consideration of certain desirable features which appear in each of the three measures.

Because of the lack of attention generally accorded this universal municipal probiem, the Department does favor stimulation of proper muncipal solid waste management through revenue sharing payments. Recognizing the economies of scale in handling refuse, the Department further favors the concept of a sliding scale of payments such as that set forth in HB 445. A fixed amount applicable to all municipal claimants would generally be inadequate for the purpose in smaller municipalities and could represent a substantial windfall to Alaska's larger cities and boroughs.

For consistancy with other revenue sharing entitlements, the Department suggests that payment be made for operating or having operated solid waste disposal programs such as the suggestions in HB 205 and HB 445. In contrast, HB 352 appears to grant a one-time payment for construction of a facility. In that proper solid waste disposal may take a variety of forms such as incineration, sanitary land fill, or waste reclamation, facility construction might occur only once or it might be construed to be a continuous process in the case of a land fill.

The Department recommends that the wording of the finally approved bill be such that a muncipality employing the services of a franchised private scavenger for solid waste handling as distinct from performance of the collection and disposal function by municipal forces would qualify for revenue sharing aid. Municipalities relying on private contractors would not appear to qualify under HB 352 and might not under HB 445.

The Department recommends inclusion of a firm criterion for compliance such as the wording in HB 445 that the municipal program be approved by the Department of Environmental Conservation. Presumably, the Department of Environmental Conservation would be expected to develop regulations, if it has not already done so, to reduce the amount of controversy regarding adequacy of sanitary handling of solid wastes.

The final bill should cover a situation where one municipal government operates the collection system (e.g., City of Fairbanks) and another the disposal operation (e.g., Fairbanks North Star Borough). It is suggested that the wording in such a case exclude the possibility that the same tax payer could entitle both governments to a revenue sharing payment.

If the intent of the Legislature is to provide a revenue sharing payment for construction of a "facility," presumably the 50% State ceiling of HB 352 is consistant with the idea of the 25% ceiling for hospital construction in the present law. It is not clear, however, what purpose might be served by section (7) (B) of HB 352, wherein 25% local participation is required.

The Department recommends against a percentage ceiling for revenue sharing payments in the operational phase of solid waste management. Revenue sharing payments for fire, police, or highway maintenance, may or may not adequately provide the actual costs of these services to a recipient municipality and it seems reasonable that payment for solid waste management similarly would not necessarily fully cover all costs involved.

In summary, I recommend development of a bill which will provide adequate stimulus to local governments to plan and manage this important municipal problem. Implicit in such a program will be an adequate definition of compliance, either in law or in regulations, so that the Department will not devote an undue amount of time to debate with local officials on adequacy of the local program for handling and disposal of wastes.

Sincerely,

for Lee McAnerney
Commissioner

LMcA: JAA: dt

Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

DEPARTMENT OF ADMINISTRATION

May 7, 1975

State Representative Samuel R. Cotten
Chairman
House Committee on Community and Regional Affairs
Pouch V
Juneau, Alaska 99801

Subject: HB 445

Dear Representative Cotten:

This Borough is extinguishing its non-property tax revenues in its solid waste disposal efforts. If State aid is not forthcoming a property tax will have to be levied beginning fiscal 1977.

Unfortunately, property tax incidence has very little relation to benefits received from a solid waste disposal program. Thus, a broader financial base - namely State aid - is in order.

We favor HB 445.

Sincerely,

Wesley M. Howe

Wesley M. Howe
Borough Manager

WMH/kas
cc: Don Barry, Alaska Municipal League

ALASKA STATE
MEDICAL ASSOCIATION
1135 W. Eighth Avenue • Anchorage, Alaska 99501 • (907) 277-6891

May 6, 1975

Representative Cotton
Chairman, Community & Regional
Affairs Committee
House of Representatives
State of Alaska
Juneau, AK 99801

Dear Representative Cotton:

We understand that HB 445 - legislation relating to state aide to boroughs for solid wastes management has been referred to your Committee for consideration.

As you may know, this topic is of some considerable interest to the State Medical Association. We have attached some information which we feel may be of help to you and your Committee and their deliberations about this bill.

For reasons which are fairly obvious, we certainly do support some type of assistance to boroughs who are trying to manage solid waste in an appropriate way. We will very much appreciate your Committee giving this topic serious consideration and taking some positive action to assist small communities in carrying out this work. If we can answer further questions or provide additional information, please let us know.

Sincerely,

carolyn Brown

carolyn Brown, M.D.
Chairperson, Legislative Committee

cB:ldh

Enclosures

		Mailed	Faxed	Emailed
5/1	[illegible]	X		
	[illegible] (6-6721)	X		
	[illegible]	X		
	[illegible]	X		
	[illegible]	X		
	Jerry Reinwand, Deputy Com. Lanea Elphie, Solid Waste		X	X
HESS	Lloyd Morley (3120)	X		
	Cher Stroymeyer, acme disposal (at request of NSWMA)		X	

HB-466

"An Act relating to special appropriations for financial assistance to oil-development-impacted municipalities and for extraordinary state services; and providing for an effective date."

COMMITTEE REPORT

4/30/75

HOUSE

FINANCE

Mr. Speaker: Date 5-1

The Committee on CSRA has had HB 466 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends: DO NOT NEVER DO WAY TOES THIS

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #12
1040-1504
side 1

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 1, 1975

Meeting was called to order to discuss HB 466 at 8:30. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. DAvis	Andrea Guernsey, Staff
Rep. Ose	Don Berry, Municipal League
Rep. Hackney	Commissioner McAnerney, C&RA
REp. Freeman	

HB 466 — Chairman Cotten sponsored this bill because he felt the impact monies were being handed out at an inequitable rate. THere's 2 1/2 million left.

DEPT. OF C&RA — The Commissioner said the administration sees no objection to the bill. She suggests it could be added torevenue sharing instead of going back to genreal fund. There is $2,545,000 left, but the Dept. has $3,000,000 in requests: Mat-Su $206,000; North Slope $1,221,000; Soldotna $104,000; Juneau $116,000; Whittier $84,000; plus many more requests not officeial yet.

REP. OSE — Rep. Ose favors the bill. He objected to Anchorage gettting money from it and then lowereing their taxes. The communities have had a long time to take advantage of it. Rep. DAvis also favors it. Rep. Hackney would like to see the authority of C&RA extended to dispose of funds but doens't want the program to end. The funds were voted by the Legislature for impact and that is what they should be used for. Impact money has been a real source of help in Fairbanks.

REP. DAVIS

REP. HACKNEY DOESNT LIKE

REVENUE SHARING — As far as using the money for revenue sharing, Freeman doesn't think it is within the power of the Committee to do it with this bill. It would be a more equitable distribution, so Cotten suggests putting a letter of intent with the bill.

REPORT OUT. — Ose makes a motion to report out. So moved. Four do pass.

Mrs. McAnerney

ALASKA DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OIL-DEVELOPMENT IMPACT GRANTS

Date April 29, 1975

(thousands of dollars)

CITY AND/OR BOROUGH	Direct Grants ch. 147, SLA 1974	Discretionary Grants ch. 8, SLA 1974 SSS REQUESTED	DEPARTMENT IN PROCESS	APPROVED	TOTAL DIRECT & DISCRET. GRANTS
Greater Anchorage Area Borough	$ 1,325	$ 2,045		$1,302	$2,627
City of Anchorage	1,894	(2,526	69	1,381*	3,275
		(69			
City of Barrow	189				
North Slope Borough	379	1,221	1,221		
Delta Junction	379				
City of Fairbanks	606	,398		2,070*	2,676
Fairbanks North Star Borough	3,030	3,638		1,636	4,666
City of Haines/Haines Borough		434		166*	
Juneau		116	116		
Matanuska-Susitna Borough		206	206		
North Pole	152	319		-0-	
Sitka		500		-0-	
Soldotna		104	104		
Valdez	2,046	(1,127	250	900*	2,946
		(250			
Whittier		114	84		
TOTAL	$10,000		1,946	$7,455	
BALANCE AVAILABLE	-0-			$2,545	

*Balance of request not recommended

HB-428

TAPE #13'
side 1
1100-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 7, 1975

Meeting was called to order at 9:00 to discuss HB 478. Present:

Rep. Cotten	Barbara Englert Thomas, Staff
REp. Ostrosky	Andrea Guernsey, Staff
Rep. Freeman	Mary Froney, Anchorage Borough Assembly
Rep. Hershberger	Rep. Beirne, Sponsor
Rep. Davis	Don Berry, Municipal League
Rep. Hackney	Cheryl Probst, Anchorage Times
	Bill Barrier, Legislative Affairs

MARY FRONEY — Mrs. Froney made opening comments on the energy crisis. She said the government should be more responsive to the cause of the problem and not the secondary cause. The tax should be on the root of the problem, not on ad valorem, sales tax or gross business tax which are secondary taxes. THis is permissive legislation and isnot mandatory. Land and buildings shouldn't pay for people services, these should be paid by wage or income tax. She read the underlined wording on page 5 and said this would mean fire protection or road maintenance which is not wholly people service would still be paid by ad valorem. She would like to see this bill passed this year because one can't take advantage of it until January of '76.

WAGES EARNED OUTSIDE MUNICIPALITY — Cotten asked what about the wages earned outside a municipality? Mary answered that a wage tax is collected where the person works and income is collected where he lives. Since she believes the major impact of a person is where he lives it would be covered by income tax.

INEQUITY — Rep. Beirned sees an inequity. The bill mandates the repeal of the gross business tax but doesn't mandate the wage or income tax. A amendment is needed to ty the two together.

VOTE OF PEOPLE — REp. Hackney wants to know whay it doens't go to a vote of the people. Helen said they wouldn't want to chance defeat by the people who might not understand. Instead they are bringing it from the top through the legislature.

TAPE #13
side 1
1100-end

HB 478
5/7/75

FREEMAN ON R.S. Rep. Freeman suggested knocking off the gross business tax nd increasing the revenue sharing. This would be alot simpler. Froney says this would not make local government more responsive. Community would continue to ask for more services than they can afford. This way the people would see that they are actually paying for services and not ask for more than they can afford.

MUNICIPAL LEAGUE Rep. Beirne asked mr. Berry if the Municipal League would be willing to look over bill during the summer. Berry said they would but he felt there were several problems with this particular bill. Helen introduced Mr. Barrier who helped draft the bill.

Meeting was adjourned at 10:00

Alaska State Legislature

REPRESENTATIVE
HELEN D. BEIRNE
POUCH V
JUNEAU, ALASKA 99801

P. O. BOX 4-88
ANCHORAGE, ALASKA 99509

House of Representatives

COMMITTEES

CHAIRMAN: HEALTH, WELFARE, AND EDUCATION

MEMBER: JUDICIARY

March 6, 1976

POSITION PAPER
HB 478

The proposed piece of legislation, HB 478, addresses some of the inequities in our statewide taxing structure. Basically, it would give the municipalities the option to tax income and wages in reference to the provisions of the State income tax which is in effect at that time. This would allow for the levying of taxes on the wages of transient workers and the income of seasonal self-owned businesses, such as fishing boats, etc., as well as taxing the wages of the more permanent wage earner and the net income of businesses.

At the same time as the municipality exercised its option to tax wages and income, it would phase out, over a three-year p riod, the use of the general property tax for such broad based public needs as education, transportation systems, health services, libraries, hospital facilities, and recreational facilities. By the beginning of the third fiscal year of enactment, the general property tax would be used for only those purposes directly related to protection and regulation of property or property values.

This bill would also repeal the gross business license tax as the net income of the businesses was tax.

On the first hearing of this bill before the Community and Regional Affairs Committee, it was very apparent that the fear of the revenue loss by the immediate repeal of the business license tax was very real. Therefore, a proposed committee substitute was drawn up to be considered during this Legislative session. This committee substitute addresses itself to the major components of the original bill, but also addresses itself to a gradual phasing out of the gross business tax.

The substitute bill would decrease the sum which is paid in a $25 license fee for each business to a sum equal to one-fourth, rather than one-half of one percent of the gross receipts in excess of $20,000 from the business during the year for which the license is issued until January 1, 1977 and, therefore, at a rate of 1/8 of one percent until January 1979. The gross business tax would be repealed in total by January 1, 1979.

It appears to me that a municipal tax structure of this sort would decrease the inequitable property tax which now exists, eliminate the regressive business license tax and place the responsibility of broad public activities on the wage earner and net income. It also appears to me that if it is tied to the State income tax, it would not be that difficult or expensive to administer whether it was collected on the state level and returned to the municipality, or whether it was collected by the municipality, itself.

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
FOUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

May 20, 1975

Mary Frohne
GAAB
3500 Tudor Road
Anchorage, Alaska 99502

Dear Mary:

HB 478, along with the various other tax related bills, and revenue sharing will be studied in depth by one of the legislative interim committees. Both Senator Rodey and myself will participate on this Committee. Hopefully we will be able to gain a better understanding of the entire tax picture. Therefore, these bills will not be taken up again by this Committee before the end of the session.

I want to thank you for all the help and enthusiasm you lent us. I hope by next year that we've come up with a feasible solution to the whole mess. HOPE TO SEE YOU + WORK WITH YOU over the Interim period.

Sincerely,

Sam

Sam R. Cotten

SRC/ASG

	HB 4178	Not	Yes	
5/7	W. Beirne (2350)	X	X	X
	Larry Eppinbach, Revenue	X		
	M.2.	X	X	X
	Mary Fraley		X	X

9/ [illegible]

HB-533

SECOND SESSION / NINTH STATE LEGISLATURE
1976

BILL NO. (HB) SB 533
(circle one)

SUBSTANCE OF BILL: Requires municipality having a property tax on motor vehicles to issue a certificate of payment therefor when taxes are paid, and requires presentation of the certificate as a condition to registering a motor vehicle (including annual renewal of registration).

BACKGROUND OF BILL: Sponsored by Rep. Helen Beirne to assist municipalities (now principally Anchorage) to collect significant, but presently 'lost' revenues due to lack of enforcement which the license plate tie-in would here provide.

RECOMMENDATION: Do pass if following considerations are adequately addressed:

1. Can a person be taxed for a vehicle he doesn't own (see other provisions in AS 28.10 relating to Title and Registration, and to Transfer of ownership, Liens, etc.)?
2. Are there constitutional problems in the potential for disallowing use of an automobile and therefore potential loss of livelihood?
3. Presently the public very often misunderstands the registrations requirements (e.g., sending of cash, other problems); will this only add to the confusion?
4. If Alyeska registers 500 vehicles at an Anchorage office but does not use them in Anchorage, are they to be taxed on basis of Anch.? Juneau? Fbks? if at all?
5. Mobile homes not subject to the tax since not operated on highways? (thousands of such
6. Effective date? DMV estimates a year is needed to gear-up and that $50,000 to $100,000 is needed for programming. Must DMV be aware of all municipalities tax laws?
7. What is affect of such a program going to have on the public/the municipality taxation procedures/DMV in light of the anticipated Staggered registration program?
8. Would program proposed in bill wipe-out convenience of mail-in registrations or unduly inconvenience it with multiple and cross-mailings and potential loss of documents?

Alternative (?): let DMV provide municipalities with areal-registration lists and let them enforce tax collection on own. They can impose liens against nonpaying 'vehicles' in same manner as IRS.

ASSIGNED TO: Dennis Robertson n.a. Date: 5 Feb 76

PLEASE NOTE, EVEN IF YOU DO NOT HAVE COMMENTS, PLEASE RETURN THIS FORM TO US SO WE CAN KEEP OUR RECORDS STRAIGHT.

Distribution: 1 copy for writer's files
1 copy for commissioner's office, Juneau

must you buy in your town?

prep. for forms - only cars? → —

Notified	Attended	HB533
X		Don Berry, Ak Municipal League
X		Dept. C & RA
X		Rep. Helen Bienne 4947
~~X~~		~~Dept of Revenue (Alcohol)~~
X		Dept Public Safety
		Dept of Natural Resources

Dan is handling this.

HB-539

"An Act relating to municipal revenue sharing; and providing for an effective date."

COMMITTEE REPORT

1/13/76 HOUSE FINANCE

Mr. Speaker: Date 3-4-76

The Committee on CEBA has had HB 539 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

[illegible]	Do Pass	Rudd

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

House Committee On

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 13, 1976
9:00 am

Meeting was called to order by Chairman Cotten to discuss the introduction of HB 539 and 540. Present were:

Rep. Sam Cotten
Rep. Lisa Rudd
Rep. Kathryn Ostrowsky
Rep. Oral Freeman
Rep. Larry Davis
Rep. M.M. Hershberger
Rep. Glenn Hackney
Rep. Alfred Ose
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

The purpose of this meeting was to introduce to the committee HB 539 and 540.

There was a short discussion due to the fact that the committee would get into detail at tomorrows meeting.

Rep. Ostrowsky said that she was planning to bring Brian Saylors from H&SS in to discuss the health facility.

Meeting was adjourned at 9:20 am.

House Committee on

COMMUNITY AND REGIONAL AFFAIRS

Meeting Minutes
January 14, 1976
9:00 am

Meeting was called to order by Chairman Cotten to discuss Revenue Sharing and HB 539, 540. Present were:

Rep. Sam Cotten
Rep. Lisa Rudd
Rep. Kathryn Ostrowsky
Rep. Mike Miller
Rep. Oral Freeman
Rep. Larry Davis
Rep. Glenn Hackney
Rep. Alfred Ose
Bill Berrier, Attorney
Brian Saylors, H&SS
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

The purpose of this meeting was for the Committee to discuss Revenue Sharing. Chairman Cotten asked Rep. Miller if he would speak on the subject. The question was, "Is Revenue Sharing worthwhile" Rep. Miller explained the aim - to help local communities. At present, revenue sharing doesn't work in the bush. One of the goals was the foundation type approach; the other the catagorical approach. Rep. Miller said that it was determined that that amount should be a fairly generous amount. They settled on a figure of $25,000.00. In the whole process there was no question or objection to the $25,000.00 figure, except one time someone mentioned that they thought that was a large amount for a small village.

Miller also explained that they also had to decide whether or not to have categories or not. He summarized the different approaches. Last year's computor read-outs showed some startling differences such as the bill last year, the "so-called" Tax Effort Bill showed that the boroughs would come out very well on that and the cities would not have improved that much at all. What they ended up with was the catagorical approach, tied to a foundation that they have had in the past.

Chairman Cotten asked Rep. Miller why there was two (2) bills made up. Rep. Miller explained that the little one was only going to used in case the big one ran into trouble towards the end of the session. The language of the little bill is the same as the big one. Rep. Miller then summarized what was contained in the bill.

Rep. Ostrowsky said that she was going to get Brian Saylors from H&SS to speak tomorrow because there wasn't enough time today. Rep. Freeman mentioned that the language on line 20 was strange to him. It was decided that the wording was incorrect. It appeared to exclude cities within a borough.

First and second class cities were discussed and distinguished. Almost all villages are second class cities and are, therefore, entitled to $25,000.00.

Mike Miller said that the military was not included in the language. An error was noted on page 6 - 55 should be changed to 65.

There was discussion at length about eligibility of first and second class cities regarding revenue.

Miller stated that the start up fees for a little city costs almost as much for a little community as it does for a large one.

Chairman Cotten stated that they were running out of time and that they would meet tomorrow morning to discuss further the health aspects and distribution.

Meeting was adjourned at 10:00 am.

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 15, 1976

Meeting was called to order at 9:00 am by Chairman Cotten for discussion of HB 539. Present were:

Rep. Sam Cotten	Rep. Mike Hershberger
Rep. Larry Davis	Rep. Glenn Hackney
Rep. Kathryn Ostrosky	Rep. Al Ose
Rep. Lisa Rudd	Barbara Englert Thomas, Staff
Rep. Oral Freeman	Vicci Hansen, Staff
Rep. Mike Miller	Brian Saylors, H&SS
David Freer	Bill Berrier
Palmer McCarter, C&RA	Rep. Ramona Kelley

Discussion was continued on from Friday on HB 539.

Brian Saylors discussed any questions on division of monies for the health portion of the Revenue Sharing.

Chairman Cotten pointed out that the interim committee felt that it would be better to transfer the function from the Department of Community and Regional Affairs to Health and Social Services for the distribution of the hospital funds.

Saylors explained his analysis which was passed out before the meeting. People with a lot of hospital beds get more money than those with fewer hospital beds.

Chairman Cotten asked Saylors to explain about HSA's. (Health Service Areas). Saylors said that there are 3 health service areas in the state of Alaska. They have been carved up along regional corporation boundaries. The northern HSA is the three northern most regions; the North Slope Borough, the Arctic NanaEndoya. The southeast is just Sealaska and the southcentral is everything else (8 regions). This is by far the most populated and largest region.

Saylors brought up his idea of preventive care . If people are prevented from being ill, a certain number of people would be prevented from getting into a hospital which would cost a considerable amount more.

Rep. Freeman asked Saylors if this was carried to extreme, if it wouldn't be cheaper to close all of the hospitals. He said that we have hospitals and are going to continue to need them. System that has been used in the past is clean and dependable. He felt that the suggestion of Saylors would be perverting the whole idea of the thing as it was set up in the beginning.

Chairman Cotten reiterated that before the idea could ever

take effect, it would hinge on the passage of the inter-committee work and legislation on the HSA's being established.

Rep. Rudd suggested that possibly the basic problem was using the hospital bed as a basis for awarding of the funds. She asked if it would be possible to develope another basis for awarding funds to the regional associations and award those funds for activities not including hospitals and then have a separate program for hospitals.

Saylors answered that they haven't been able to come up with any reasonable capitation rate. (Capitation rate is a certain unit used to measure the calculation of the grant awards)

Mike Miller offered an observation that it is very difficult to analyze this without an actual bill in front of us. He wondered if maybe the wisest thing to do was to take it a step forward and incorporate current law into the shared revenue bill and move on that, and possibly even pass the bill with full knowledge that if the Health Interim Committee comes in then this bill will fail or stand on its own merits.

Meeting was adjourned at 10:00 am.

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 20, 1976

Meeting was called to order at 9:00 am by Chairman Cotten for discussion of HB 539. Present were:

Rep. Sam Cotten
Rep. Oral Freeman
Rep. Glenn Hackney
Rep. Oral Freeman
Rep. Ramona Kelley
Rep. Al Ose
Rep. Lisa Rudd
Don Berry, Municipal League
Victor Dircksin, Administrator, Bartlett Memorial Hospital
Barbara Englert Thomas, Staff
Vicci Hansen, Staff
Palmer McCarter, Director, Community & Regional Affairs
Commissioner McAnerney
Mayor Ginny Kline
Billy Berrier, Legislative Affairs
Rep. Al Osterback

Palmer McCarter, Director, Community & Regional Affairs was asked to testify and answer questions about HB 539 and also to answer questions about the technical changes in the bill.

McCarter went point by point starting with page 2 of the current bill, solid waste disposal.

Under hospital section, Mr. Freeman had suggested that rather than keep referring to organized boroughs and cities, just to use the word "municipalities" since these do cover both types of governmental jurisdictions.

There was a lot of discussion on the language used in the bill i.e. "organized borough", "health power", "municipality", and "city outside an organized borough". Bill Berrier suggested that the committee may have to look at the language a little more sophisticatedly from a drafting standpoint. Rep. Cotten said that he didn't think that there was much disagreement on what the concept is, it's just that it seems to be some problem with the committee putting the language together.

Rep. Freeman said that his feelings were that if the city has the hospital that they should get the money and if the borough is operating the hospital outside the city, that they should get the money. He asked if there was a technical problem with coming up with the language that would do that.

Rep. Rudd suggested that they were possibly approaching this from the wrong direction. She said that what they were really doing was giving money to hospitals, or at least that seemed to be the intent. Whether they are inside a city or outside a city or municipality and whether they are operated by a municipality seemed to her the basic intent of the section discussed was to give money to hospitals, not to municipalities at all and not to municipally operated hospitals, but to just hospitals in general. McCarter said that that was the net effect of the legislation as it has changed over the years.

McCarter said that the money now goes to the hospital director through a pass-through situation.

There was further general discussion on changes in the bill and the meeting was adjourned at 10:00 am.

PUBLIC HEARING

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
January 22, 1976

The meeting was called to order at 9:00 am by Chairman Cotten for discussion of HB 539. This was a Public Hearing and present were:

Rep. Cotten	Senator Rodey
Rep. Ostrosky	Commissioner McAnerney
Rep. Rudd	Don Berry, Municipal League
Rep. Freeman	Palmer McCarter, Dept CRA
Rep. Ose	Sharon Mitchell, Speckings AA
Rep. Herschberger	Ann Moore, Seacap
Rep. Kelley	Paul Lyons, EEO
Rep. Miller	Bill Wolfe, KINY
Ginny Kline, Mayor	Brian Farrell, Human Rights
Billy Berrier, Leg. Affairs	Barbara Englert Thomas, Staff
Steve Uren, Atty. Human Rights	Vicci Hansen, Staff
Sharon Hiner, Secy. Davis	David Rose, Anchorage Assembly

First to testify was David Rose who is Chairman of the Anchorage Assembly and President of the Alaska Municipal League. Rose stated that the Anchorage municipality is very impressed with the bill and very supportive of it. He said that over the past few years, the committee has explored many different formulas on Revenue Sharing. He felt that the bill as set forth does the job very well. He spoke to some of the specific items in the bill. Parochially, from the Anchorage standpoint, they certainly would like to see 43.17.080 remain as it is. But, he felt that as realists, they probably were going to have to move very carefully at that and determine whether there should be reductions because of military personnel. Right now, military population is counted in 3 areas. One is transportation which is a 50% share, Police is a 50% share and Parks are a 25% share and they would expect certainly that if this section (43.17.080) was amended, that those percentages would be retained from the old bill. They would like the committee to take a look at three additional categories; air and water polution control, harbor or port and airport. Ambulance service hadn't been considered. In Anchorage, by unifying, they put themselves in the situation where they received less state shared revenues this fiscal year then they ordinarily would have received. Rose talked on other aspects of unification. If the new bill is passed as it is written, the problem would not occur in the future years. Rose recommended the bill.

Paul Lyons, President EEO services from Washington, D.C. spoke next. After looking at the Human Rights booklet and discussing it with several attorneys, it was interpreted that as the state of Alaska's laws now stand, the passage of the State Revenue Sharing Act would bring the provision spoken about in

the Human Rights booklet into effect as it stands now. EEO, Lyons, suggested that language in the state Revenue Sharing Act itself which would be very standard type of langu . This type of language is the type that is used in the Federal Revenue Sharing Act.

Chairman Cotten asked if Lyons intended to transfer this to a lower division. Lyons reiterated, in short, what he had said.

Mayor of Juneau, Ginny Kline, briefly stated that she would endorse this bill.

Chairman Cotten said that he had received a telegram from the City of Seward and that they would endorse the bill as is.

Palmer McCarter from the Department of C&RA was asked to give his opinion, however, he stated that he would rather wait and discuss his opinions with the Commissioner. He did say that he felt that the language which is presently in the bill he didn't feel that there would be any problem with the actual enforcement capability that they might have with existing language.

Rep. Rudd helped explain some of the things which were still in question.

Rep. Freeman strongly felt that this was getting out of hand in the way that Community and Regional Affairs should concern themselves with problems in Community and Regional Affairs and he felt that they didn't have enough extra time that they should be getting into the area of enforcing provisions of the Human Rights Commission. He didn't feel that the C&RA shouldn't get into the problems that should be concerned with Human Rights.

Rep. Rudd and Rep. Freeman talked about this and Rep. Rudd offered to explain at a later time the reasons for determinations, etc.

Meeting was adjourned at 10:00 am.

Committee Minutes for

HOUSE COMMUNITY & REGIONAL AFFAIRS

January 26, 1976

The meeting was called to order by Chairman Cotten at 9:00 am to discuss HB 539. Present were:

Rep. Cotten	Don Berry, Municipal League
Rep. Rudd	Palmer McCarter, C&RA
Rep. Davis	Lee McAnerney, Commissioner
Rep. Ose	Sharon Mitchell, Specking's AA
Rep. Freeman	Lisa Parker
Rep. Ostrosky	Barbara Englert Thomas, Staff
Rep. Hackney	Vicci Hansen, Staff
Rep. Leo Rhode	Ginny Kline, Mayor

Palmer McCarter brought a fiscal analysis of HB 539/473 to the committee and was asked to explain it. It was assumed that out of the total communities that now participated in Revenue Sharing, approximately 95 of those communities were of such a size that they probably would come out better to apply for the minimum grant as outlined in the bill which would provide the $25,000.00. The first line was a comparison, etc.

Mr. Freeman made it clear that his interest was the comparison of the per capita for the smaller communities as compared to the larger ones. McCarter didn't have that information and the person who prepared the analysis will be out of town all week. McCarter suggested that he could get it after the person who did the preparation came back. This comparison needs to be done to make it valid. The other problem is that they have to take in and put out military population.

Chairman Cotten discussed Sec. 43.17.020 (b). It was suggested to Cotten that they establish a separate account within the Revenue Sharing program; for instance $100,000.00 and pro-rate out to the communities that are starting their services. The big problem on that is that you are not going to be sure which communities are going to be starting new services up. No one seems to be able to come up with an estimate yet.

Chairman Cotten then discussed Sec. 43.17.020. (c) and suggested that he didn't see any reason why the actual population figures couldn't be used instead of rounding them off to the nearest hundred. This section applies to the start-up grants only.

The rationale was that it was assumed at the start that no matter whether you have 25 or 250, you would probably have to hire at least one policeman and one police car and it really isn't going to make that much difference.

Rep. Hackney asked the Dept. what figure they use for figuring. In section 43.17.080 under Population Determination, "the population shall be determined by the latest figure that the US Bureau of Census, Department of Labor estimates or other population data". Hackney wanted to know which figures the Dept. used. Palmer McCarter stated that they use all three.

According to 1976 United Home Rule Municipalities Map, there are 10 under 100 and 15 under 150.

There was much discussion on the $25,000.00 start-up funds.

Freeman pointed out that there are quite a few municipalities in this state that practically don't lift a finger to help themselves. They have no sales tax, no property tax, and everything that they do have they get from the Federal Government or the State. On the other hand there are the communities that tax themselves trying to provide. Freeman feels that Revenue Sharing should be an aid to the municipalities with fair treatment.

Rep. Ostrosky suggested that in some small communities, fire protection would be a great help and the $25,000.00 figure would barely get this type of operation off the ground.

Chairman Cotton suggested that if the session was short, that the C&RA could meet at 11:00 so that the committee would not have to meet at right.

Meeting adjourned at 10:00 am.

Committee Minutes For

HOUSE COMMUNITY & REGIONAL AFFAIRS

January 28, 1976

The meeting was called to order at 9:00 am by Chairman Cotten to discuss HB 539. Present were:

Rep. Cotten	Rep. Ostrosky
Rep. Freeman	Palmer McCarter, C&RA
Rep. Ose	Commissioner McAnerney
Rep. Hackney	Don Berry, Municipal League
Rep. Davis	Mayor of Kenai, Don Gilman
Rep. Kelley	Dave Gray, Administrative Bush
Rep. Hershberger	Caucus
Rep. Rudd	Mayor of Juneau, Jinny Kline
	Barbara Englert Thomas, Staff
	Vicci Hansen, Staff

1771 Don Gilman, Mayor of Kenai was asked to testify. Mr. Gilman represented the Kenai Borough and stated that the basic portions of the bill were totally acceptable. He was concerned about a couple of phrases in 43.17, the term "municipality"
1795 that is used for the start up costs in addition to the minimum grant, they are concerned that it be clear that that includes service areas for new services. Chairman Cotten asked for clarification from Gilman. Gilman interpretated
1873 the bill wrong and Chairman Cotten tried to reiterate the meaning of the bill for Gilman. Chairman Cotten explained that there are two options as a municipality. They take option # 1 and that is the minimum grant which makes you eligible for additional funds for start up services. Option # 2 is section 030 and that's where you can figure out how much money the municipality will receive.

There was much discussion on start up costs because Gilman didn't completely understand.

1975 Chairman Cotten interpreted 43.17.020.

The Kenai Borough would not be eligible for the $25,000.00 because last year the Borough received well over the $25,000.00, in any case. Gilman pointed out that the Kenai Borough has no powers other than schools, planning and solid waste and they have large chunks of their borough that have no way under their present system without the borough assuming area wide powers, to provide certain kinds of services, other than going to service areas. Their entire wealth lies in one area. That area has service areas that provides fire, hospitals, ambulance services and recreation services but there is approximately 20,000 miles outside of the city limits and there are relatively large populations that are seeking ways and means to try to provide themselves with some basic

fire powers without the borough taking on area wide powers.

There were more interpretations of the bill for Gilman.

2369 Commissioner McAnerney spoke briefly and stated that she didn't think that Gilman was familiar with the Municipal Bond Bank and possibly that might be one route where they could work out something. Gilman said that the Municipal Bond Banks said that they wouldn't touch anything under $100,000.00.

Gilman felt that 539 is a city bill and is directed toward a city or municipality. He also said that he was in no way trying to shoot the bill down but rather was trying to lay out some concerns that he had. He stated that they have a service area that has 600 million dollars assessed evaluation, yet these monies couldn't be used.

2447 Rep. Rudd asked if possibly the bill that Rep. Rhode introduced which was passed out on Monday might be of help to Gilman.

Gilman stated that he was familiar with the bill. The Borough didn't want to be put in a Bond Bank situation.

Meeting adjourned at 10:00 am.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

February 10, 1976

The meeting was called to order for discussion of HB 539. (CSHB 539)

815 Palmer McCarter was asked to testify. A fiscal note was supplied which came out to 7 ½ million dollars more than last years budget, as approved by the governor. There is 2 or 3 hundred dollars difference between this and last years budget.

McCarter pointed out that the principle change was in separating out as a new catagory of water polution control, there is one community, the city of Anchorage which would now qualify for both separately and that new figure is shown as an increase of $66,696.00 above what they would receive under the existing law.

Cotten asked if Anchorage was the only municipality providing both air and water polution. McCarter stated no, but as it is now they would be the only ones that get a comparison. At the present time the North Star Borough provides one service and they are presently funded for one. The city of Fairbanks provides the other service of air polution control and they presently receive money for the other. It is already split for them, so they don't get any increase by splitting it. Those are the only two areas that provide both.

McCarter explained the cost of rounding up. (Total)

1023 Chairman Cotten pointed out that on page 3, line 20 and 21 there should be changes. (Health facility and hospital)

There was discussion on different sections of the bill. McCarter answered questions.

Presently there isn't the concept of a minimum grant, you only apply for a service under existing law. In other words, existing language is what you now have under the basic grant concept. Some second class cities don't even qualify for Revenue Sharing.

1605 Freeman asked the question of "what are health powers?" What do they have to have in order to have health powers? McCarter stated that they must have an ordinance or within their charter saying that they have a health power and it's up to them to provide it. Title 29 does provide that there is such a thing as the health and hospital power in a municipality. There is not a definition to the best of McCarter's knowledge.

1859 Community & Regional Affairs accepts applications from municipal governments. They felt that this year they were forced to accept another application. There is only the exception, volunteer fire departments and from a hospital outside an organized municipality.

1942 Cotten stated that he would like to wait and see what the Health Department in Anchorage has to say before moving the bill.

2136 McCarter pointed out that on page 3, section b beginning on line 21, the Department would like to suggest at least two concepts. In line 22, we talk about state matching aid for construction approved for payment, the C&RA has interpretated that statement to be a program offered by Health, Education and Social Services. The other suggestion would be to delete the word "or other facility sponsor" or as an alternative to say "or other facility sponsor where no municipality exists". Again he believed that the original intent in putting "or other facility sponsor" was to take care of the situations like Glennallen that do have a hospital that may need to expand that hospital facility that do provide health care in the unorganized borough but obviously there is no municipality who could sponsor it. Unfortunately, there is an instance where there is a hospital in an organized borough that has not received the endorsement of the state and does not qualify for the state health construction plan.

2217 McCarter said that there is no point in pursuing the certificate of need.

Further discussion on parts of bill.

'299 Meeting adjourned

PER CAPITA FISCAL ANALYSIS OF ~~HB 539/SB 473~~ CSHB 539

Basic Grants AS43.17.030	#	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capi
Boroughs*	10	349,213	$11,533,457	$33	14,922,311 ~~$14,433,280~~	$ 43 ~~$ 41~~
Cities*	41	99,483	4,236,130	43	574,227 4,~~386,419~~	$ 46 ~~$~~
Volunteer Fire Dpts.	40	8,061	72,576	9	72,576	9
New Volunteer Fire Dpts. (estimate)	10	1,400	12,653	9	12,653	9
Military	3	36,705	358,053	10	~~911,624~~ 419,746	~~25~~ 11
Minimum Grants AS43.17.020						
Cities	95	22,916	1,122,260	49	3,017,596	132
New Cities (estimate)	11	2,200	112,668	51	331,375	151
TOTAL			$17,447,797		23,350,424 ~~$23,865,331~~	
less military			358,053		419,746 ~~911,624~~	
			$17,089,744		~~$22,753,907~~ 22,930,738	

*includes military

CSHB 539

Basic Grants AS 43.17.030 (Boroughs)	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capita
Bristol Bay	1,147	$ 31,134	$27	$ 35,603 ~~44,053~~	31 ~~$38~~
City & Borough of Juneau	19,518	682,952	35	919,915 ~~894,515~~	47 ~~46~~
City & Borough of Sitka	7,398	316,429	43	354,282 ~~358,669~~	48
Fairbanks North Star	53,781	1,838,083	34	2,085,864 ~~1,965,809~~	39 ~~37~~
military	6,892	29,721	4	~~80,500~~ 37,642	~~12~~ 5
Kenai Peninsula	16,844	328,951	20	402,245 ~~368,188~~	24 ~~22~~
Ketchikan Gateway	11,538	206,719	18	282,900 ~~273,500~~	25 ~~24~~
Kodiak Island	6,915	107,183	16	112,519 ~~107,769~~	17 ~~16~~
Matanuska-Susitna	12,682	131,997	10	185,402 ~~160,294~~	15 ~~13~~
Municipality of Anchorage	183,348	7,446,664	41	10,016,150 ~~9,290,500~~	55 ~~51~~
military	22,920	280,770	12	~~736,000~~ 320,609	14 ~~32~~
North Slope	6,230	132,854	21	150,549 ~~153,491~~	24 ~~25~~
TOTAL	349,213	$11,533,457		$~~14,433,288~~ 14,922,311	
AVERAGE			$33		43 ~~$41~~

CSHB 539

Basic Grants AS 43.17.030 (cities > 1,000 pop.)	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capi
Barrow	2,307	$ 81,768	$35	$ 91,425 ~~88,609~~	40 ~~38~~
Bethel	3,314	214,525	65	6,551 22~~1,416~~	6 ~~6~~
Cordova	3,609	214,591	59	226,608 ~~229,855~~	6 ~~6~~
Dillingham	1,025	49,411	48	52,583 ~~69,500~~	5 ~~6~~
Fairbanks	32,740	998,287	30	1,027,646 ~~1,145,745~~	3 ~~3~~
military	6,893	47,562	7	55,429 ~~96,600~~	8 ~~14~~
Haines	1,366	63,173	46	2,698 ~~67,999~~	50
Homer	1,468	62,207	42	63,291	43
Kenai	5,241	235,442	45	237,440 ~~244,213~~	45 ~~47~~
Ketchikan	7,953	259,514	33	276,900	35
Kodiak	4,221	156,450	37	205,080 ~~213,672~~	49 ~~51~~
Kotzebue	2,528	96,364	38	106,064 ~~114,356~~	42 ~~45~~
Nome	2,685	177,745	66	191,977 ~~197,847~~	71 ~~74~~
Palmer	1,651	79,840	48	85,070 ~~96,120~~	52 ~~58~~
Petersburg	2,266	139,665	62	150,321 ~~152,500~~	66 ~~67~~
Seward	2,005	87,844	44	90,256 ~~103,341~~	45 ~~52~~
Soldotna	1,821	94,998	52	97,653 ~~101,039~~	54 ~~55~~
Valdez	2,221	140,649	63	154,040 ~~155,366~~	69 ~~70~~
Wrangell	3,059	166,595	54	180,850 ~~189,270~~	59 ~~62~~
TOTAL	88,373	$3,366,630		~~$3,826,639~~ $3,368,666	$ 38 ~~$43~~
AVERAGE			$38		

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B – JUNEAU 99811

February 19, 1976

The Honorable Sam Cotten, Chairman
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

Attached are proposed amendments to the Committee substitute for HB 539, "an act relating to municipal revenue sharing" as requested by the House Community & Regional Affairs Committee. The proposals would amend AS 43.17.040, Health Facilities and Hospitals, by amending sub-section (b) to require that a health facility or hospital must first receive approval for state matching aid for construction under Title 18 of Alaska Statutes. The intent of this amendment is to require that any hospital or health facility, in order to receive municipal revenue sharing funds, must first be a part of the Comprehensive Health Plan as approved by the Comprehensive Health Advisory Council of the State of Alaska [AS 18.07.090].

Additionally, sub-section (c) is amended to provide a definition for "other facility sponsor."

The Department of Community and Regional Affairs continues to support those efforts by the Department of Health and Social Services and the Attorney General's Office to require "certificate of need" language in the proposed revenue sharing bill. However, if the Committee does not wish to insert "certificate of need" requirement into CS for House Bill 539 then the Department respectfully requests that the House Committee act favorably upon the attached recommendations.

Sincerely,

Lee McAnerney
Commissioner

By _____

Palmer McCarter
Director

LMcA:PMcC:rmc

Enclosure

February 18, 1976

CS FOR HOUSE BILL NO. 539

The Department of Community and Regional Affairs recommends the following changes in the CS for House Bill No. 539:

AS 43.17.040 (b) is amended to read:

(b) If construction of a hospital or health facility [FACILITY] began after January 1, 1968 and state matching aid for construction approved under AS 18 for payment to a municipality [THE LOCAL GOVERNMENT] or other facility sponsor constitutes less than 25 percent of the total project cost, the state shall pay to the municipality [LOCAL GOVERNMENT] or other facility sponsor each fiscal year a sum equal to $2,500 a bed for the maximum number of beds provided for in the construction design of the facility. State aid provided for in this subsection shall continue until the municipality [LOCAL GOVERNMENT] or other facility sponsor has received an amount which, combined with state matching money for construction of the facility provided under AS 18, equals 25 percent of the total project cost. No funds received for construction shall be used for any other purpose. If construction of a health facility or hospital began after January 1, 1976, a bond issued by a surety company licensed to do business in the state must be furnished the department before funds may be distributed. The bond shall be in a form and amount determined by the department to be adequate to assure completion of the project.

AS 43.17.040(c) is amended by adding a new paragraph to read:

(3) "other facility sponsor" means any public or non-profit corporation located outside a municipality which owns or operates or both a hospital or health facility.

State of Alaska department of Community & Regional Affairs

Pouch B
Juneau, Alaska 99811

ANNUAL REPORT

FISCAL YEAR 1975

STATE AID TO LOCAL GOVERNMENTS

MUNICIPAL SERVICES REVENUE SHARING PROGRAM
(AS 43.18.010 - 050)

FINAL

Expenditures for the State Aid to Local Governments Municipal Services Revenue Sharing Program during the period July 1, 1974 to June 30, 1975 are as follows:

ENTITLEMENTS BY CLASSIFICATION OF MUNICIPAL SERVICES

	APPROVED ENTITLEMENTS
Police Protection	$ 2,534,202
Fire Protection	1,371,430
Air and/or Water Pollution Control	545,098
Land Use Planning	545,288
Parks and Recreation	1,386,341
Transportation Facilities	1,477,998
Road Maintenance	1,463,970
Health Facilities	1,754,000
Hospital Construction Matching Funds	674,212
Total Entitlement	11,752,539
Cost-of-Living Differential	694,652
Prepayments to ineligible municipalities	11,435
Total Disbursed to Participants	$12,458,626

ENTITLEMENTS BY CLASSIFICATION OF RECIPIENT*

	NUMBER PARTICIPATING	APPROVED ENTITLEMENTS
Boroughs	8	$ 5,248,078
Unified Governments	2	850,870
Home Rule Cities	12	3,823,219
First Class Cities	21	694,937
Second Class Cities	36	1,093,120
Unorganized Borough Fire Protection Groups	39	42,315
Total Entitlement		11,752,539
Cost-of-Living Differential		694,652
Prepayments to ineligible municipalities		11,435
Total Disbursed to Participants		$12,458,626

*See attached schedule for detailed entitlements.

State Aid to Local Governments (AS 43.18)
FY 1975 WORKSHEET

	POLICE	FIRE	AIR/WATER POLLUTION	LAND USE PLANNING	PARKS & RECREATION	TRANS-PORTATION	ROADS	HEALTH FACILITIES	HEALTH CONSTRUCTION AID		ENTITLEMENT	C.O.S. FACTOR	TOTAL ENTITLEMENT
Total for Fire Protection Groups		42315									42315	8680	50995
Total for Cities	1978806	775430	117418	35662	623645	550635	1096680	433000		(11435)*	5522711	500263	6122974
Total for Boroughs & Unified Governments	555396	553685	427680	509626	762696	927363	367290	1321000	674212		6098948	185709	6284657
Total FY 75 Revenue Sharing Entitlements	2534202	1371430	545098	545288	1386341	1477998	1463970	1754000	674212	(11435)	11763974	694652	12458626
Total Appropriated to Revenue Sharing Account													12929300
Less Total Entitlement													12458626
Expected Balance Remaining													470674

*11435 Prepayments to ineligible municipalities -
To be deducted FY 76 Program

State Aid to Local Governments (AS 43.18)
FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE $12/cap	FIRE $5/cap	AIR/WATER POLLUTION $2/cap	LAND USE PLANNING $2/cap	PARKS & RECREATION $5/cap	TRANS-PORTATION $8/cap	ROADS $1500/mile	HEALTH FACILITIES $1000/bed * $2500/bed **	HEALTH FACILITIES $20000/hosp. $50000/hosp.	HEALTH FACILITIES $4000/fac.	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
BOROUGHS & UNIFIED GOVERNMENTS														
Juneau, City and Borough of	17356	96864	84795	31894	34712	86780	86780	69075	67000*			583445	107.7%	628370
Service Area #1	6643								545**					
Service Area #2	1429								25000*					
Service Area #3	397													
Service Area #4	1235													
Service Area #5	6640													
Service Area #6	619													
Service Area #7	393													
Sitka, City and Borough of	6700	80400	33500		13400	33500	33500	19125		50000	4000	267425	111.7%	298714
Service Area #1														
Service Area #2														
Bristol Bay Borough	1147	13764	5735									19499	132.6%	25856
Fairbanks North Star Borough	42479			84958	84958	212395		29025	116000*		36000	569455	107.4%	633075
Military Annex	7833					9791			12328**		CITY 4000			
Greater Anchorage Area Borough	162499			278320	278320	372230	695800	250065	235000*		28000	3860887	100.0%	3860887
Chugiak	3731		18655						286000*					
Eagle River	4334		21670											
Muldoon	20507		102535											
Rabbit Creek	5890		29450											
Sand Lake	11642		58210											
Spenard	30364	364368	151820											
Service Area #30	74446								317500**					
Military	23339						58348		2096**					
Lake Otis Clinic									312500**					
Kenai Peninsula Borough	16254			32508	32508				64000*	150000		325759	110.5%	359964
N. Kenai Service Area	2700		13500						2907**		CITY 4000			
									173**					
Ketchikan Gateway Borough	10587				21174		52935		95000*		8000	177109	100.0%	177109
Kodiak Island Borough	6627				13254					50000	21000	103209	115.7%	119413
Fire Service Area	1391		6955								4000			
											CITY 8000			
Matanuska-Susitna Borough	9600				19200	48000				50000		144060	100.9%	145357
Butte	1505		7525											
Palmer	1457		7285											
Sutton	463		2315											
Wasilla	1947		9735											
North Slope Borough	6050				12100						16000	28100	127.8%	35912
Totals		555396	553685	427680	509626	772630	927163	367290	1562212	300000	133000	6098948	185709	6284657

State Aid to Local Governments (AS 43.18)
FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE $12/cap	FIRE $5/cap	AIR/WATER POLLUTION $2/cap	LAND USE PLANNING $2/cap	PARKS & RECREATION $5/cap	TRANS-PORTATION $5/cap	ROADS $1500/mile	HEALTH FACILITIES $1000/bed $2500/bed	$20000/hosp $50000/hosp	$4000/fac	ENTITLEMENT	C. O. $. FACTOR	TOTAL ENTITLEMENT
CITIES														
Akhiok	102		510									510	115.7%	590
Akiachak	330	3960	1650								4000	9610	139.2%	13377
Akiak	186	2232									4000	6232	139.2%	8675
Akolmiut	608	7296	3040				3040				8000	21376	139.2%	29755
Alakanuk	495	5940	2475	990		2475		4500			4000	20380	125.3%	25536
Aleknagik	208	2496										2496	132.6%	3310
Aleut Community of St. Paul Is.	456	5472				2280		16650				26842	112.4%	30170
Fire Area	488		2440											
Ambler	217	2604	1085	434				7095			4000	15218	127.8%	19448
Anaktuvuk Pass	135					675						675	127.8%	863
Anchorage	61037	732444	305185			305185	305185	247605				2070051	100.0%	2070051
Military Annex	17892	107352				22365	44730							
Anderson	463	5556	2315			2315		7500			4000	21686	129.5%	28083
Angoon	400	4800	2000			2000	2000	6795				17595	111.7%	19654
Aniak	273	3276	1365			1365		3750				9756	129.5%	12634
Anvik	83					415		3000				3415	129.5%	4422
Barrow	2307	27684	11535			11535						50754	127.8%	64864
Bethel	2921	35052	14605	5842	5842	14605	14605	8205			45000	143756	139.2%	200108
Brevig Mission	NO FINANCIAL STATEMENT SUBMITTED													
Buckland	125	1500	625			625					4000	6750	127.8%	8626
Chefornak	182	2184	910									3094	139.2%	4307
Chevak	447	5364	2235			2235						9834	125.3%	12322
Clark's Point	62		310			310		2250			4000	6870	132.6%	9110
Cordova	2114	25368		4228	4228	10570	10570	11700		50000	4000	132234	113.9%	150615
Fire Area	2314		11570											
Totals		980580	363855	11494	10070	378955	380130	319050		50000	85000	2579134	137386	2716520

State Aid to Local Governments (AS 43.18)
FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE $12/cap	FIRE $5/cap	AIR/WATER POLLUTION $2/cap	LAND USE PLANNING $2/cap	PARKS & RECREATION $5/cap	TRANS-PORTATION $5/cap	ROADS $1500/cap	HEALTH FACILITIES $1000/bed >2500/bed	HEALTH FACILITIES $20000/hosp. $50000/hosp.	HEALTH FACILITIES $4000/fac.	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
CITIES														
Craig	467	5604	2335	934		2335	2335	5700				19243	100.0%	19243
Deering	78	936	390									1326	127.8%	1695
Delta Junction	703				1406	3515		7500			4000	23561	107.4%	25305
Fire Area	1428		7140											
Dillingham	1025	12300	5125		2050	5125	5125	4485				34210	132.6%	45362
Diomede	90	1488	620									2108	117.2%	2471
Eagle	105					525		3405				3930	107.4%	4221
Eek	195	2340	975			975					4000	8290	139.2%	11540
Ekwok	NO APPLICATION SUBMITTED													
Elim	174	2088	870								4000	6958	117.2%	8155
Emmonak	502	6024	2510	1004		2510		3615				15663	125.3%	19626
Fairbanks	25142	301704	125710	50284				118200				642896	107.4%	690470
Military Annex	7833	46998												
Fort Yukon	637	7644	3185			3185		18630				32644	134.1%	43776
Fortuna Ledge	APPLICATION SUBMITTED AFTER DEADLINE													
Galena	442	5304	2210					4305			4000	15819	129.5%	20486
Gambell	412	4944	2060			2060		10500				19564	117.2%	22929
Girdwood	210		1050			1050		6450				8550	100.0%	8550
Glen Alps	45							11475				11475	100.0%	11475
Golovin	118	1416	590			590		2670			4000	9266	117.2%	10860
Goodnews Bay	248	2976	1240	496		1240						5952	139.2%	8285
Grayling	167	2004	835			835		3000				6674	129.5%	8643
Haines	1366	16392		2732	2732	6830	6830	10245				55066	104.1%	57324
Fire Area	1861		9305											
Totals		420162	166150	55450	6188	30775	14290	210180			20000	923195	97221	1029416

State Aid to Local Governments (AS 43.18)
FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE $12/cap	FIRE $5/cap	AIR/WATER POLLUTION $2/cap	LAND USE PLANNING $2/cap	PARKS & RECREATION $5/cap	TRANS-PORTATION $5/cap	ROADS $1500/mi.	HEALTH FACILITIES $1000/bed $2500/bed	HEALTH FACILITIES $20000/hosp $50000/hosp	HEALTH FACILITIES $4000/fac.	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
CITIES														
Holy Cross	212	2544	1060	424		1060		6000			4000	15086	129.5%	19539
Homer	1243	14915	6215	2486		6215	6215	11625				47672	110.5%	52678
Hoonah	770	9240	3850	1540		3850	3850					22330	104.1%	23246
Hooper Bay	556	6672	2780			2780						12232	125.3%	15327
Houston	170		850					28500				29350	100.9%	29614
Hughes	98		490			490						980	129.5%	1269
Huslia	207		1035	414		1035		23355			4000	29839	129.5%	38642
Hydaburg	NO FINANCIAL STATEMENT SUBMITTED					(DEDUCT FY 76)					prepayment	6795*		
Kachemak	151											-0-	110.5%	
Kake	551	6612	2755	1102				1530				11999	100.6%	12071
Kaktovik	141	1692	705			705						3102	134.1%	4160
Kaltag	NO APPLICATION SUBMITTED													
Kenai	4028	48336	20140	8056		20140	20140	49965				166777	110.5%	184289
Ketchikan	7468	89616	37340			37340	37340	22650				224286	100.0%	224286
Kiana	300	3600	1500	600				3780			4000	13480	127.8%	17227
King Cove	338	4056	1690	676				7050			4000	17472	112.4%	19639
Kivalina	200	2400	1000			1000					4000	8400	127.8%	10735
Klawock	290	3480	1450	580				2535				8045	100.0%	8045
Kobuk	61		305								4000	4305	127.8%	5502
Kodiak	3923	47076	19615	7846		19615	19615	20355				134122	115.7%	155179
Kotlik	284	3408				1420					4000	8828	125.3%	11061
Kotzebue	2125	25500	10625	4250	4250	10625		14325			4000	73575	127.8%	94029
Koyuk	122	1464	610					885			4000	6959	117.2%	8156
Totals	6795*	270612	114015	27974	4250	106275	87160	192555			36000	845636	95853	941489

State Aid to Local Governments (AS 43.18)
FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE $12/cap	FIRE $5/cap	AIR/WATER POLLUTION $2/cap	LAND USE PLANNING $2/cap	PARKS & RECREATION $5/cap	TRANS-PORTATION $5/cap	ROADS $1,500/mi.	HEALTH FACILITIES $1,000/bed $2,500/bed	HEALTH FACILITIES $20,000/hos. $50,000/hos.	HEALTH FACILITIES $4,000/[illegible]c.	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
CITIES														
Koyukuk	124											-0-	129.5%	-0-
Larsen Bay	NO FINANCIAL STATEMENT SUBMITTED													
Long Island	68											-0-	100.9%	-0-
Lower Kalskag	195	2340	975	390								3705	129.5%	4798
Manokotak	230	2760	1150	460							4000	8370	132.6%	11099
Mekoryuk	254	3048	1270	508		1270		1500			4000	11596	139.2%	16142
Mountain Village	491	5892	2455	982				5250			4000	18579	125.3%	23279
Napakiak	279	3348	1395		558	1395		3720			4000	14416	139.2%	20067
Napaskiak	200	2400	1000									3400	139.2%	4733
Nenana	469	5628	2345			2345	2345	11775				24438	129.5%	31647
Newhalen	NO APPLICATION SUBMITTED													
New Stuyahok	230	2760		460							4000	7220	132.6%	9574
Nightmute	123	1476	615			615						2706	139.2%	3767
Nikolai	82					410	410	2250				3070	129.5%	3976
Nome	2488	29856	12440	4976	4976	12440		13350		50000		128038	117.2%	150061
Nondalton	216	2592				1080		1500				5172	132.6%	6858
Noorvik	527	6324	2635	1054		2635		2550				15198	127.8%	19423
North Pole	265	3180	1325					6630				11135	107.4%	11959
Nulato	311	3732	1555	622		1555						7464	129.5%	9666
Old Harbor	327	3924	1635	654				5775				11988	115.7%	13870
Ouzinkie	173		865	346		865		1050				3126	115.7%	3617
Palmer	1409	16908	7045	2818			7045	18525				52341	100.9%	52812
Pelican	169					845	845	1650				4340	104.1%	4518
Fire Area	200		1000											
Total		76160	36	12220										

State Aid to Local Governments (AS 43.13)
FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE $12/cap	FIRE $5/cap	AIR/WATER POLLUTION $2/cap	LAND USE PLANNING $2/cap	PARKS & RECREATION $5/cap	TRANS-PORTATION $5/cap	ROADS $1500/cap	HEALTH FACILITIES $1000/bed $2500/bed	HEALTH FACILITIES $20000/hos. $50000/hos.	HEALTH FACILITIES $4000/fac.	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
CITIES														
Petersburg	2126	25512				10630	10630	8160		50000		116862	100.6%	117563
Fire Area	2386		11930											
Pilot Station	301	3612	1505			1505		1500				8122	125.3%	10177
Point Hope	404	4848	2020			2020						8888	127.8%	11359
Port Heiden	66							31500				31500	132.6%	41769
Port Lions	227	2724	1135			1135		1635				6629	115.7%	7670
Ruby	148		740			740						1480	129.5%	1917
Russian Mission	132	1584	660	264				1320			4000	7828	125.3%	9808
Saint Mary's	384	4608	1920	768	768	1920	1920	8145			4000	24049	125.3%	30133
Saint Michael	222	2664	1110			1110					4000	8884	117.2%	10412
Sand Point	474		2370			2370		9000			4000	17740	112.4%	19940
Savoonga	380	4560	1900			1900						8360	117.2%	9798
Saxman	272		1360	544		1360		1500				4764	100.0%	4764
Scammon Bay	221	2652	1105								4000	7757	125.3%	9720
Selawik	458	5496	2290			2290						10076	127.8%	12877
Seldovia	612	7344	3060				3060	9150				22614	110.5%	24988
Seward	1823	21876	9115			9115	9115	22575				71796	100.0%	71796
Shageluk	172	2064	860			860		5355				9139	129.5%	11835
Shaktoolik	160	1920	800			800		5250			4000	12770	117.2%	14966
Sheldon Point	NO APPLICATION SUBMITTED													
Shishmaref	309	3708	1545		618	1545		2760			4000	14176	117.2%	16614
Shungnak	165	1980	825			825					4000	7630	127.8%	9751
Skagway	695	8340			1390	3475	3475	14250			4000	38480	104.1%	40058
Fire Area	710		3550											
Totals		105492	49800	1576	2776	43600	28200	122100		50000	36000	419544	48371	487915

State Aid to Local Governments (AS 43.18)

FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	POLICE $12/cap	FIRE $5/cap	AIR/WATER POLLUTION $2/cap	LAND USE PLANNING $2/cap	PARKS & RECREATION $5/cap	TRANS-PORTATION $5/cap	ROADS $1500/mile	HEALTH FACILITIES $1000/bed $2500/bed	$20000/hos. $50000/hos.	$4000/fac.	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
CITIES														
Soldotna	1202	14424	6010	2404		6010	6010	26565				61423	110.5%	67872
Stebbins	272	3624	1360			1360		1500			4000	11844	117.2%	13881
Tanana	406	4872				2030		16575				23477	129.5%	30403
Teller	213	2556						4035			4000	10591	117.2%	12413
Tenakee Springs	101	1212	505		202	505		1500				3924	111.7%	4383
Togiak	383	4596				1915						6511	132.6%	8633
Toksook Bay	304	3648	1520								4000	9168	139.2%	12762
Tuluksak	NO FINANCIAL STATEMENT SUBMITTED									(DEDUCT FY 76)	4640 PREPAYMENT			4640
Unalaska	510	6120	2550		1020	2550		57630			4000	73870	112.4%	83030
Valdez	2271	27252	11355	4542	4542	11355	11355	8280				78681	113.9%	89618
Wainwright	357	4284				1785						6069	127.8%	7756
Wales	111	1332	555					705			4000	6592	117.2%	7726
Wasilla	563							30000				30000	100.9%	30270
White Mountain	87	1044	435					3000			4000	8479	117.2%	9937
Whittier	186	2232	930		372	930	930	15750			4000	25144	113.9%	28639
Wrangell	2029	24348				10145	10145	9465		50000	4000	122038	100.6%	122770
Fire Area	2787		13935											
Yakutat	354	4248		708	708		1770	2265			4000	16449	121.8%	20035
Fire Area	550		2750											
Totals	4640*	105792	41905	7654	6844	38585	30210	177270		50000	36000	493900	53868	554768
All Cities totaled	11435*	1978806	775430	117418	35662	623645	550635	1096600		200000	233000	5622711	500263	6122974

State Aid to Local Governments (AS 43.18)
FY 1975 WORKSHEET

MUNICIPALITIES	POPULATION	FIRE $5/cap	EXTINGUISHERS CONTRACT NO.	EXTINGUISHERS VALUE	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
FIRE PROTECTION GROUPS							
Akutan	67	335			335	112.4%	377
Allakaket	175	875			875	129.5%	1133
Arctic Village	138	690			690	134.1%	925
Atka	88	440			440	112.4%	495
Atmautluak	121	605			605	139.2%	842
Beaver	NO APPLICATION SUBMITTED						
Belkofski	53	265			265	112.4%	298
Birch Creek	40	200			200	107.4%	215
Chalkyitsik	110	550			550	107.4%	591
Ch'ignik	NO APPLICATION SUBMITTED						
Chauthbaluk	NO APPLICATION SUBMITTED						
Circle	54	270			270	107.4%	290
Cold Bay	280	1400			1400	112.4%	1574
Copper Center	433	2165			2165	113.9%	2466
Crooked Creek	109	540			540	129.5%	699
Glennallen	873	4365			4365	113.9%	4972
Gulkana	53	265			265	113.9%	302
Healy (Tri-Valley)	454	2270			2270	129.5%	2940
Kipnuk	330	1650			1650	139.2%	2297
Klukwan	119	595			595	104.1%	619
Kongiganak	200	1000			1000	139.2%	1392
Levelock	95	475			475	132.6%	630
Totals		18955			18955	4102	23057

State Aid to Local Governments (AS 43.18)

MUNICIPALITY FIRE PROTECTION GROUPS	POPULATION	FIRE $5/cap	AFN EXTINGUISHERS CONTRACT NO.	 VALUE	ENTITLEMENT	C. O. S. FACTOR	TOTAL ENTITLEMENT
McGrath	279	1395			1395	129.5%	1805
Mentasta Lake	68	340			340	113.9%	387
Metlakatla	1051	5255			5255	100.0%	5255
Minto	185	925			925	129.5%	1198
Nelson Lagoon	NO APPLICATION SUBMITTED						
Newtok	124	620			620	139.2%	863
Noatak	250	1250			1250	127.8%	1597
Perryville	101	505			505	112.4%	568
Pitka's Point	84	420			420	125.3%	526
Platinum	56	280			280	139.2%	390
Quinhagak	340	1700			1700	139.2%	2366
Rampart	53	265			265	129.5%	343
Red Devil	81	405			405	129.5%	524
St. George Island	144	720			720	112.4%	809
Sleetmute	109	545			545	129.5%	706
Stevens Village	72	360			360	107.4%	387
Tok	550	2750			2750	107.4%	2953
Tununak	278	1390			1390	139.2%	1935
Tuntutuliak	223	1115			1115	139.2%	1552
Unalakleet	434	2170			2170	117.2%	2543
Upper Kalskag	190	950			950	129.5%	1230
Totals		23360			23360	4570	27930
Totals for Fire Protection Groups		42315			42315	8680	50995

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / *POUCH B - JUNEAU 99811*

January 20, 1976

The Honorable Pat Rodey, Chairman
Senate Community and Regional Affairs Committe

and

RE: SB 473/ HB 539
Municipal Revenue Sharing

The Honorable Sam Cotten, Chairman
House Community and Regional Affairs

Dear Senator Rodey and Representative Cotten:

Attached for consideration by your respective committees is a brief analysis of the fiscal changes anticipated to occur if Senate Bill 473 and House Bill 539 relating to the Municipal Revenue Sharing program are approved in their present form by the Alaska Legislature. Specifically, the analysis indicates the additional amounts required during FY 1977 to fund the proposed minimum $25,000 grant category, the proposed new transportation and solid waste categories, the adjustment for military population eligibility, and the proposed rounding up to the nearest 500 population feature under the basic grant program.

There is no way by which to determine the amount required to fund the "start-up" services as provided for in Sec. 43.17.020 (b) that might occur during any given fiscal year. Therefore, it is suggested that the committees might wish to consider establishing another account to fund these "start-up" services on the same basis as the "special municipal services account" provided for in Sec. 43.17.010 of the proposed bills.

Work sheets used in the preparation of the attached analysis are available for review by any member of your committees.

Sincerely,

Palmer McCarter
Director

PMcC:jg

Attachment

cc: Commissioner McAnerney, Department of Community and Regional Affairs
Billy Berrier, Legislative Affairs Agency
Representative Mike Miller, Chairman, Interim Legislative Committee on Revenue Sharing
Don Berry, Alaska Municipal League

Notes Relating to the Fiscal Analysis of HB 539 / SB 473

The fiscal analysis of HB 539 / SB 473 as shown on the summary sheet, portray the fiscal year 1977 entitlements under existing law, as well as listing the incremental changes brought about by the proposed legislation.

The analysis includes the following assumptions:

1. Population adjustments have been made to reflect the fiscal year 1977 entitlements under the existing law.
2. The new transportation section means those municipalities eligible under more than one part of the transportation category, which is split into three separate units under the proposed legislation.
3. A new category, solid waste, has been added. Those municipalities currently operating solid waste disposal systems are eligible, and have been recognized.
4. The proposed legislation is silent as to amounts of revenue sharing funds a municipality may receive, if any military population exists. For purposes of this analysis, only those former categories which military populations were previously eligible(police, parks and recreation, and transportation) were increased to civilian levels. If the status quo is to be maintained, reduce the program cost by $549,805.
5. Rounding up to the nearest 500, for this analysis, means rounding the population upwards to the nearest increment of 500.
6. The new volunteer fire departments consist of an average of 140 people, and receive an average cost of living allowance of 20½%.
7. The new cities consist of an average of 200 people and would receive an average amount of $8,500 plus a cost of living allowance of 20½%.
8. All eligible volunteer fire departments and municipalities would properly apply for funds.
9. No funds were budgeted for assumption of additional new services under the minimum grants section(Sec. 43.17.020) or for any new services under the basic grants section, (Sec. 43.17.030)

Fiscal Analysis of HB 539 / SB 473

Cost of Basic Grants - AS 43.17.030

FY '77 entitlements under existing law	sub-total	+ new transportation	+ new solid waste	+ new military	+ rounding up to 500	=total
boroughs	$11,533,457 (10)*	$2,124,727 (4)	$205,787 (5)	$502,243 (3)	$67,074 (10)	$14,433,288
cities	4,236,130 (41)*	45,376 (1)	135,717 (15)	47,562 (1)	421,634 (41)	4,886,419
vol. fire depts.	72,576 (40)					72,576
" "(new)	12,653 (10-est)					12,653
Total	$15,854,816	$2,170,103	$341,504	$549,805	$488,708	$19,404,936

Cost of Minimum Grants - AS 43.17.020

FY '77 entitlements under existing law		additional cost of minimum grants	
cities	$1,122,260 (95)	$1,895,336 (95)	$ 3,017,596
new " "	112,668 (11-est)	218,707 (11-est)	331,375
Total	$1,234,928	$2,114,043	$ 3,348,971

	Total	$22,753,907
Total of FY '77 entitlements under existing law	$17,089,744	
Additional Cost of Basic Grants and Minimum Grants (HB539/SB473) +	5,664,163	
Total	$22,753,907	

*Numbers in () indicate the number of municipalities or volunteer fire departments eligible in the category

STATE OF ALASKA

JAY S. HAMMOND, Governo

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B - JUNEAU 99811

January 20, 1976

The Honorable Pat Rodey, Chairman
Senate Community and Regional Affairs Committee
and
The Honorable Sam Cotten, Chairman
House Community and Regional Affairs Committee

Dear Senator Rodey and Representative Cotten:

SB 473 & HB 539
Municipal Revenue Sharing

As Director of the Local Government Assistance Division, in the Department of Community and Regional Affairs, I take this opportunity to offer some written commentary on House Bill 539 and Senate Bill 473 which propose to amend the present state aid to local governments, AS43.18.010-050. The comments below constitute some of the major concerns of the Division, while you will note minor points and suggested revisions on the sheet attached to this correspondence. Comments on specific provisions of the proposed legislation are preceded by the respective chapter and section number citations; suggested word changes in the language of the proposed bills is expressed in the usual legislative amendment format.

As you are aware, the comments of the Division are submitted to the committees from an administrative point of view. Many of the suggestions about the proposed bills relate to language which is identical to that of present statute which the Division feels is in need of revision. The Local Government Assistance Division has the responsibility of administering the current program, and the opportunity to submit these comments to the Committees is appreciated.

43.17.020 (b) (9) Solid Waste, $10.

Comment: It is understood by the Division that the category of solid waste appears to have been overlooked as a start-up service under this section. This conclusion follows after a review of the basic formula under 43.17.030 which includes the solid waste category and after meeting with Representative Mike Miller and Billy

Berrier. The suggested $10. per capita value equates to other services included in the proposed basic grant categories.

HEALTH FACILITIES AND HOSPITALS 43.17.040(a)(1)

Comment: It is recommended that this section be amended to read: "$1,000. per hospital bed to [organized boroughs]municipalities having health powers for each hospital bed actually used for patient care..."

By amending this section, boroughs and cities within or outside an organized borough will be able to submit applications irrespective of a borough which may not exercise the power. Paragraph (2) of section 43.17.040 (a) (line 27, page 3) should also be amended to read "a municipality [an organized borough]having health powers ..."

43.17.040(a)(4) requires that all funds received under this section shall be used "as the local government or hospital outside a municipality determines;" After a review of current law, it appears that section 43.17.040(a)(4) should be deleted since 43.17.040(c)(2)(e) is more specific.

43.17.040 (a)(5) states in part that "any accumulation of assets by nonprofit corporations or other recipients under this subsection are dedicated irrevocably to a public purpose." It is our view that the phrase "public purpose" should be further defined as a public health purpose.

House Bill 539 and Senate Bill 473 provide the same definition for "health facility as is noted in AS 43.18.010(6)(i)(2). In our experience, the term "owned or operated or both," and the term "operated or wholly supported" must be clarified in order for recipients to receive funding in an amount beyond that provided by ANHS or otherwise by the State or Federal government. An opinion of the Attorney General dated January 16, 1975 concluded: "If the Federal Government provides some substantial part of the operative cost, the facility is not operated by the municipality and therefore not eligible."

Principal concerns here center around the extent of ownership or the percentage of funds expended which constitute "operation." Similarly, "operated or wholly supported" must reflect what degree of operational funds constitute operation, and the amount of funding which makes a facility "wholly supported" by the State or Federal government. Unless clarification of these terms is made, preferably by legislation, the administration of funds in this category will be subject to futher delay and controversy in the awarding of entitlements, which should be consistent with the intent of the revenue sharing program.

Population determinations made under 43.17.080 must be viewed in contrast to current law under 43.18.010 (K) which allows for military reservations to receive entitlements in the categories of police protection (50%), transportation (50%), parks and recreation (25%). A further question of whether or not military populations are to be rounded upward to the nearest 500, independent of the municipal population, also needs to be examined.

Section 43.17.040 (5) (d) proposes to transfer administration of the health and hospital sections from the Department of Community and Regional Affairs to the Department of Health and Social Services. Representative Mike Miller of the Interim Legislative Committee which proposed the new revenue sharing bills has indicated that there is now general concensus that the administration of health and hospital revenue sharing should remain with DC&RA pending other major changes by the Legislature on the question of health care delivery services in Alaska. If agreed to by the Committees, this sub-paragraph should be deleted.

As an amendment to Senate Bill 473 and House Bill 539, the Division would like to recommend that the deadline for submission of application for State shared revenue be established hereafter as October 15 of the fiscal year (or another date as the Legislature deems appropriate). Previously, deadlines for prepayments and application deadlines have been established by regulation and in virtually every year of the program to date, are changed due to strong political influence. Once mandated by the Legislature, deadline dates would be understood by municipalities.

On behalf of the Division of Local Government Assistance and the Department of Community and Regional Affairs, I thank the Committees for the opportunity to offer these comments. Should the Committees desire additional information of the suggestions offered, please do not hesitate to contact me.

Sincerely,

Palmer McCarter, Director
Local Government Assistance Division

PMcC:CS:ijd

Enclosure

cc: Lee McAnerney, Commissioner
Representative Mike Miller, Chairman,
Interim Committee on Shared Revenue with Municipalities
Billy Berrier, Legislative Affairs Agency
Don Berry, Alaska Municipal League

Minor Points

43.17.030(a) (page 2, line 24) delete "instead of"

43.17.040 (5) (c) (2) (page 5, line 10)
Because of the fact that in numerous cases de-toxification centers have been listed on applications for state aid in this category, the Division requests the Committee to examine their inclusion under this section.

43.17.060 (a) (page 6, line 10)
This line should be amended to read: "payments to a municipality, hospital, or volunteer fire department [city or an organized borough] under this chapter shall"

43.17.060(b) (page 6, line 22)
It is understood that "1965" should replace "1955."

43.17.070 (page 6, line 29)
This line should be amended to read: "procedures and filing dates for submitting budgets and financial reports and for"

43.17.090(2) (a) (page 7, line 21)
This line should be amended to read: "the service area, through borough contract with a city or with[in] the..."

1/22/76

Sam —

Re. Dave Rose's request for changing the ESS date

I called Billy Barnier & explained — about Anch. losing $300,000+ because of the unification. They could collect for only one of the transportation categories? I asked him if, as Rose suggested, changing the effective date to June 30, 1975 would solve the problem. He said no, that by changing the general law for this fiscal year there would have to be a total recalculation of grants to all cities and that all the allotments would have to be readjusted.

He said a special bill could be introduced stating something like: ~~[redacted]~~ "An unanticipated effect of unification has resulted in a reduction in the general fund in the city of Anch. . . ." and appropriate $ 320,000 (or whatever the exact figure is) to the muni. since the purpose was not to shortchange them.

Politically that probably wouldn't be that hard to sell, since the $$ were appropriated last year & that money will lapse back to the General Fund. I checked with Erik Simpson at the Dept of CRA & they expect that money to lapse.

Billy said you might want to have Norm La Vesque (spell?) or the mayor or someone write a letter saying how direly this is affecting their programs, etc.

call CRA & see if this has ever happened before. Perhaps at Juneau or Sitka

PART 2.
MUNICIPAL SERVICES REVENUE SHARING PROGRAM.

Chapter
30. State Aid to Local Governments

CHAPTER 30.
STATE AID TO LOCAL GOVERNMENTS.

Section
10. Scope of regulations
20. Eligibility
30. Date for determination
40. Application
50. Appeal
60. Population data
70. Audit or statement of income and expenditures
80. Failure to comply with requirements
90. Prepayments
100. Boundary adjustments
110. Incorporation or dissolution of units of local government
120. Overpayment and adjustment
130. Violation of statute governing employment preference
140. Unified municipalities
150. Definition of terms in AS 43.18.010
160. Definitions

19 AAC 30.010. SCOPE OF REGULATIONS. The regulations in this chapter are prescribed for implementing, interpreting, and making specific the act providing state aid to local governments, AS 43.18.010 – 43.18.050. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.020. ELIGIBILITY. Eligibility for receipt of state aid to local governments provided by AS 43.18.010 – 43.18.050 shall be predicated upon the possession and exercise of a power set out in those statutory provisions by a unit of local government or volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.030. DATE FOR DETERMINATION. For the first entitlement period, determination of eligibility for receipt of state aid to local governments provided by AS 43.18.010 – 43.18.050 is July 1, 1973. In subsequent entitlement periods, the annual date for determination of eligibility is July 1. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.040. APPLICATION. (a) Application for state aid to local governments under AS 43.18.010 – 43.18.050 shall be made on forms prescribed by the commissioner.

(b) Not later than July 10 of the entitlement period the department will forward application forms to each unit of local government and volunteer fire department located in the unorganized borough that received state aid to local governments in the previous entitlement period and to every other unit of local government incorporated before July 1 of the entitlement period.

(c) As a condition to participation in the program of state aid to local governments, applications for state aid to local governments under AS 43.18.010 – 43.18.050 shall be returned to the department postmarked not later than October 15 of the entitlement period. Based on information contained in the application submitted, the commissioner will prepare a determination of entitlements not later than the following November 30 and will mail notice of the amount of entitlement to each unit of local government and volunteer fire department located in the unorganized borough. (Eff. 7/8/73, Reg. 47; am 8/7/74, Reg. 51)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.050. APPEAL. (a) Within 20 days of the date of mailing of notice of entitlement by the department, a unit of local government or volunteer fire department located in the unorganized borough may appeal a determination of final entitlement to the commissioner. The appeal shall be in writing and shall identify the particular category or categories for which application for state aid to local governments has been submitted, the determination of entitlement to which the unit of local government takes exception, and the

he will notify the unit of local government or volunteer fire department located in the unorganized borough that if it fails to take action in response to the request within 30 days of the date of receipt of notification, further payments will be withheld for the entitlement period until the request for further information is fully complied with. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.090. PREPAYMENTS. (a) The commissioner may provide for prepayment to a unit of local government or volunteer fire department located in the unorganized borough of state aid to local governments a sum not to exceed 50 percent of the entitlement received in the previous entitlement period.

(b) Prepayments shall be allowed only to a unit of local government or volunteer fire department located in the unorganized borough submitting an application for state aid to local governments to the department before September 1 of the entitlement period.

(c) Repealed. (Eff. 8/7/74, Reg. 51)

(d) Prepayments shall be deducted from the entitlement prior to transmittal of the balance of the entitlement due to a unit of local government or volunteer fire department located in the unorganized borough determined to be eligible for receipt of state aid to local governments. (Eff. 7/8/73, Reg. 47; am 8/7/74, Reg. 51)

Authority: AS 43.18.040
AS 44.47.050(14)
AS 44.47.160

19 AAC 30.100. BOUNDARY ADJUSTMENTS. A unit of local government effecting a boundary change under AS 44.19.260 or through the local action process provided by 19 AAC 15 during the preceding entitlement period shall return with its application the following information:

(1) one copy of an ordinance or resolution effecting the boundary change;

(2) a map clearly showing areas annexed to or detached from the unit of local government submitting the application; and,

(3) an estimate of the population residing within the area annexed or detached and a detailed statement indicating the method used in determining the estimate. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.110. INCORPORATION OR DISSOLUTION OF UNITS OF LOCAL GOVERNMENT. (a) A unit of local government which is incorporated pursuant to AS 29.18.010 – 29.18.120 during the entitlement period is not eligible to receive state aid to local governments for the entitlement period during which it was incorporated.

(b) The department will pay to a unit of local government established by unification pursuant to AS 29.68.390 an entitlement prorated over the number of days in the entitlement period following the date of unification.

(c) The department will pay to a unit of local government established by consolidation pursuant to AS 29.68.090 an entitlement prorated over the number of days in the entitlement period following the date of consolidation.

(d) The department will pay to a unit of local government into which a city or borough is merged pursuant to AS 29.68.090 an entitlement prorated over the number of days in the entitlement period following the date of merger.

(e) A unit of local government which is to be dissolved pursuant to AS 29.68.500 during the entitlement period will receive an entitlement payment prorated over the number of days in the entitlement period during which it has been in existence if that unit of local government has authority to expend revenues. (Eff. 7/8/73, Reg. 47)

Authority: AS 44.47.160
AS 44.47.050(14)

19 AAC 30.120. OVERPAYMENT AND ADJUSTMENT. (a) After mailing of prepayments, if the commissioner determines that the prepayment mailed to a unit of a local government or volunteer fire department located in the unorganized borough exceeds the entitlement payable to a unit of local

Introduced by: Chairman of the Assembly at Request of Mayor

Prepared by:

Introduced: January 20, 1976

ANCHORAGE, ALASKA
AR 6-76

A RESOLUTION OF THE ANCHORAGE ASSEMBLY URGING THE ALASKA STATE LEGISLATURE TO ENACT LEGISLATION HAVING REFERENCE TO SHARED REVENUES FOR MASS TRANSPORTATION.

WHEREAS, mass transportation is a matter of great importance to the Anchorage community; and

WHEREAS, adequate financing for mass transportation in Anchorage is dependent upon state assistance; and

WHEREAS, the former City of Anchorage and former Greater Anchorage Area Borough received separate allotments of state shared revenue for mass transportation; and

WHEREAS, the Department of Community and Regional Affairs has determined that the unified Municipality of Anchorage is entitled to approximately $308,000.00 less in shared revenue for mass transportation for fiscal year 1975-76 than the former governments would have received, and

WHEREAS, the threatened loss of revenue severely impedes development of mass transportation in Anchorage; and

WHEREAS, it is contrary to sound public policy to penalize cities and boroughs for unifying in accordance with state law,

NOW, THEREFORE, BE IT RESOLVED that the Anchorage Assembly urges and respectfully requests the Alaska State Legislature to enact an amendment to AS 43.18 in substantially the following form:

A BILL

FOR AN ACT ENTITLED: An Act relating to State aid to unified local governments and providing for an effective date.

Section 1. AS 43.18 is amended by adding a new section to read:

Sec. 43.18.040 Unified Municipalities.

In the event that a borough and the cities within the borough unify in accordance with AS 29.68, the unified municipality shall receive for the fiscal year in which unification occurred, and each year thereafter, at least the amount of state shared revenue for all purposes that the former governments would have received if unification had not occurred.

Section 2. This Act becomes effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 20th day of January, 1976.

David C. Carr
Chairman

ATTEST:

Municipal Clerk

Public Hearing 1/28/76 - Proposed by Paul Lyon for Rep. Rudd

SUGGESTED ADDITION TO HB 539

*Sec. 5(a) No person in the State of Alaska shall, on the grounds of race, color, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program receiving State revenue sharing funds.

(b) The Department of Community and Regional Affairs shall be responsible for assuring compliance with the provisions of this Act and shall promulgate regulations pursuant to that end.

*Sec. 6. This Act takes effect July 1, 1976.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

1976 JAN 22 AM 2 14

C2002 TDA SEWARD ALASKA 10 01-21 1140P AST

[illegible] REPRESENTATIVE MIKE MILLER

JUN [illegible]3743

CITY OF SEWARD SUPPORTS [illegible] OSED HB RELATIVE [illegible]

MUNICIPAL REVENUE SHARING. SURFACE CIRCULAT[illegible]

OUR SUPPORT TO YOU [illegible] LLOW LEGISLATOR[illegible]

CITY OF SEWARD JAMES [illegible], CITY [illegible]

when did the HRA
come into existence.

CRA to Promogate regs

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

Rpt to Specking

1976 JAN 21 PM 4 50

PRAGE [illegible] KENAI ALASKA [illegible] 1-21 2347 AST

PMS REP. KEITH SPECKING

JUNEAU 0662

DEAR MR. SPECKING,

THIS LETTER IS WRITTEN TO SUGGEST TO YOUR COMMITTEE THE FOLLOWING

CHANGES IN HB23 WHICH WILL BE HEARD 1-22-76.

1. SECTION 07.17.[illegible] (1) BE AMENDED TO INCLUDE SERVICE AREAS

AS WELL AS MUNICIPALITIES.

2. THAT VOLUNTEER FIRE DEPARTMENTS OUTSIDE THE ORGANIZED BOROUGH

BUT INSIDE THE CITIES BE GIVEN THE SAME CONSIDERATION THAT

VOLUNTEER FIRE DEPARTMENTS INSIDE THE ORGANIZED BOROUGH AND

OUTSIDE THE CITIES. I AM TODAY TESTIFY AT [illegible]

PLEASE REPORT [illegible]

SINCERELY, [illegible]

TELEGRAM
CA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6[illegible]
JUNEAU, ALASKA 99801
1978 FEB 9 PM 3 34

#

02014 ANCHORAGE AK 140 02-09 1108A AST

PMS REPRESENTATIVE SAM SUTTON

JUNEAU AK

REF: HB 539 AND SB 473 " AN ACT RELATING TO MUNICIPLE REVENUE SHARING: AND PROVIDING FOR AN EFFECTIVE DATE "

SUGGEST: AMENDING SEC. 43.17.040 (4) BY ADDING TO (LINE 11, PAGE 4) BEFORE THE WORD "OR" THE WORDS "WHICH HAS ADOPTED HEALTH POWERS" AND DELETING SEC. 43.17.040 (5) (E).

EFFECT WILL BE: (1) TO PERMIT HOSPITALS AND OTHER HEALTH FACILITIES AND AREAS OUTSIDE BOROUGHS WHICH HAVE ADOPTED HEALTH POWERS TO RECEIVE FUNDS DIRECTLY, BUT WILL ENABLE THE OTHER MUNICIPALITIES TO EXERCISE DISCRETION AS TO HEALTH PRIORITIES FOR WHICH STATE REVENUE SHARING FUNDS ARE NEEDED.

(2) TO PRESERVE THE ABILITY OF LOCAL GOVERNMENTS TO DECIDE ITS OWN NEEDS.

(3) TO ENCOURAGE LOCAL GOVERNMENT TO ACCEPT AND EXERCISE RESPONSIBILITY FOR APPROPRIATE USE OF RESOURCES.

(4) TO CARRY OUT THE INTENT OF REVENUE SHARING TO RELIEVING THE BURDEN IN LOCAL TAX.

MAYOR GEORGE SULLIVAN

ANCHORAGE MUNICIPALITY

MUNICIPALITY	$1,000/bed * $2,500/bed **	$20,000 hosp. $50,000 hosp.	$4,000 fac.	Total	COLA	Hospital Entitlement
Juneau, City & Borough	$67,000* hosp. 19,000* jail			$86,000	100%	$86,000
Sitka, City & Borough		$50,000		$50,000	103%	51,875
Kenai Peninsula Borough	64,000*	150,000	4,000	218,000	107%	234,350
Ketchikan Gateway Borough	95,000* hosp. 19,000* jail		4,000	~~99,000~~	100%	~~99,000~~
Kodiak Island Borough	21,000*	50,000	4,000	75,000	107%	80,625
Matanuska-Susitna Borough		50,000		50,000	103%	51,875
Akolmiut			8,000	8,000	130%	10,400
Anderson			4,000	4,000	133%	5,350
Bethel	28,000			28,000	130%	36,400
Cordova		50,000	4,000	54,000	115%	62,100
Delta Junction			4,000	4,000	115%	4,600
Eagle			4,000	4,000	115%	4,600
Fairbanks			4,000	4,000	115%	4,600
Kiana			4,000	4,000	133%	5,350
King Cove			4,000	4,000	126%	5,050
Nome		50,000		50,000	126%	63,125
Pelican			4,000	4,000	107%	4,300

MUNICIPALITY	$1,000/bed * $2,500/bed **	$20,000 hosp. $50,000 hosp.	$4,000 fac.	Total	COLA	Hospital Entitlement
Petersburg	4,116**	50,000	4,000	58,116	103%	$ 60,295
Port Lions			4,000	4,000	107½%	4,300
Sand Point			4,000	4,000	126%	5,050
Skagway			4,000	4,000	107%	4,300
Wrangell		50,000	4,000	54,000	103%	56,025
Yakutat			4,000	4,000	107%	4,300
Anchorage, Municipality	234,000*					
(The City of Anchorage and	116,000*					
Greather Anchorage Area Borough, the City of Glen Alps, and Girdwood were unified on September 15, 1975.)	935,000**			1,285,000	100%	1,285,000
				2,159,116		2,228,870

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Anna Wenzel
Chief
Health Facilities
Certification and Licensing

DATE: January 7, 1976

FILE NO:

TELEPHONE NO:

FROM: Erik Simpson
Local Government Specialist

SUBJECT: Revenue Sharing Applications
Hospital and Health Facilities

Attached for your review and recommendations are the following applications under the category of hospitals and health facilities:

City of Aklachak
City of Akolmiut
City of Akhlok
City of Alakanuk
City of Ambler
City of Anvik
City of Brevig Mission
City of Chefornak
City of Deering
City of Eek
City of Elim
City of Emmonak
City of Fortuna Ledge
City of Galena
City of Golovin
City of Holy Cross
City of Huslia
City of Hydaberg
City of Kiana
City of Kivalina
City of Kobuk
City of Kotlik
City of Kwethluk
City of Larsen Bay
City of Manokotak
City of Mekoryuk
City of Mountain Village
City of New Stuyhok
City of Old Harbor
City of Port Lions
City of Quinhagak
City of Saint Mary's
City of Saint Michael
City of Sand Point
City of Savoonga
City of Shaktoolik
City of Sheldon Point
City of Shishmaref
City of Shungnak
City of Stebbins
City of Teller
City of Toksook Bay
City of Tuluksak
City of Tununak
City of Unalaska
City of Wales
City of White Mountain

If any additional information is required from any of the applicants, please forward all pertinent correspondence copies to this Department.

Please approve or disapprove the applications and return to us by Friday, January 9.

Thank you.

ES:jg

MEMORANDUM State of Alaska

TO: Erik Simpson
Acting Director
Division of Local Government
Assistance
Department of Community &
Regional Affairs

DATE: November 5, 1975

FILE NO:

TELEPHONE NO:

FROM: Richard A. Bradley
Assistant Attorney General
Department of Law

SUBJECT: Revenue sharing concepts
— hospital & health facilities

You have called my attention to a letter to Commissioner McAnerney from an auditor in the Division of Legislative Audit concerned with your division's practices.

His recommendation is that "the Department of Community and Regional Affairs should examine State Revenue Sharing to those health clinics which are currently being leased and fully operated by the Alaska Native Health Service."

He notes that an opinion of this office dated January 16, 1975 concluded that the standard for municipal or non-profit ownership under AS 43.18.010(h)(3) is not met if the municipality or non-profit corporation, although the legal owner, is receiving full rent for the facility from some other party.

The auditor noted that his review indicated that several clinics apparently receiving revenue sharing are "under a full service lease and are being operated by the Alaska Native Health Service."

He indicates that the Department should review its procedures so that in such cases revenue sharing would not be granted.

In general we concur.

Under the most recent amendment to the revenue sharing laws, "health facility" is defined to include certain described facilities that are

> "owned or operated or both by a local government or by a non-profit corporation or other non-profit corporation or other non-profit sponsor; the term excludes facilities operated or wholly supported by the State or the federal government."

The auditor's comment regarding a "full service lease" is very much to the point. If the municipality or the non-profit corporation or sponsor which owns the facility has an arrangement

with ANHS by which all services which are provided are provided by ANHS, then we would agree that the facility is "operated or wholly supported by the State or the federal government.

If additional services not provided by ANHS or otherwise by the State or federal government are provided by the municipality or other sponsor, to a measurable and significant extent, then the municipality remains eligible for revenue sharing.

Moreover, while we believe that the determination as to whether the municipality or other sponsor is contributing services beyond those of ANHS to a measurable and significant extent, remains with your Division and the Department, the extent of the revenue sharing funds available: $1,000 per bed or $4,000 per facility [AS 43.18.010(h)(3)], constitutes a reasonable basis for determining whether revenue sharing funds have been earned.

RAB:msd

STATE of ALASKA

MEMORANDUM

TO: Erik Simpson
Local Governmental Specialist

DATE : November 25, 1975

FROM: Lowell W. Swartz, Coordinator
Health Facilities Development

SUBJECT: Lake Otis Hospital

We have received the summary of expenditures submitted by Lake Otis Clinic Inc. for construction of the Lake Otis Hospital and have listed the expenditures that we consider to be legal construction costs.

		CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
CONSTRUCTION				
Vendor:				
	Alaska Asphalt Paving, Inc.	106	$100,784.49	
		112	166,743.11	
	Chanen Construction	107	6,933.83	
		118	42,852.71	
		120	67,096.90	
		128	48,280.81	
		130	16,544.94	
		136	22,383.25	
		137	11,837.00	
	General Health Services, Inc.	111	80,891.33	
	TOTAL CONSTRUCTION			$564,348.37
ARCHITECTURAL EXPENSES				
Vendor:				
	Charles Luckman & Assoc.	102	128,003.50	
		108	866.72	
		125	76,501.33	
		135	1,021.19	
	TOTAL ARCHITECTURAL			206,392,74
ACCOUNTING AND FEASIBILITY STUDY				
Vendor:				
	General Health Services, Inc.	101	24,421.50	
	Coopers, Lybrand and Co.	116 &	20,349.13	

		CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
ENGINEERING EXPENSES				
Vendor:				
	Kelly, Pittelko	105	$3,611.58	
		114	4,223.61	
		123	2,175.00	
		134	5,250.00	
	F.M. Lindsey	109	706.90	
		113	860.00	
		117	87.50	
		126	2,000.00	
	Alaska Geological	110	2,356.70	
		127	5,140.00	
	TOTAL ENGINEERING			$26,411.29
TRAVEL EXPENSE				
Vendor:				
	General Health Services, Inc.	101	1,205.72	
	TOTAL TRAVEL			1,205.72
CONSTRUCTION				
Vendor:				
	Charien Construction	140	10,826.63	
	TOTAL CONSTRUCTION			10,826.63
TOTAL CONSTRUCTION COSTS				$ 853,955.38

LWS:kp

LAKE OTIS CLINIC, INC.

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 -Page One

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
CONSTRUCTION			
Vendor:			
Alaska Asphalt Paving, Inc.	106	$100,784.49	
	112	166,743.11	
Chanen Construction	107	6,933.83	
	118	42,852.71	
	120	67,096.90	
	128	48,280.81	
	130	16,544.94	
	136	22,383.25	
	137	11,837.00	
General Health Services, Inc.	111	80,891.33	
TOTAL CONSTRUCTION			$564,348.37
ARCHITECTURAL EXPENSES			
Vendor:			
Charles Luckman & Assoc.	102	128,003.50	
	108	866.72	
	125	76,501.33	
	135	1,021.19	
TOTAL ARCHITECTURAL			206,392.74

continued Page Two

LAKE OTIS CLINIC, INC.

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 - Page Two

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
LEGAL EXPENSES			
Vendor:			
General Health Services, Inc.	101	$ 14,384.15	
McGrath, Wolforth & Flint	103	1,321.30	
	122	234.00	
Hughes, Thorsness, Lowe, Gantz	101	15,087.40	
	119	2,793.69	
	121	4,523.85	
	133	9,798.96	
Fulop, Ralston, McKittrick	138	70.00	
Dillon, Read & Co.	131	1,031.29	
TOTAL LEGAL			$ 49,747.64
ACCOUNTING AND FEASIBILITY STUDY			
Vendor:			
General Health Services, Inc.	101	24,421.50	
Coopers, Lybrand , and Co.	116 & 124	20,349.13	
TOTAL ACCOUNTING AND FEASIBILITY STUDY			44,770.63

continued page Three

LAKE OTIS CLINIC, INC.

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 - Page Three

		CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
ENGINEERING EXPENSES				
Vendor:				
	Kelly , Pittelko	105	$ 3,611.58	
		114	4,223.61	
		123	2,175.00	
		134	5,250.00	
	F.M. Lindsey	109	706.90	
		113	860.00	
		117	87.50	
		126	2,000.00	
	Alaska Geological	110	2,356.70	
		127	5,140.00	
	TOTAL ENGINEERING			$ 26,411.29
TRAVEL EXPENSE				
Vendor:				
	General Health Services, Inc.	101	1,205.72	
	TOTAL TRAVEL			1,205.72
OTHER FINANCING COST PAID BY A RELATED COMPANY				5,000.00
INTEREST EXPENSES				
Vendor:	Peoples Bank & Trust			44,009.35
	TOTAL CONSTRUCTION IN PROGRESS AS OF DECEMBER 31, 1974			951,785.74

continued page four

LAKE OTIS CLINIC, INC.

HOSPITAL CONSTRUCTION

SUMMARY OF EXPENDITURES AS OF OCTOBER 31, 1975 - Page Four

	CHECK NO.	AMOUNT OF CHECK	TOTAL EXPENDITURES
EXPENDITURES AFTER JANUARY 1, 1975			
LEGAL EXPENSES			
Vendor:			
Hughes, Thorsness, Lowe, Gantz	142	$ 13,406.87	
	143	2,817.05	
TOTAL LEGAL			$ 16,223.92
CONSTRUCTION			
Vendor:			
Chanen Construction	140	10,826.63	
TOTAL CONSTRUCTION			10,826.63
ESTIMATED INTEREST AND FINANCING FEES			221,163.71
TOTAL CONSTRUCTION IN PROGRESS			$1,200,000.00

Michael J. Beirne
President

LAKE OTIS CLINIC, INC.
POST OFFICE BOX 4-1539
ANCHORAGE, ALASKA 99509
907 - 277-6219

December 29, 1975

Department of Community & Regional Affairs
Division of Local Government Assistance
State of Alaska
Pouch B
Juneau, Alaska 99811

RECEIVED
JAN 2 -
DEPT. OF CO... ...TY
AND REGIONA... ...S

Attention: Palmer McCarter, Director

Re: Hospital Revenue Sharing

Dear Mr. McCarter:

Your letter of November 24 was received along with the opinion from the Attorney General's office.

We have reviewed your letter, as well as the opinion, and while we do not concur in the opinion of the Attorney General, nonetheless our real concern at this time is in continuing the development of our project.

We were not advised of this unexpected interpretation on the part of the Department until my telephone conversation with you a couple of days before the date of your letter. We had expected to receive revenue sharing funds this year, and this surprising decision may cause us some delay.

However, we are hopeful of getting our project underway again soon, and therefore would appreciate your holding the application pending new developments. We had calculated the use of revenue sharing funds into our projections for this year, but once the project is underway again a couple of million dollars will be expended very rapidly and the receipt of revenue sharing funds will be very important to us.

This past year has been an exceedingly difficult time for our organization. The mortgage interest rate acceleration, coming as it did in the fall of 1973 just a few days before we signed our long term mortgage contract, has forced the corporation to reorganize, find new sources of capital for interim needs, and to explore all possible sources of long term capital funding of the project as well.

LAKE OTIS CLINIC, INC.
POST OFFICE BOX 4-1539
ANCHORAGE, ALASKA 99509
907 - 277-6219

At a recent meeting of supporting consultants on this project, held at the Anchorage bank offices, our certified public accountant observed, with the concurrence of the senior bank present, that this interest rate movement in 1973 to the highest levels in over 100 years caught our project at its precise moment of greatest vulernability (the few days between the time the interim money would have borrowed and the time the permanent mortgage funding agreements were signed) , and had it not been for this new historical development the Lake Otis Hospital would be now completed and offering badly needed services to the people of our State. As you know the population growth here in the Anchorage area is exceeding even the highest predictions, and the existing hospitals including their projected additions will be totally insufficient to provide services in the Anchorage area comparable to any like community in other states.

I'll look forward to meeting you in mid-January when I will be coming to Juneau, and continuing the good relations with the Division and the Department that we have experienced in the past.

Sincerely,

mfb:bp

Michael F. Beirne, M.D.
President

cc: L.O.H. Rev. Sharing File

November 24, 1975

Dr. M. F. Beirne
Lake Otis Clinic, Inc.
P. O. Box 4-1539
Anchorage, Alaska 99509

Dear Dr. Beirne:

Re: State Aid to Local Governments
Notice of Entitlement

Pursuant to 19 AAC.30.040(c) of the Alaska Administrative Code, you are notified that entitlement for Lake Otis Clinic under the State Aid to Local Government Municipal Service Revenue Sharing Program as authorized by Alaska Statue 43.18.010 (J) for hospital facilities construction for the entitlement period July 1, 1975 through June 30, 1976 is disapproved for payment in the amount of $312,500.

The previous entitlement of $312,500 received by Lake Otice Clinic, Inc. earlier this year exceeds twenty-five per cent (25%) of the total project costs to date in accordance with AS.43.18.010(J).

At your request, we are enclosing a copy of the Attorney General's opinion dated November 24, 1975 regarding this matter.

Sincerely,

Palmer McCarter
Director

PMcC:ES:jg
Enclosure

MEMORANDUM State of Alaska

TO: Palmer McCarter
Director
Local Government Assistance
Department of Community &
Regional Affairs

DATE: November 24, 1975

FILE NO.

TELEPHONE NO:

FROM: Richard A. Bradley
Assistant Attorney General
Department of Law

SUBJECT: Interpretation of
AS 43.18.010(j)

AS 43.18.010(j) authorizes a program of state aid to a "facility" [a term defined in §010(i)(2)] if it was begun after January 1, 1968 and if its state matching aid for construction constitutes less than 25 per cent of the total project cost.

You have asked us whether a partially constructed facility which has received state aid equal to some 25 per cent of the amount spent on its construction to date may continue to receive aid under §010(j) if the total project cost, when the facility is completed, will justify the state aid.

In our view, the answer has to be no.

Language in section 010(j) provides

> State aid provided for in this subsection shall continue until the . . . facility sponsor has received an amount which, combined with state matching money for construction of the facility, equals 25 per cent of the total project cost.

We view this provision as a mandate indicating legislative intent that state funding on the facility be limited to 25 per cent of the total project cost. While an estimate of the total project costs may be available indicating a larger amount is intended to be spent, which, if spent, would justify this aid, nevertheless, there is no guarantee available to your department which will obligate the facility sponsor to expend those funds and thereby "earn" the aid.

Moreover, Health and Social Services regulations adopted under AS 18.20.010 -- 18.20.130 do not require the facility to have its construction plans on record and approved, and thereby in some way to bind the facility sponsor to an identifiable project. We understand that the applicant in

question has not furnished plans to state officers which would form the basis for a determination by responsible state officers that the facility will cost any particular amount. An unsubstantiated conclusion by an agent of the facility sponsor as to an assumed ultimate project cost is not adequate to justify the expenditure of state funds under this section.

If we can assist further, please advise.

RAB:md

Sam's proposed amendment 1/28/76

Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A municipality may, in lieu of obtaining revenue sharing money as provided in this chapter, obtain instead a minimum grant of $25,000.00. (b) In addition to the minimum grant, a municipality with a population of 150 or more, which assumes a new service listed below and has elected to receive the minimum grant provided for in (a) of this section shall receive a grant as set out in (1) - (3) of this subsection for the 1st year, it provides the new service and for the next four years receive respectively 80%, 60%, 40% and 20% of that amount. The services and the amount per capita group are:

(1) Police Protection - ($50)
(2) Fire Protection - ($50)
(3) Air or water pollution - ($50)

(c) For purposes of computation the grant under this section, the population figure for a municipality having between 150 and 200 people shall be 200: thereafter the population figure shall be rounded up to the next 100.

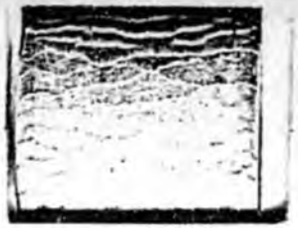
Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) When a municipality elects not to receive the grant as provided for under section 20 of this chapter, the amount of revenue sharing for which it is eligible shall be calculated as the result of B x P where

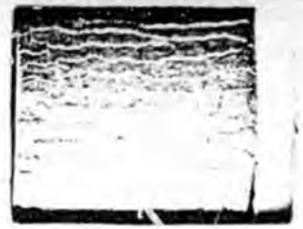
TELEGRAM

CA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1976 JAN 21 PM 5 05

666





TELEGRAM

VIA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1976 JAN 22 PM 12 59

[illegible] TDA SELDOVIA AK 19 01-22 1025A AST

PVS REPRESENTATIVE MIKE MILLER

JUNEAU AK 99731

THE SELDOVIA NATIVE ASSOCIATION INC WHOLEHEARTEDLY SUPPORTS

THE IDEAS PUT FORTH IN H[illegible]3 AND URGES ITS PASSAGE

FRED ELVSAAS PRESIDENT

SELDOVIA NATIVE ASSOCIATION

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1976 JAN 22 AM 2 15

FORMULA #1

Assume B = $1.00

Assume average property tax = 11.93 mils

Assume average sales tax = 2.85 or 8.55 mils

Assume average PCI = $4,872

T.P. = (11.93 x $ municipal) + (2.85% x $_____)

T.E. = (local mils x $_____) + (local % x $_____).

Assume Service areas to be treated as discreet municipal units for purposes of formula distribution.

Assume Use of 1974 tax data from "Alaska Taxable 1974".

Assume Per capita income is uniform throughout service areas in a given municipality.

Assume Sales tax base is distributed among service areas in proportion to the population.

Assume S.A. #30 in Anchorage is coterminous with City.

Form H524

DRAFT

	Initials	Date
Prepared By		
Approved By		

10

$$B \times P \times \text{[illegible]} \times \frac{TE}{TP} \times \frac{SPCI}{LPCI}$$

Per Capita Income 4872 SPCI
Avg Sales Tax Rate 2.85%
Avg Property TAX BASE 11.93 Mills

	(1) Population	(2) Property Tax BASE	(3) Local Sales TAX BASE	(4) Local Per Capita Income	(5) Sales Tax Rate	(6) Property TAX RATE	(7)	(8) P x TE/TP x SPCI/LPCI	(9) Formula 2 Units of Service x Col. #8	(10) Formula 3 E=R+3S E x Col 8	(11) Formula 4 50% of Taxes Collected	(12)	(13) Actual 1975 Rev Sharing
Cordova	2114	21294110	6701594	5689	4.00	17.00		2561.94	1122197	742962	220085.00		150615
Kenai	4028	48256920	15340013	5130	7.00	22.20		8104.74	4392645	3501276	344797.00		184289
Kethican	7468	91231825	40194985	5034	4.00	16.40		10041.11	4227307	3855782	918073.00		224286
Kodiak	3923	72615630	22707008	5007	3.00	14.46		4366.74	2077258	1024372	541050.00		155179
North Pole	265	1754900	10492	4153	6.00	8.50		227.53	51012	60294	11755.00		11959
Palmer	1409	18429500	10291047	4419	2.00	16.10		1518.38	476012	3355619	126880.00		52812
Seward	1823	17053490	15847428	4774	3.00	25.00		2563.14	1205974	8714676	134018.00		71796
Valdez	2271	19790790	2610520	6695	4.00	13.36		1964.11	815498	4980983	130225.00		89618
Wrangell	2787	16519475	6834092	4410	5.00	19.40		5204.58	2097962	1790355	231220.00		122770
Barrow	2307	*12000000	2580592	2282	3.00	13.00		5304.70	1167034	1167034	28390.00		64864
Dillingham	1025	9339740	2806710	3599	3.00	18.50		1863.88	605761	1256570	82275.00		45362
Galena	442	1200000	386477	3408	3.00	—		289.48	60414.5	260532	2768.00		20486
HAINES	1980	12879080	3841072	4026	4.00	15.53		3219.96		886450	112251.00		57324
HOMER	1243	22788675	5849981	4656	7.00	23.70		2815.40	1175429.5	125842	137625.00		52678
HOONAH	748	2186600	1234979	2993	2.00	—		490.75	166855.0	294450	15500.00		23246
NOME	2488	12315525	7416489	3580	3.00	17.90		4185.30	1669934.7	1125845.7	215600.00		150061
St MARY	~~389~~	~~375000~~	~~1078.12~~	~~1533~~	—	—		—					30133
Selawik	429	815000	222403	1783	3.00			486.39	107005.8	437751	1370.00		12877
Soldotna	1202	19383900	6882496	4709	3.00	20.00		1729.26	807737.4	5014854	154032.00		67872
Unalaska	510	5140800	826032	4517	1.00	19.10		1172.12	790243.3	2578664	43635.00		83030
Yakutat	227	1020000	1133107	4890	2.00	15.00		208.23	69777.9	437283	7915.00		20035
Bethel	2921	*12000000	7104096	3508	2.00			1667.53	691525.0	1000518	95190.00		200108
Kotzebue	2125	*12000000	4846097	2554	3.00			2096.18	850000	1886562	94775.00		94029
	43735							62081.45					
2nd Class	22498												

Fiscal Analysis of CSHB 539

Cost of Basic Grants - AS 43.17.030

FY '77 entitlements under existing law	sub-total	+ new transportation	+ new solid waste	+ new air/water pollution (civilian)	+ new air/water pollution (military)	+ new ambulance	+ rounding up to 100	= total
boroughs	$11,533,457(10)*	$2,124,727(4)	$205,787(5)	$366,696(1)	$53,766(2)	$625,784(7)	$12,094(10)	$14,922,311
cities	4,236,130(41)	45,376(1)	135,717(15)		7,927(1)	70,147(12)	78,930(41)	4,574,227
vol. fire dpts.	72,576(40)							72,576
" " "(new)	12,653(10-est)							12,653
TOTAL	$15,854,816	$2,170,103	$341,504	$366,696	$61,693	$695,931	$91,024	$19,581,767

Cost of Minimum Grants - AS 43.17.020

FY '77 entitlements under existing law	sub-total	+ additional cost of minimum grants	= total
cities	$ 1,122,260(95)	$1,895,336(95)	$ 3,017,596
new " "	112,668(11-est)	218,707(11-est)	331,375
TOTAL	$ 1,234,928	$2,114,043	$ 3,348,971

Total FY '77 entitlements under existing law	$17,089,744
Additional Cost of Basic Grants and Minimum Grants (HB 539/ SB 473)	5,840,994
TOTAL	$22,930,738

*Numbers in parentheses indicate the number of municipalities or volunteer fire departments eligible in the category

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. CS HB 539
Title: municipal revenue sharing
Requested by: House CRA Date:
Return Date Requested:
Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Municipal Services Revenue Sharing

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		19.7				
200	TRAVEL		1.1				
300	CONTRACTUAL		3.0				
400	COMMODITIES		-0-				
500	EQUIPMENT		.9				
600	LAND & STRUCTURES		-0-				
700	GRANTS, CLAIMS, ETC.		7,520.1				
	TOTAL		7,544.8				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		7,544.8				
FEDERAL FUNDS		-0-				
OTHER		-0-				

C. POSITIONS:

PERMANENT/TEMPORARY	/	1 / 0	/	/	/	/
MAN MONTHS (P./T.)	/	12 / 0	/	/	/	/

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

Based on the following assumptions, the total cost of the grant portion of CS HB 539 is estimated to be $22,930,738.

1. All eligible volunteer fire departments and municipalities will properly apply for funds.
2. No funds were budgeted for assumption of additional services under the basic grants section (Sec. 43.17.030).
3. Volunteer fire departments shall receive a cost of living allowance in the same manner as municipalities.
4. Basis for change in program costs are the marginal increases in cost over FY '77 budget submission.

IV. ATTACHMENTS

V. DATE: 2-10-76 PREPARED BY: Bruce Aronson

Bruce Aronson
Local Government Specialist

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

H/S 50

The bill provides minimum levels of State support ($25,000) to smaller municipalities. The transportation category has been separated into three categories (small boat harbor or port, airport, and mass transit). The air/water pollution control category has been separated into two categories (air and water pollution), with military populations eligible. Ambulance services and solid waste disposal are new categories. All populations are rounded upwards to the next highest even hundred (except military populations, which are to be the actual number).

An administrative assistant position is required to help review and process applications. Also, the local government specialist would be freed to accomplish performance audits (as required by the bill). The local government specialist position is up-graded from a range 19F to 21C to reflect the added supervisory and auditing responsibilities of the program.

Personal Services

Salary	
Administrative Assistant (12-B)	$14,940
Upgraded Local Government Specialist	1,044
Benefits @ 23%	3,676
Total Personal Services	$19,660

Travel

Additional travel required to conduct performance audits (5 cities)	$ 1,100
Total Travel	$ 1,100

Contractual

Mag-card typewriter	$ 3,000
Total Contractual	$ 3,000

Equipment

Desk & chair	$ 445
Calculator	$ 440
Total Equipment	$ 885
Total Administrative	$24,645

Virginia E. Kline

MAYOR OF JUNEAU

R.R. 5 BOX 5916. JUNEAU, ALASKA 99803

1/22/76

House Community & Regional Affairs Committee:

The City & Borough of Juneau has reviewed the municipal revenue sharing act proposed by the Legislative Council Interim Committee (HB539) and endorses its provisions.

Ginny

Virginia Kline, Mayor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. HB 589
Title: An Act relating to the election of municipal officials.
Requested by: Governor - Rules Committee Date:
Return Date Requested: 1-19-76
Agency: Division of Elections Program: Elections

II. FISCAL DETAIL
Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		-6.2	-6.3	-6.4	-6.5	-6.6
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		-6.2	-6.3	-6.4	-6.5	-6.6
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

V. DATE: 1-19-76 PREPARED BY: Patty Ann Polley, Director
Division of Elections

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

CITY OF ANDERSON

General Delivery
CLEAR, ALASKA 99704

November 11, 1975

Billy G. Berrier
Legal Service Division
Legislative Affairs Agency
Pouch V
Juneau, Alaska 99811

Dear Mr. Berrier:

In response to your memorandum of October 21, 1975 concerning proposals for changes in the existing state revenue sharing program, I was unable to attend the public hearing on October 30. However, I have a few comments on the various proposals.

The Alaska Municipal League formula clearly is advantageous to the larger municipalities, mainly the boroughs, to the detriment of the smaller cities. It also would seem to force smaller cities inot adopting a property tax, whether the tax base existed or not. This might have adverse effects on communities who need to develop their tax bases.

The per capita method seems to be the predomimant revenue sharing method nationwide, and would be much easier administratively. Coupled with a cost of living factor, it would probably be fairly equitable.

Concerning the minimum grant, it would seem that some minimum amount should be allowed, as any municipality will incur a certain amount of administrative costs. Perhaps this could be conditioned on the provision of certain services, or in the alternative, a minimum grant for the provision of each category of services. Regarding the (b) section of the minimum grant, that seems to penalize communities that have extended themselves to provide services. It also might prevent the expansion of services for a period of time in anticipation of getting the much higher grant when the statute became effective. Some communities might postpone provision of the services, as a result, rather than providing them as soon as possible. However, if the amount of the grant for the first year was lower, but still kept above the current,

that might provide the proper incentive for expansion of municipal services.

Regarding the other three formulas, my comments are generally similar. The provision that in on circumstance shall $\frac{TE}{TP}$ or $\frac{SPCI}{LPCI}$ exceed two is a good idea, but by the same reasoning, it should have a lower limit. For instance, in no case should either variable equal less than one-half. Also the clause, which, in effect gives each municipality a population of 1,000 for revenue sharing purposes appears to be a good idea. The costs of police service for a town of 600 should not be double of that of a town of 300. Basic initial costs are virtually the same, and the incremental costs does not increase arithmatically as the revenue sharing funding does.

Hopefully these comments will give you some ideal of how our municipality feels about the various proposals. If you have any further material or information on these proposals, please forward those.

Very truly yours,

CITY OF ANDERSON

Frank G. Mielke
City Administrator

c.c. Hon. Samuel R. Cotten
Chairman, House Committee

Hon. Leslie E. Swanson

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

(907) 465-3800

M E M O R A N D U M November 4, 1975

SUBJECT: Next meeting of committee

TO: All Members - Interim Committee on Revenue Sharing with Municipalities

FROM: Billy G. Berrier, Staff Attorney

The next meeting of the Interim Committee on Revenue sharing with Municipalities will be held in Anchorage at the Legislative Information office on December 1, 1975 at 10:00 a.m. The purpose of this meeting is to adopt a committee bill for prefiling.

BGB:cb

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

(907) 465-3800

M E M O R A N D U M November 5, 1975

SUBJECT: Revision of Alternate Formula 2

TO: All Members - Interim Committee on Revenue Sharing with Municipalities

FROM: Billy G. Berrier, Staff Attorney

At the request of Rep. Mike Miller, I have prepared for committee consideration an alternative formula that would essentially embody the existing distribution system with the technical corrections previously agreed to by the committee and, in response to suggestions made at the hearing with the Alaska Municipal League on October 30, the present category of transportation broken down into three categories.

The changes this will make in the distribution percentages now in effect relate only to two items:

(1) The base optional grant is retained. This would redistribute a reasonably small amount, probably around 5% of the total, from larger municipalities to smaller cities.

(2) Breaking the transportation category down will result in some redistribution to municipalities providing mass transit or airports.

BGB:cb

Enclosure

cc: Mr. Rich Wilson
Mr. Sam Coxen
Mr. P. J. Hill

ALTERNATE FORMULA 2

* as a result of B X P where

(1) B is the base revenue sharing amount of $2.40 times the service units for each service performed by the municipality established as follows:

(A)	Police Protection	12 units
(B)	Fire Protection	7.5 units
(C)	Air or Water Pollution Control	2 units
(D)	Land Use Planning	2 units
(E)	Parks and Recreation	5 units
(F)	Small Boat Harbor or Port	5 units
(G)	Mass Transit	5 units
(H)	Airports	5 units

* Alternative section 43.17.030(a)(1)

* Sec. 43.17.100. ADDITIONAL LIMIT ON EXPENDITURE OF FUND: In addition to the limitations on expenditure of funds contained in sec. 90 of this chapter: (a) If a borough exercises the powers in sec. 30(a)(1) of this chapter in the borough area outside cities only, or in a service area only, the grants authorized under this section shall be based on the population of the borough area outside cities or the service area respectively.

(b) If the services in sec. 30(a)(1) of this chapter are provided by a service area, the borough shall give to the service area an amount equal to the funds provided by the state for the service provided by the service area.

(c) If a city within an organized borough provides police protection services, the borough may not qualify for aid under (a)(1) of this section unless

(1) police protection services are provided in the borough area outside cities, or if limited to a service area, in the service

area, through borough contract with a city or in the state or

(2) the borough assumes and exercises power to provide police protection services on an areawide basis in the manner provided by law.

Sec. 43.17.110. ROAD MAINTENANCE. During each fiscal year the state shall pay to a city or organized borough of any class which has power to provide for road maintenance and exercises the power a sum equal to $1,500 a mile for each mile of road, street or highway maintained by the local government, excluding the official state highway system, roads, streets, or highways not dedicated to public use, any roads, streets or highways maintained under the local service road program (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regulations adopted by the Department of Highways. No payments may be made for maintenance of roads not used by automotive equipment. Frozen waterways and connections from inhabited areas to the waterways which may be safely used for public transportation by automotive equipment and are so used during a portion of a year are eligible for payments of $900 per mile if the waterways and connections are maintained during the period of use by a municipality or combination of municipalities. The Department of Community and Regional Affairs, after consultation with the Department of Highways, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipality is eligible for the shared revenue unless the municipalities involved have agreed in writing to a particular distribution.

Sec. 43.17.120. REGULATIONS. The department shall adopt regulations necessary to carry out the purposes of this chapter. The regulations shall include minimum standards of service required to qualify a municipality for service unit credit for each service and provisions for a performance audit adequate to demonstrate to the department that

each service for which credit was allowed was actually performed by the municipality at least at the prescribed minimum level.

* Administrative provisions needed if the service unit alternative is used. Sec. 43.17.110 would be renumbered and Sec. 43.17.080 would be replaced by Sec. 43.17.120, above.

HB-552

"An Act relating to surplus property; and providing for an effective date."

COMMITTEE REPORT

to Cra 1/22

1/14/76

HOUSE

~~FINANCE~~ Waived 1/20

p. 113

Mr. Speaker: Date _____

The Committee on STATE AFFAIRS has had HB 552 under consideration. A Majority of the members of the Committee

(X) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Helen Beiser	Do Pass	Bill Ball
Helen M. Fischer	Do Pass	
Mike Miller	" "	
Joe McKinnon	" "	

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Joe McKinnon Chairman

Committee Minutes for

HOUSE COMMUNITY & REGIONAL AFFAIRS

January 29, 1976

The meeting was called to order at 9:00 am by Chairman Cotten to discuss HB 552. Present were:

Rep. Cotten
Rep. Ose
Rep. Davis
Rep. Kelley
Rep Rudd
Rep Ostrosky

Rep. Freeman
Don Berry, Municipal League
Palmer McCarter, C&RA
Dick Bradley, Dept. of Admin.
Dick Winchell, Dept. of Admin.
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

2599 Chairman Cotten called upon Dick Winchell from the Department of Administration to testify.

2601 Winchell is the Director of General Services and Supply. Cotten asked Winchell to explain the relevant federal law. Winchell stated that when the original law was enacted, prior to statehood, the Alaska Federal Surplus property was operated by the Civil Defense Agency, (ADO). Specifically, what they have is that when the law was enacted, when Civil Defense operated the program, naturally they didn't charge themselves for acquisition of property that was used for Civil Defense purposes. In 1962 the state assumed control of the program, at which time the Federal Surplus Property was placed in the Department of Administration and it was agreed at that time that Civil Defense would be charged the same fee as any other using agency.

2632 Cotten stated that he didn't understand because the statutes say that they couldn't be charged and he didn't understand how it could be agreed that they would go ahead and pay anyway. What about municipalities picking up the Federal Surplus Property?

2638 Winchell said that there would be no difference in charge, they charge a 10% fee and have always charged the municipalities this fee and that this bill is basically a "housekeeping" bill and all they want to do is bring the statutes into accord.

2644 Cotten again reiterated that he didn't understand this and Rep Kelley stated that basically what they wanted to do was make themselves legal. Winchell agreed with Kelley.

There was much discussion on the legality of this and Winchell stated that it was agreed upon with the Commissioner of Administration and the Alaska Disaster Office.

The Committee would not quite accept this bill for what it was and Freeman suggested that the Committee think about it for a while.

Don Berry from the Municipal League was very much against the bill.

3053 Winchell offered to bring additional information supporting this bill.

3055 Meeting was adjourned at 9:50 am

HB 552

JAN 14 1976

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to surplus property.

AS 44.71.020 - 44.71.040 authorize State acceptance of surplus property from the federal government; disposal of the property to qualified recipients is also authorized. At the present time, the law contains (in AS 44.71.030(a)) a provision prohibiting charging for the property when the recipient will use it "for civil defense purposes." This requirement is created by State law and does not reflect a mandate of the relevant federal law (40 U.S.C. Section 471 et seq.).

The Department of Administration believes that since the Alaska Disaster Office has paid service and handling charges since the inception of the program, and is agreeable to continued payment, the law should be changed to reflect this.

An effective date of July 1, 1976 is recommended for fiscal convenience.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. H.B. 552
Title: Surplus Property
Requested by: _____ Date: 1-20-76
Return Date Requested: _____
Agency: _____ Program: _____

II. FISCAL DETAIL
Budget Request Unit(s) Affected: None

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

V. DATE: 1-20-76 PREPARED BY: [signature]

Original: Legislative Finance 1
cc: Budget and Management 2
Prime Sponsor (First Legislator Named) 1
Commissioner's Office 1

H/S 50

HB 552

The Legislature of the State of Alaska
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST
Bill No. AS 44.71.030(a)
Title: "An Act relating to surplus property; and providing for an effective date."
Requested by: Office of the Governor Date:
Return Date Requested:
Agency: Military Affairs Alaska Disaster Office Program: Public Protection

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Alaska Disaster Office
A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL	2.0	2.2	2.4	2.6	2.9	3.1
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	2.0	2.2	2.4	2.6	2.9	3.1

B. FUNDING: (Thousands of dollars)

	GENERAL FUND	2.0	2.2	2.4	2.6	2.9	3.1
	FEDERAL FUNDS						
	OTHER						

C. POSITIONS:

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

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

The Alaska Disaster Office has been paying for service and handling charges for property transferred for civil defense purposes for the past 15 years; therefore, amendment to the above law would not have any fiscal impact.

Expenditure projections are for the Alaska Disaster Office. Many state agencies obtain surplus property through civil defense.

IV. ATTACHMENTS

V. DATE: November 25, 1975 PREPARED BY: Edward H. Lee

FISCAL NOTE

Second Session - Ninth Legislature

HB552

I. REQUEST

Bill No _____

Title: Surplus Property

Requested by: Fr. Mr. Hunter Date: Nov. 26, 1975

Return Date Requested: ONB ASAP

Agency: Administration Program: Gen Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: None.

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

V. DATE: 12/2/75 PREPARED BY: Rick Winchell (copy)

Notified	Attended	
		HB552
X		Dan Berry, Ak Municipal League
X		Dept C&RB
X		Dept. of Administration, Dick Windnell

JAY S. HAMMOND
GOVERNOR

HB 552

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 14, 1976

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to surplus property.

AS 44.71.020 - 44.71.040 authorize State acceptance of surplus property from the federal government; disposal of the property to qualified recipients is also authorized. At the present time, the law contains (in AS 44.71.030(a)) a provision prohibiting charging for the property when the recipient will use it "for civil defense purposes." This requirement is created by State law and does not reflect a mandate of the relevant federal law (40 U.S.C. Section 471 et seq.).

The Department of Administration believes that since the Alaska Disaster Office has paid service and handling charges since the inception of the program, and is agreeable to continued payment, the law should be changed to reflect this.

An effective date of July 1, 1976 is recommended for fiscal convenience.

Sincerely,

Jay S. Hammond
Governor

Introduced: 1/14/76
Referred: State Affairs and Finance

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

IN THE HOUSE

HOUSE BILL NO. 552

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to surplus property; and providing for an effective date."

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

* Section 1. AS 44.71.030(a) is amended to read:

(a) The functions of the Department of Administration under secs. 20 - 40 of this chapter shall be, to the fullest extent possible, self-supporting. Funds to pay for personal services and all other expenses necessary to operate under secs. 20 - 40 of this chapter shall be obtained from appropriations authorized under secs. 20 - 40 of this chapter and fees charged to users of surplus property. [HOWEVER, NO CHARGES MAY BE MADE WHEN PROPERTY IS TRANSFERRED FOR CIVIL DEFENSE PURPOSES.] The department shall establish the fees to be charged. Charges may be made to reimburse the department for direct costs incurred on behalf of users of surplus property.

* Sec. 2. This Act takes effect July 1, 1976.

HB-587

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: February 10, 1976

FILE NO. Legislature - 1976 Session

SUBJECT: House Bill 587 (Senior Citizen Exemption to Special Assessments).

The Honorable Sam Cotten, Chairman
House Committee on Community and Regional Affairs
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

Enclosed is a copy of proposed language which, if substituted for the present language in Section 1 of House Bill 587 would carry through the effect of the presently proposed amendments to the statute and would also eliminate some interpretative and administrative problems which have arisen since the adoption of the exemption last year.

The first change which is proposed is to eliminate the section of the statute which makes reference to determining special assessment exemptions in the same manner as real property exemptions are determined. The problem which arises by using the real property exemption procedures for the determination of special assessment exemptions comes about from the fact that real property exemptions are based on property ownership and senior citizen status as of January 1 of the tax year. As special assessments may be levied at any time during the year, determinations made as of January 1 may or may not be applicable at some later date during that year. For example, property which qualifies on January 1 may be sold to a non senior citizen before the special assessment is levied. Also, a person who is 64 1/2 will not qualify for a real property exemption on January 1. However, if a special water or sewer assessment is levied against his property in September, he will be 65 on the date upon which the levy is made. If the intent of the law is to exempt those who, on the date of assessment, are 65 and own and occupy the property assessed, then application procedures and eligibility determinations should not be made under AS 29.53.020(e) -- (i) as provided in the subject special assessment exemption act adopted last session. If you delete the part of the statute which ties the special exemption determination procedures to real property tax exemption procedures and replace it with the proposed language which would permit Community and Regional Affairs to adopt regulations to implement the section, you will eliminate the

interpretative and administrative problems which the present language creates. By allowing Community and Regional Affairs to adopt regulations to implement this section, problems of notice to property owners of their rights under the Act, form and date of applications, reimbursement proceedings, applications and procedures needed to insure that the property is still owned by a person entitled to the exemption, problems which may arise because of different assessment procedures used in various home rule municipalities, etc., may be dealt with by Community and Regional Affairs when it has such regulations under consideration.

The second substantive change suggested relates to the method of recording of the lien in favor of the state. At the present time, all long-term encumbrances on real property are recorded in the district recording office. The lien which will run in favor of the state under the existing statute may run for an indeterminate period into the future. The recording office is a much more appropriate place to record such a lien. The assessment roll of the municipality is made up anew each year. If the record of the lien is not brought forward during any particular year, it will be lost for the purpose of notice to subsequent purchasers. If the lien is recorded in the district recording office it cannot be lost through such administrative oversights, and further, it is recorded in the place where those who search the records for such encumbrances expect to find such matters recorded. Because these liens may run for such a long time, it would be much more fair to subsequent purchasers to make the lien ineffective until it is actually recorded. When recorded it would become effective and superior to all other liens except those for general taxes and other special assessments. While it is admitted that there is no necessity to record liens for general property taxes, it should be noted that such liens come into being annually and must be paid annually or the lien is foreclosed. Real property tax liens are due and payable immediately. The lien under the subject section may not be due and payable for many, many years.

A minor change proposed is deletion of the implication that installments of the assessment are subject to the exemption. See lines 4 and 5 of page 2 of the bill as introduced. The levy of an assessment is a single act which establishes the full amount due. If the property is exempt from the levy, no payment of the amount levied or any part thereof will ever be due. The exemption runs to the entire levy. The fact that the municipality may permit those who own non-exempt property to pay the amount of the assessment levied over a period of several years has no effect on the amount of the levy. Thus, it would seem to be appropriate to

eliminate from the present section of the law what appears to be an implication that the exemption goes only to time payments which might otherwise have been due on the property had it not been exempt from the levy.

While I am not suggesting a change in the statute, you may want to consider whether the legislature has accomplished its purpose if, as provided under the subject section, the original applicant must own and occupy the property in order to qualify for the exemption while the widow, widower or minor heir of the original applicant need merely own the property to continue to qualify for the exemption. You may also want to consider what sort of policy the legislature intended by providing that when exempt property passes to a minor heir the exemption is effective until the heir reaches the age of 25 or transfers the property while exempt property which passes to an heir who is not a minor but nevertheless under the age of 25 loses its exemption.

taken care of by proposed bill in H.B. 11, 12

Thank you very much for your time and attention to the foregoing matters. I urge your serious consideration of the changes proposed to House Bill 587. If you have any questions relating to my suggestions or to the bill, please do not hesitate to call me. I can be reached at 586-3300.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

Enclosure
cc: M. B. Winegar, Manager
Don Berry, Executive Director, AML
Bob Dozier, State Assessor, Comm. & Reg. Affairs
Community and Regional Affairs House
Committee Members
GLSmmb

HB-589

"An Act relating to the election of municipal officials."

COMMITTEE REPORT

1/16/76

HOUSE

Mr. Speaker: Date 2-9-76

The Committee on COMMUNITY & REG. AF has had HB 589 under consideration. A Majority of the members of the Committee

(✓) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

"An Act relating to the election of municipal officials."

COMMITTEE REPORT

1/16/76

HOUSE

Mr. Speaker: Date 2-9-76

The Committee on COMMUNITY & REG. AF has had HB 580 under consideration. A Majority of the members of the Committee

(✓) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

HB 30.

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the election of municipal officials. The bill would change the present practice of holding two elections on the incorporation of a new municipality: one to determine whether to incorporate and the second to elect a council or assembly if the first vote favored incorporation.

Section 1 of the bill would allow both questions to be determined at the same election, with no council or assembly members elected if the incorporation vote is negative. An inconsistent law at AS 29.18.120(a) is repealed.

The second section is a housekeeping provision and deletes those portions of the law that provided for representation on borough assemblies of city councils. The present composition of borough assemblies is provided by AS 29.23.020.

Section 3 establishes a policy that new municipalities will establish staggered terms on incorporation for their council or assembly members.

Sincerely,

Jay S. Hammond
Governor

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

2/9/76

Committee met at 9:00 a.m. for discussion of HB 589

Patti Ann Polley from Division of Elections testified on the bill.

As the law is written now they have to hold two elections, the first elections for the initial incorporation and basically that is the only question that appears on that ballot with the exeption if there is a sales tax, then that would appear on the initial ballot. If incorporation isn't written, they go back and then set a new order of notice of election and hold the counsel election, so the Division of Elections would like to see it so that they can hold one election and prior to the change in the municipal code they did do the elections this way. They found that it did work well. It also saved the expense of having two elections. One of the main expenses of having two elections is the election board expense and with the salaries going up they are now paying $4.50 and $5.00 an hour to the election board members for the time spent on their election duties. Also the way the law is written now they are required to have two different sets of ballots. They would like to see all go on one ballot.

Ostrosky asked when it was changed.

Patti Ann Polley stated that she believed it was in 1972. She believed it was changed because they felt it might be confusing.

Rudd stated that she felt it was more than a "housekeeping" measure, she felt that it really does go to whether an incorporation election should be strictly on the merits of the idea of incorporation or whether you should lend more weight to the idea of incorporating by allowing candates to put themselves forward at the same time and she was not sure that it is a good idea. On the whole she is a little bit opposed to the idea because she feels it does give much more weight to the idea that this is a good idea because you have candidates who are eager to do it. She felt maybe incorporation elections should be strictly on the issue and the idea of incorporation.

There was discussion on this.

Mr. Pritchard from C&RA gave a point of view from the Department. He stated that this had been discussed several times. They are very much in favor of having one election, both for incorporation and for initial officers. They have had many problems because people have understood that as soon as they were incorporated they were ready for business, but this means a long delay until the officers are elected, thus they are in favor. One of the other problems that they attempted to address in this particular bill was the fact that at the present time the initial officers serve two (2) years and then they can provide by ordinance terms not to exceed four (4) years if they so desire, but they are very anxious to see staggering terms which would give a continuity on a city counsel. After two years of service, they usually hold an election every year and there is no

continuity on the counsel, records seem to be lost and there isn't a familiarity of what has gone wrong, thus they would like to see the staggered terms whereby they would have a continuity of the counsels.

Patti Ann Polley stated that she figured they would save approximately $6,000.00 a year by chopping the number of elections that they would have to have in half. The cost of ballots was discussed.

Oral Freeman moved to pass the bill out.

Chairman Cotten stated that HB 493 was going to be postponed because the sponsor asked to have it held.

Meeting adjourned at 10:00 am

I. REQUEST

Bill No. HB589

Title: "An Act Relating to the Election of Municipal Officials"

Requested by: Governor's Office Date: 1/5/76

Return Date Requested: 1/9/76

Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: None

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		ø				
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		ø				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		ø				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

IV. ATTACHMENTS

V. DATE: 1-6-76 PREPARED BY: Palmer McCarter

Palmer McCarter, Director
Local Government Assistance

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

H/B-595

"An Act relating to the Village Safe Water Act."

COMMITTEE REPORT

HOUSE

1/16/76

Mr. Speaker: Date 1/16/76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 595 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

Committee Minutes for

HOUSE COMMUNITY & REGIONAL AFFAIRS

February 2, 1976

The Committee was called to order at 9:00 am by Chairman Cotten for discussion of HB 595 and HB 610. Present were:

Rep. Cotten	Latham, Legislative Affairs
Rep. Hackney	Commissioner Gallagher
Rep. Freeman	Ernie Mueller
Rep. Ostrosky	John Schribner, Environmental Cons.
Rep. Davis	Jerry Sargeant, Environmental Cons.
Rep. Ose	Bill Wolfe, KINY
Rep. Hershberger	Barbara Englert Thomas, Staff
	Vicci Hansen, Staff

0000 Commissioner Gallagher was the first to testify on HB 610. He said that the Bond Committee thinks that the money spent on water supply and sewerage is one of the best money that can be spent and what they did was fully fund the total request for the water and sewerage grant program. The department asked 2 million dollars for village safe water and they put one in because that program hasn't been a very successful program. He stated that there are six states who have a water grant program to match monies with local communities & water projects and Alaska is one of those six states. We presently match 25 %. The Governors bill that was introduced would raise it from 25% to 50%.

192 There were specific questions from the committee and the Commissioner answered them.

253 Ernie Mueller spoke next and answered questions.
265 Cotten asked if Mueller anticipated any changes in the eligibility requirements as far as the 30 million dollars were concerned. He asked Mueller to give a brief review of that.

278 Under the Federal Water Polution Control Act Amendments of 1972, there is a federal grant funding program for sewerage treatment works and certain elements of sewerage systems. John Scribner would have details of this program.

It was decided to have further discussion on this bill on Friday, February 6, 1976.

Meeting adjourned at 10:00 am.

Committee Minutes for

HOUSE COMMUNITY & REGIONAL AFFAIRS

February 3, 1976

The Committee was called to order at 9:00 am by Chairman Cotten for discussion of HB 539. Present were:

Rep. Cotten
Rep. Rudd
Rep. Ostrosky
Rep. Ose
Rep. Hackney
Rep. Hershberber
Rep. Freeman
Rep. Kelley

Sharon Miller, Keith Speckings Aide
Rep. Beirne
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

1320 Barbara Englert Thomas gave a presentation on some data that she felt would be helpful to the committee on discussion of HB 539. She explained two opinions from the Attorney General which were passed out to the committee.

1458 Chairman Cotten provided a break down which was given to him by the Department.

Cotten also pointed out that HB 539 also deals under section 040, with construction monies for hospitals.

1479 Doctor Beirne gave his opinions as to how HB 539 effects him. His interest in the bill stems from the fact that a non-profit corporation in Anchorage for which he is president, has been working on a development of a hospital for the past several years. He answered questions regarding the project.

Meeting was adjourned at 10:00 am.

Committee Minutes For

HOUSE COMMUNITY & REGIONAL AFFAIRS

February 4, 1976

The meeting was called to order at 9:00 am by Chairman Cotten to discuss HB 595 and 610. Present were:

Rep. Cotten
Rep. Ose
Rep. Davis
Rep. Rudd
Rep. Ostrosky
Rep. Freeman
Rep. Hackney

Rep Hershberger
Jerry Sargent, Environmental Cons.
Bill Wolfe, KINY
Jerry Reinwand, Environmental Cons.
Jon Scribner, Environmental Cons.
Alan Latham, Legislative Affairs
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

(Due to a malfunction in the tape recording equipment, the meeting was not taped.)

House Bill 595 was passed out with a DO PASS recommendation.

The remainder of the meeting was spent discussing HB 610.

Meeting was adjourned at 10:00 am.

HB 595 - Village Safe water act.

Changes Eligibility Requirements for the purposes of the Village Safe Water act.

- ~~HB~~ ~~Issued~~ New Problems - This is one

The act authorizes grants to villages of between 25 & 600 people, AWA 5 & 14 2nd class cities

Originally the act applied only to Villages up to 600 + 4th class city whose 4th class cities become 2nd class-2 1972 Third 4th 1977 The review of Statutes Bill amended ~~changed~~ the language in the ACT.

Some problems occur now as there are some second class cities w/ populations well over the 400 required to become 1st class - not being required to do so leaves them in this class.

~~Inappropriate~~ for these larger communities to be covered, Basic Central systems for small + the needs of the larger communities would severely drain the limited Budget.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. _____
Title: Village Safe Water
Requested by: Rules at request of Governor Date: -
Return Date Requested: ASAP
Agency: Environmental Conservation Program: _____

II. FISCAL DETAIL
Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

See attached memo

IV. ATTACHMENTS

V. DATE: _____ PREPARED BY: _____

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

HB 595

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting to you a bill to amend the eligibility coverage for the Village Safe Water Act (AS 46.07).

The Village Safe Water Act currently authorizes grants for water supply and sewerage treatment facilities for villages of between 25 and 600 people and for second class cities. The grant program is designed to provide centralized sanitation facilities in only the smallest villages, where conventional water supply and sewerage systems are impracticable. Systems funded under this Act are unconventional in nature and are designed to provide only the most rudimentary forms of sanitation.

As originally enacted, the Act's benefits extended only to villages of up to 600 people, and fourth class cities. (Section 1, ch. 186 SLA 1970.) However, when Alaska's municipal law was comprehensively revised in 1972, the fourth class city classification was abolished. (See Section 2, ch. 118, SLA 1972 and AS 29.08.030.) All former fourth class cities were statutorily reclassified as second class cities (AS 29.08.050(b)), and a revisor of statutes bill implemented the reclassification throughout the Alaska Statutes (ch. 53, SLA 1973, specifically Section 53).

Under AS 29.08.040, a second class city may petition for an upward reclassification if its population reaches 400. However, as with former fourth class cities, there is no provision for mandatory reclassification, regardless of the population rise which the community may experience. (Also see AS 29.18.020.) Whether this would have created problems under former law is problematical; prior statutes did describe fourth class cities only in terms of small villages. (See Section 2, ch. 150 SLA 1957.) However, there exist certain second class cities, such as Bethel and Kotzebue, which have not sought reclassification despite having populations significantly in excess of the 400-person threshold

for becoming first class cities (AS 29.08.040 and 29.18.-010), and well in excess of the otherwise applicable 600-person maximum for participation in the village safe water program. These cities are inappropriately covered under the Village Safe Water Act. Not only is the village safe water program inappropriate for these larger communities, but a grant to such large communities sufficient to meet the full population's needs would severely impair the program's limited budget.

Therefore, I urge passage of this bill to assure that the Village Safe Water Act serves its basic purposes.

Sincerely,

Jay S. Hammond
Governor

Notified

HB595

X Dept C&RA

X Ak Municipal League

X Dept. Environmental Conservation (Maria Garcia 2600)

HB-604

"An Act relating to the Uniform Land Sales Practices Act."

COMMITTEE REPORT

JUDICIARY

1/16/76

HOUSE

Mr. Speaker: Date _____

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 604

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

STATE OF ALASKA

JAY S. HAMMOND
GOVERNOR

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D — JUNEAU 99811

April 5, 1976

#1 B604

Honorable Terry Gardiner
Chairman
House Judiciary Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Terry:

Re: CS HB 604

We received information late Friday afternoon that the House Judiciary Committee would consider HB 604 at 11:00 A.M. the next day, Saturday, April 3, 1976. However, we were apparently misinformed, because when Julius Brecht, the new Director of Banking, arrived to testify at that meeting, he was informed that the Committee had already considered the bill on Friday, and voted to send it to the House with two substantive changes, on which we would have liked to have commented. We are sorry we missed the committee meeting on Friday, however, we do have some comments on CS HB 604.

I shall briefly outline those comments at this time. First, the form of CS HB 604 reported out of the committee changed the cutoff for reporting intrastate subdivision offerings from 50 to 25. I feel that the cutoff should be left at 50. The purpose of this bill is certainly to protect potential buyers of subdivided land. But where small amounts of land are involved in the offering, e.g., 25 lots or roughly eight acres, the scope of the offering is usually extended to persons within a reasonable distance from the land. Therefore, these persons may make their own on-site inspection without difficulty. However, offerings of 50 lots or more tend to be made to a much larger group of interested buyers, a number of whom quite likely cannot afford the time or money to travel to the site to inspect the land prior to purchase. The intent of the Governor in proposing this bill was to cover the latter situation. Also, to reduce the cutoff to 25 will greatly increase the administrative burden on the Department of Commerce and Economic Development in processing the filings of offers containing 25 or more subdivisions. For these reasons, I feel the cutoff should be left at 50 and not changed to 25.

I also understand that the committee has amended HB 604 to require that sales of subdivided land by the state be expressly subject to the provisions of the bill. I understand that the committee believes that there are policy reasons for requiring the state, when offering subdivided land for sale, to follow a procedure similar to that set out in HB 604 for private businessmen. However, I do not believe that the administrative mechanism chosen by the committee, i.e. registration of those state

offerings with the Department of Commerce and Economic Development, is the best way to implement the policy. I believe that it is more reasonable to require, e.g., the Division of Lands in the Department of Natural Resources, to adopt regulations that would essentially follow the procedure outlined in HB 604, with the single exception that the registration of the offering would be with the Department of Natural Resources, not with the Department of Commerce and Economic Development.

Aside from the comments just expressed, I am pleased that the House Judiciary Committee has sent this important bill on to the House.

Thank you for your consideration of the bill.

Sincerely,

Langhorne A. Motley
Commissioner

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT
OFFICE OF THE COMMISSIONER
JUNEAU

4. 20. 76

SAM:

ATTACHED FOR YOUR INFO PER OUR DISCUSSION. THE COVER NOTE GIVES YOU A FEEL FOR THE IMPACT ON US OF 25 LOTS VERSUS 50 LOTS. THE FORMS ARE FROM EXISTING ONES WE USE FOR OUT OF STATE LANDS AND WOULD BE SIMILAR TO THE ONES USED WITH THIS BILL.

TY.

ALASKA ASSOCIATION OF REALTORS
2223 SPENARD ROAD
ANCHORAGE, ALASKA 99503
(907) 272-8016

March 8, 1976

Representative Samuel Cotton
Chairman, House Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Cotton:

This letter is written in regards to House Bill #604, "An Act Relating To the Uniform Land Sales Practices Act."

The Alaska Association of Realtors is strongly opposed to the passage of this bill. Any developer of 50 lots or more must now apply to Housing & Urban Development in Washington, D.C. to obtain registration or exemption from their rules. This is after complying with all local City and Planning Commission Rules and Platting Act - now it appears that this Administration wants Juneau in the act as well. If much more of this type of legislation continues, Alaska will be deserving of her outside nickname "the icebox."

We ask you and your committee to defeat this bill.

If you should hold hearings on this bill, I would appreciate being notified so that I may be in Juneau to testify before your committee.

Sincerely yours,

ALASKA ASSOCIATION OF REALTORS

Al Courtney
Chairman, State Legislative Comm.

AC:mw

Rescheduled
Tues 1/27

Rescheduled

HB 604

Dan Berry, Ak Municipal League (6-1325)

Lee McAnerney, Comm Dept C&RA (Contact: Barbara Horse 4761)

Rep. Joe McKinnon

Rep Ted Smith

Dept. of Commerce & Econ Devel (Contact: Pam Knode 2532)

[redacted]

(REV. 08-73)

MEMORANDUM State of Alaska

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

TO: Langhorne A. Motley
Commissioner

DATE: April 20, 1976

~~XXXXXX~~ OPR: L. P. Carroll

TELEPHONE NO: Ext. 2523

FROM: Julius J. Brecht
Director

SUBJECT: CSHB 604
Intrastate Land Sales Registration Act

Attached is a complete set of instructions and forms which must be completed to register a land sale under the Uniform Land Sales Practices Act (AS 34.55). Passage of CSHB 604 will impose these same requirements on intra-Alaska land sales provided the subdivided land contains 25 or more lots.

HB 604 as originally submitted by this Department called for registration only if the subdivision contained a minimum of 50 or more lots and the purpose of this memo is to discuss the rationale of our decision to set the minimum at 50 lots and to present arguments for returning the proposed legislation to its original form.

Please note that registration requires preparation of 14 exhibits (a list of which may be found on page 2 of the attached). The most detailed exhibit is the proposed Public Offering Statement. The requirements for this exhibit are fully described on page 14 of the attached forms. While for the most part the application can be completed by the individual subdivider or developer, some technical assistance may be required in completing the financial data requirements and perhaps for some portions of the Public Offering Statement.

Let us analyze the potential cost of perfecting a registration and show the impact of a 25 lot subdivision as opposed to the minimum 50 lot subdivision we requested.

The fixed fee for registration filing is $300.00 plus the cost of an on-site inspection. The inspection fees will vary depending on location, but for purposes of this discussion, we have estimated the average to be an additional $300.00. Assuming that preparation of registration documents and technical assistance may run as high as $500.00, it can be shown that minimum fees could be $1100.00. Based on these calculations, the fees prorated on a 25 lot subdivision adds $44.00 to the cost of each lot. At a 50 lot minimum, the addition is one half that amount and proportionatly lower as the size of the subdivision goes up.

It should also be pointed out that the developer is not required to file a H.U.D. statement with the office of Interstate Land Sales until the subdivision contains 50 or more lots. Much of the same data is required on both filings. By setting the minimum at 50 lots, we are not imposing any harsher standards than is imposed by the Federal government in the same area.

As far as potential work load to the Division is concerned, a survey of subdivision plats filed with four major boroughs in 1975 (Anchorage, Fairbanks, Kenai, Matanuska-Susitna) disclosed the following information:

Subdivision lot size	No. of Registrations
4-24 Lots	460
25-49 Lots	47
50 & over Lots	40

Thus it can be shown, based on prior year activity, that we would experience in excess of a 100% workload increase if the minimum is kept at 25 lots.

Certainly the purpose of this bill is to provide full disclosure to potential buyers of subdivided land and the assurance that such disclosure is accurate and honest. What must be examined is at what point should this protection be extended. We feel that where small amounts of land are involved (25 lots or roughly 8 acres) the market area is significantly reduced. Accordingly, fewer people and generally those within a close proximity are potential buyers. These people can and generally do undertake their own personal investigation and on-site inspection. However, offerings of 50 or more lots require a much larger marketing area and in many cases the effort is statewide. In this situation, many potential purchasers would rely on the advertising material and the Public Offering Statement as they quite likely cannot afford the time or expense of traveling to conduct their own inspection.

It is for these reasons we feel that the minimum lot size requiring registration be left at 50 and not reduced to 25.

We also understand that the committee has amended HB 604 to require that sales of subdivided land by the state be expressly subject to the provisions of the bill. The House Judiciary Committee believes that there are policy reasons for requiring the state, when offering subdivided land for sale, to follow a procedure similar to that set out in HB 604 for private businessmen. We would like to suggest that the State remain exempt under the Land Sales Registration Act and that the Legislature consider requiring the Division of Lands in the Department of Natural Resources, to Adopt regulations which would essentially follow the procedure outlined in the Uniform Land Sales Practices Act without requiring registration with the Department of Commerce and Economic Development.

The staff of this Division remains at your disposal should you or any member of the Legislature have any questions or desire further discussion of this material.

Attachment

STATE OF ALASKA
DEPARTMENT OF COMMERCE
DIVISION OF BANKING & SECURITIES
POUCH D
JUNEAU, ALASKA 99801

INSTRUCTION SHEET

Attached are the necessary forms for registration of out-of-state lands to be sold in Alaska. Registration is required when ten (10) or more separate lots, parcels, units or interests are offered in this State by a person in a period of twelve (12) months (unless otherwise exempt under Sec. 34.55.042).

Application fee must accompany Registration Statement. Applicant will be billed for inspection fee following inspection but prior to issuing Order of Registration.

The Department will upon receipt of applicant's Registration Statement and required exhibits, issue a Notice of Filing and within ninety (90) days from the date of the Notice of Filing will issue to the applicant, an order registering or rejecting the sale of the subdivided land in this State.

Please ascertain that all required exhibits are submitted with Registration Statement. ALL exhibits are not mentioned in the Registration Statement but are required.

No person may dispose of subdivided lands located outside this State unless a Public Offering Statement conforming to the attached format is delivered to the purchaser prior to the sale.

The subdivider must file within thirty (30) days after each annual anniversary date of the order registering subdivided land, an Annual Report (form attached) reflecting material changes in information contained in original registration.

The Department may accept, after review, the registrations filed with other states which have adopted the Uniform Land Sales Practices Act.

Please forward completed forms to:

Department of Commerce
Division of Banking & Securities
Pouch D
Juneau, Alaska 99801

STATE OF ALASKA

UNIFORM LAND SALES PRACTICES ACT

EXHIBITS REQUIRED

1. Service of Process
2. Copies of instruments by which applicant acquired interest in subdivided lands.
3. Copies of instruments creating liens against subdivided lands.
4. Copies of instruments creating easements, restrictions or other encumbrances, affecting the subdivided land.
5. A statement of zoning and other governmental regulations affecting the use of the subdivided land.
6. A description of any existing tax or proposed tax or assessment which affects the subdivided land.
7. Copies of contracts or agreements purchaser will be required to sign or agree to.
8. Copy of instrument which purchaser will receive as evidence of his interest in subdivided lands.
9. Proposed public offering statement ✓
10. Current Financial Statement of applicant (end of last fiscal year)
11. Title opinion by license
12. Copies of advertising material used
13. Legal description of the subdivision and a map showing dimensions of the lots, parcels, units or interests and the relations of the subdivision lands to existing streets, roads and other off-site improvements.
14. Statement of officers, directors, partner or employee

STATE OF ALASKA
DEPARTMENT OF COMMERCE
Pouch D
Juneau, Alaska 99801

REGISTRATION STATEMENT

for the Sale of Out-of-State Lands

Subdivision

Name_____
Location_____
City_____
County_____ State_____

Received_____ File No._____

Notice of Filing_____
Registered_____

1. Fees:

Application:

Filing Fee $100.00
Registration Fee $200.00
Submit with Application $300.00

Inspection:

$_____ round trip air and ground transportation from Juneau, Alaska plus $40.00 per day for travel and $40.00 per day for site inspection.

2. Applicant:

A. Name of Subdivider_____

___ Individual ___ Partnership ___ Corporation ___ Other

Address_____
Street City State

B. Give address in Alaska, if any_____

C. If Incorporated, is corporation registered in Alaska?

Yes____ No____

D. Has applicant (if corporation, any of its officers, directors, and principals) ever been convicted of a crime involving land disposition or any aspect of land sales business?

Yes____ No____

E. Has applicant ever been subject to any administrative order or injunction restraining a false or misleading promotional plan involving land disposition?

Yes____ No____

F. List other states where subdivision is registered or application for registration has been filed.

_____

_____

3. Location of Subdivision:

A. State_____ County _____

B. Name of nearest incorporated town_____

C. Route and distance from town to subdivision._____

_____
(Exhibit 13 required as supporting information)

4. Size of Subdivision:

A. Total acreage in subdivision, including land held for future expansion. _____

_____

B. Number of lots, parcels, units, or interests included in this filing. _____

_____

C. Size of smallest parcel to be offered for sale. _____

_____

(Exhibit 13 required as supporting information)

5. Record title holder:

Name _____
Address _____
Telephone _____

(Exhibit 2 required as supporting information)

6. Condition of title:

A. Are there any mortgages, trust, liens, or other encumbrances against this property?

Yes____ No____

If Yes, submit the following:

1. Name of mortgagee _____
2. Address _____
3. Original amount of mortgage _____
4. Balance owing _____
5. Terms of payment _____
6. Are mortgage and interest payments current?

Yes____ No____

(Exhibit 3 required as supporting information)

B. Other encumbrances (describe fully, i.e. pledged receivables, contract assignments, etc.). _____

_____

_____

_____

_____

C. Can subdivider presently convey clear title to subdivided lands?

Yes____ No____

7. Land use, covenants, taxes, assessments. (Exhibits 4, 5 & 6 required as supporting information)

A. Are these lands platted of record?

Yes____ No____

Did platting of these lands require prior approval of a governmental agency?

Yes____ No____

Name of agency _____

B. Is the use of the land restricted?

Yes____ No____

C. Are protective covenants recorded?

Yes____ No____

D. Are easements recorded?

Yes____ No____

8. Land is characterized by:

Steep grades or ravines?	_____	Filled grounds?	_____
Poor surface drainage?	_____	Swamp or marsh?	_____
Ocean spray damage?	_____	Desert?	_____
High water table?	_____	Sandy soil?	_____
Soil erosion?	_____	Clay soil?	_____
Floods?	_____	Other?	_____

9. Climate:

A. Describe climate_____

_____

_____

B. Average rainfall_____

10. Community facilities:

A. Developed or to be developed within the subdivision.

Elementary School?	_____	Church?	_____
High School?	_____	Shopping Center?	_____
Playground?	_____	Civic Center?	_____

B. Where the above are not developed within the subdivision, distance to:

Elementary School	_____mi.	Church	_____mi.
High School	_____mi.	Shopping Center	_____mi.
Playground	_____mi.	Civic Center	_____mi.

11. Utilities:

Public water system?	_____	Street lighting?	_____
Electric lines?	_____	Telephones?	_____
Sewage system?	_____	Gas?	_____
Fire hydrants?	_____		

12. Street improvements:

Width of streets?	_____	Type of road?	_____
Storm sewers?	_____	Who is responsible for	
Nature of access road	_____	maintenance?	_____
_____		_____	

13. Completion of required improvements:

A. Under subdivision regulations, are improvements required to be completed or bond posted prior to sale?

Yes____ No____

If no, when must they be completed? _____

_____

B. List improvements which must be completed above.

_____

_____

_____

_____

14. Public transporation:

A. Location and distance of nearest commercial airport.

_____

B. Location and distance of nearest railroad depot.

_____

C. Does a bus system serve the subdivision?

Yes____ No____

15. Terms of sale (briefly)

_____

_____

_____

16. Description of promotional plan.

_____

_____

_____

(Exhibit 12 required as supporting information)

17. When full payment is made, what is nature of instrument purchaser will receive to represent his interest in land?

_____

_____

(Exhibits 7 & 8 required as supporting information)

AFFIDAVIT

UNITED STATES OF AMERICA)
)
STATE OF_____)

I,_____ being duly sworn, depose and say: That the statements herein contained and documents submitted are full, true and complete.

By_____
Subdivider

By_____
(Authorized Officer or Agent)

Subscribed and sworn to before me this_____day of_____, 19__

_____
Signature of Officer Admin. Oath

(Notarial Seal)

Notary Public_____
County of_____

STATE OF ALASKA
DEPARTMENT OF COMMERCE
DIVISION OF BANKING & SECURITIES
Pouch D
Juneau, Alaska 99801

NOTICE OF FILING

Name and address of subdivider

_____

_____

_____

State of _____

File Number _____

Subdivision

_____

_____

Date Filed _____

Examiner _____

Telephone _____

UNIFORM CONSENT TO SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, _____, (a corporation organized under the laws of the State of _____) (a partnership) (an individual) (other _____) for the purpose of complying with the laws of the State of _____ relating to either the registration or sale of out-of-state land hereby irrevocably appoints Commissioner of Commerce, and the successors in such office, its attorney in the State of Alaska upon whom may be served any notice, process or pleading in any action or proceeding against it arising out of or in connection with the sale of out-of-state land or out of violation of the aforesaid laws of said State; and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within said State by service of process upon said officer with the same effect as if the undersigned was organized or created under the laws of said State and had lawfully been served with process in said State.

It is requested that a copy of any notice, process or pleading served hereunder be mailed to:

_____

(Name and Address)

_____

Dated: _____, 19____.

_____

By _____

Title _____

(Seal)

_____

By _____

Title _____

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA)
) ss.
STATE OF_____)

On this _____day of_____, 19____, before me _____, the undersigned officer, personally appeared_____ and _____, known personally to be to be the _____ President and _____ Secretary, respectively, of the above named corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

_____
Notary Public

(Notarial Seal)

My Commission expires:_____

INDIVIDUAL OR PARTNERSHIP ACKNOWLEDGMENT

UNITED STATES OF AMERICA)
) ss.
STATE OF_____)

On this_____day of _____, 19____, before me, _____, the undersigned officer, personally appeared_____to me personally known and known to me to be the same person(s) whose name(s) is (are) signed to the foregoing instrument, and acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

_____
Notary Public

(Notarial Seal)

My Commission expires:_____

STATE OF ALASKA

DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT

TO BE FILLED OUT BY ALL PARTNERS, OFFICERS, DIRECTORS OR PERSON OCCUPYING A SIMILAR STATUS OR FUNCTION OF THE SUBDIVIDER OR ANYONE WHOSE INTEREST IN THE APPLICANT EXCEEDS TEN PERCENT.

1. _____
Firm Making Application

2. _____
Applicant's Director or Officer's Full Name

_____
Place of Birth **Age**

_____
Business Address (including Zip Code)

_____
Residence Address

_____
Present Occupation or Profession

3. Are you an Officer, Director, Partner or Employee of above named firm? (Circle one) President, Vice President, Sec., Treas., Director, Other

_____ _____

4. Record of Previous Occupation (5 years) (Give full details and attach separate sheet if necessary)

_____

_____

_____

_____

_____

5. (a) Education Record (school address, years attended, degrees)

_____

_____

_____

_____

_____

(b) State any specialized education in real estate or land development.

_____

_____

_____

(c) States in which licensed as a real estate broker or salesman.

_____

_____ _____

(d) If licensed, has your license as a real estate broker or salesman ever been revoked or suspended in this state or any other state?

Yes ____ No ____

6. Do you as principal of the firm have an interest in the applicant?

Yes ____ No ____

(a) Extent and nature (within 30 days of filing of application)

Number of shares owned: _____ Percentage of Ownership: _____

_____

(b) How acquired and manner of payment_____

_____

_____

(c) Is payment completed?_____

7. Have you any written agreement covering acquisition of additional interest?

Yes ____ No ____ (If yes, give full particulars on separate sheet marked Exhibit A)

8. State in full your arrangements with this organization regarding compensation, salary, commission, profit-sharing, bonus, etc. (Attach separate sheet if necessary, marked Exhibit B)

_____

_____

9. (a) What amount of time do you devote to this organization's business or affairs? _____

(b) Will you be engaged in such activities on a full-time or part-time basis? _____

10. Have you ever:

(a) Been an officer or director in a company which has become insolvent or has voluntarily or involuntarily declared bankruptcy?_____

(b) Been arrested for or convicted of any crime? (Omit minor traffic violations) _____

(c) Have you as an individual ever filed a petition in voluntary bankruptcy or has an involuntary petition in bankruptcy been filed against you? _____

11. Has applicant company or any of its officers and directors ever been convicted of a crime involving land dispositions or any aspect of the land sales business, in this state, the United States, or any other state or foreign country or subject to any injunction or administrative order regarding false or misleading promotional plans involving land dispositions? _____

NOTE: If answer is "YES" to any part of Questions 10 or 11, attach a separate sheet providing full particulars and marked Exhibit C.

12. Names and addresses of five character references (do not use relatives or associates in this enterprise):

Name of Reference	Occupation	Mailing Address
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

13. Names and addresses of credit references:

_____

_____

_____

_____

14. Banking facilities used during the past five years:

_____

_____

_____

15. For corporations or partnerships owning in excess of 10% of registrant, attach latest Financial Statement (Balance Sheet & Income Statement)

STATE OF _____)
) ss:
COUNTY OF _____)

I, _____, do solemnly swear that the foregoing answers and statements have been knowingly made by me and that the same are true, and that I have not omitted to state any material facts touching upon such matters.

Given under my hand this _____ day of _____ A.D. 19____.

_____
Signature as principal of firm

Subscribed and sworn to before me in _____ County, in the State of _____, by the said _____, who personally appeared before me in the aforesaid County and State this _____ day of _____, A.D. 19____.

S E A L

_____
Notary Public

My Commission Expires

PROFIT AND LOSS STATEMENT

For the Period from _____ to _____

Sale of Lots		
Cost of Sales of Lots		
Gross Profit		
Sale of Houses		
Cost of Sale of Houses		
Gross Profit		
Interest Income on Lot Contracts		
Other Income		
Operating Expenses		
Advertising		
Other Selling Expenses		
Commissions		
General and Administrative		
Provision and Cancellation of Lot Contracts		
Net Income Before Provision For Federal Income Tax		
Provision for Federal Income Tax		
Net Income		

What is the average pay-out period on lot sales contracts?

What has been the average monthly expenditure for land improvement for the past six months? (Include monies placed in escrow for this purpose, but exclude any indirect charges; viz., consultation fees, etc.)

Is any of the land previously sold or presently offered for sale encumbered by mortgages or pledged as collateral?

If so, approximately what percent and how is it encumbered?

Does the encumbrance contain individual lot or parcel release provisions?

Explain briefly._____

BALANCE SHEET

_____ 19___

ASSETS

Cash Unrestricted		_____
Cash, In Escrow for Land Improvements on Mortgage Payments		_____
Contracts Receivable on Lots Sales	_____	
Less: Allowance for Contract Cancellations	_____	_____
Other Receivables		_____
Land Held for Sale, at Cost		_____
Houses Under Construction		_____
Fixed Assets at Cost	_____	
Less: Accumulated Depreciation	_____	
Deferred Charges		_____
Other Assets		_____
TOTAL ASSETS		_____

LIABILITIES

Accounts Payable		_____
Construction Loans Payable		_____
Customer Deposits		_____
Accrued Liabilities:		
Commissions on Lot Sales	_____	
Interest	_____	
Other	_____	
Mortgages Payable		_____
Other Notes Payable		_____
Estimated Liability for Improvements to lots sold	_____	
Federal Income Tax Payable:		
Current		_____
Deferred		_____
Other Liabilities		_____
Total Liabilities		_____

STOCKHOLDER'S EQUITY

(If Proprietorship or Partnership, use Appropriate Leading and Subtitles)

Common Stock _____ Shares Authorized _____ and Issued		
Other Classes of Stock _____ Shares Authorized and Issued		_____
Contributed Capital		_____
Retained Earnings		_____
TOTAL LIABILITIES AND EQUITY		_____

INSTRUCTION: In preparing Public Offering Statement, please use this format.

Reg. No._____

PUBLIC OFFERING STATEMENT
on

_____

Date_____

1. Name and address of Subdivider
2. Description of land (location, number lots, etc.)
3. Ownership of land
4. Nature of interest in land to be conveyed
5. Type of instrument used for conveyance (deed,etc.)
6. Zoning regulations
7. Use for which property offered
8. Encumbrances, easements, liens, restrictions
9. Existing taxes, special taxes or assessments
10. Roads
11. Water Supply
12. Elevation of the land
13. Soil conditions - drainage
14. Sewage disposal facilities
15. Existing and proposed improvements
16. Date of completion and responsibility for construction and maintenance of existing and proposed improvements.
17. Electricity, telephone, gas
18. Fire and police protection
19. Public transportation
20. Schools
21. Shopping facilities
22. Terms of sale
23. Provisions of installment contract of sale
24. Tax estimate
25. Escrow or trust agreement
26. Representative or real estate agent in Alaska.
27. Name and address of agency to receive service

THIS SUBDIVISION HAS BEEN REGISTERED WITH THE DEPARTMENT OF COMMERCE, STATE OF ALASKA, ON _____. REGISTRATION DOES NOT INDICATE APPROVAL OR DISAPPROVAL OF THE SUBDIVISION.

_____
Signature of authorized officer or agent

THIS PUBLIC OFFERING STATEMENT MUST BE GIVEN TO EACH PURCHASER AT THE TIME OF SALE AND PURCHASER BE GIVEN AMPLE OPPORTUNITY TO READ THE STATEMENT.

Note: (The above two underscored statements to appear on all Public Offering Statements)

HB-605

"An Act relating to tax exempt obligations."

COMMITTEE REPORT

1/16/76 HOUSE FINANCE

Mr. Speaker: Date 1-16-76

The Committee on C&RA has had HB 505 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

	Sam Hudson	
Bob Case	Kellogg Stroup	
Duncan J. Low		

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

Committee Minutes for

HOUSE COMMUNITY & REGIONAL AFFAIRS

January 27, 1976

The meeting was called to order by Chairman Cotten at 9:00 am to discuss HB 605. Present were:

Rep. Cotten
Rep. Rudd
Rep. Ose
Rep. Ostrosky
Rep. Freeman
Rep. Hackney
Rep. McKinnon
Rep. Davis
Bill Berrier
Gary Jenkins, Dept. of Revenue
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

Rep. Joe McKinnon was asked to testify on HB 605. The bill was intended to deal with what he considers to be a loop hole in the Federal tax laws and certainly a loop hole in the state law which is based on the federal law. It deals with income earned from interests from municipal or state bonds. What the bill would be do would continue exemption for bonds of the state or any of its political subdivisions but tax interests earned on bonds from municipalities outside or states outside. Twenty-eight states presently have this type of taxing procedure.

Next, Mr. Gary Jenkins from the Department of Revenue testified that they do not see any impact on state revenue.

Rep. Hackney moved to pass the bill.

Chairman Cotten stated that there would be a meeting this evening from 7:00 to 9:00 on HB 539.

Meeting adjourned at 10:00 am.

Notified	Attended	HB605
X		Don Berry, Ark. Munic League
X		Comm. Lee McAnerney, Dept. C & RA (Contact: Barbara Morse 4761)
X		R.D. Stevenson, Dept. of Rev.
X		Rep. Joe McKinnon

HB-656

"An Act relating to assessments on state lands."

COMMITTEE REPORT

HOUSE

1/27/76

Mr. Speaker: Date 1 27 76

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 656 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 1, 1976

The meeting was called to order by Vice-Chairman Kathryn Ostrosky for discussion of HB's 656/657. Present were:

Rep. Davis	Rep. Cotten (late)
Rep. Hackney	Palmer McCarter, C&RA
Rep. Kelley	Jack Roderick, Deputy Commissioner of C&RA
Rep. Rudd	Barbara Englert Thomas Staff
Rep. Freeman	Vicci Hansen, Staff

0007 Rep. Ostrosky asked Mr. Roderick to testify on HB 656.

He explained that right now the law provides in 38.05.030 subsection (c) that when any department acquires any real property, it is supposed to notify the division of Lands. That is not being done so the division of Lands doesn't know the ownership by department of the state land. The municipalities bill the agency and the agency then gets the bill and has to decide if it is their land that is being billed and then check with the division of Lands. They then put it in their CIP budget and eventually it gets to the appropriation state. This bill is designed to simply send a copy of that municipal bill to the Department of Administration who would package it up and go then to the legislature and get an appropriation and then pay the municipalities at one time. In researching this he came to the conclusion that if the division of lands had all the records of the various agencies and the bills were sent to the division of Lands the same thing would be accomplished but in fact the simplest way is to have the municipalities send the bills to the Department of Administration and the Department of Administration would have the responsibility of checking with each of the agencies to see if in fact the assessment is proper and then go into the legislature for the appropriation.

131 Rep. Kelley asked how come this particular portion of it is being subject to the appropriation of the legislature hasn't been added into the budget before. She asked if this way they would come out with a supplemental each time or if it could be worked into the budget itself.

142 Roderick stated that that was the other alternative to try to predict what the bills are going to be each time from the municipalities but this approach is also a way.

There was committee discussion and questions on this bill.

Rep. Kelley said that she would like to ask someone in Finance to see if they see this as a problem.

245 Rep. Hackney said that he felt that this would become a part of the budget for Community & Regional Affairs the same as Revenue Sharing and he felt that it should be handled the same as Revenue Sharing where if the Department didn't have enough money to fund for the entire amount that was needed then they would pay it. This way every community would get a portion up to the amount the Department had.

Rep. Kelley was against the language. She felt that it gave you the feeling that you have to appropriate the money.

395 Palmer McCarter gave his opinions on the bill.
Without the language the state is obligated to pay and the borough could proceed to file delinquencies and file liens against the property. With the added language there is the escape.

580 Rep. Rudd said that it could be done by regulation. She asked Roderick if there were regulations now covering it. Roderick stated that he did know that the law requires that every state agency file with the Division of Lands their ownership and that has not been done. Division of Lands does not know what each department owns so when a bill comes in he's sure it finds its way to the Division of Lands and then they have to go back to the agencies and find out if it is a valid bill.

There was no further discussion on the bill and it was decided to hear from Mr. Tubbs from Division of Lands or other witnesses. It was decided to set this bill aside and move on to HB 657.

635 HB 657 has to do with the manner of subdividing areas that are in unorganized boroughs and third class boroughs. The new language is third class boroughs and may be more than one eventually.

Kevin Waring from the Department of Natural Resources was asked to testify on this bill. He felt it was primarily a planning bill. He said that the bill is primarily aimed at a gap in state law right now that does give the Division of Lands authority for review of proposed subdivision plats in unorganized areas outside the municipalities and boroughs. Under present law all subdivision plats in cities and in boroughs are mandatorily reviewed by the city planning commission or the borough planning commission to make sure that they conform with good engineering and planning practices. That is not the case outside municipal jurisdictions.

The committee discussed this bill and it was decided to carry on with discussion of this bill at a later date since the committee ran out of time.

Meeting was adjourned at 10:05 am.

HOUSE COMMUNITY & REGIONAL AFFAIRS

April 9, 1976

The meeting was called to order at 9:05 am by Chairman Cotten for discussion of SB 551, SB 529, HB's 656 and 657. Present were:

Rep. Cotten
Rep. Ose
Rep. Freeman
Rep. Kelley
Rep. Hackney
Rep. Davis
Rep. Ostrosky
Don Berry, Alaska Municipal League
Palmer Mc Carter, C&RA
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

0009 Chairman Cotten explained SB 551. Since Anchorage unified it didn't automatically come under the Social Security Act and apparently it appears that unless municipal employees are covered under Title II of the Social Security Act, they don't qualify for state PERS so the procedure is for them to have a vote on an individual basis to find out if they want to.

0058 Don Berry pointed out that on February 17th the House passed HB 569, 35-0 and this bill is identical to SB 551.

0079 Rep Freeman asked to vote the bill out.

0110 Palmer McCarter gave a run-down on SB 539. Sections 1 and 2 were in the Governors bill and basically they consider that part to be part of a clean up of existing language. There would be the possibility under Section 1 where a borough could apply under the state for monies that the state says could be exempted to certain individuals without actually having given the exemption to the person. That part is a clean-up. Also, Section 2 they consider a clean-up.

0145 Cotten asked McCarter if the problem was that they had a $10,000.00 exemption and so the state was paying the borough for revenue that they really hadn't lost.

McCarter said yes.

Cotten said that confused him.

McCarter explained this. There basically is really no objection to either Section 1 or 2. Those are amendments that were proposed by the state assessor. Section 3 additionally had some language in it that the state assessor felt should have been left in and McCarter suspects that the committee members do not have the original bill but he explained this part.

0368 McCarter discussed the bill with the committee and said that it would have helped to have Bob Dozier present.

0425 Rep. Ose stated that this exemption leaves it wide open for the food stampers and so forth and an honest farmer has a tough time. He stated examples of this in his area.

There was further discussion on the bill.

0540 Rep. Ose said that he would like to have some people come in and discuss the other end of this. Cotten said he have it Wednesday.

0544 Cotten then discussed HB 657, Planning, Platting and Zoning. Gene Hines testified on this. He said that there are some reservations about this bill. He listened to the people representing the Administration and he feels it has much more effect than what they testified to. This was first brought to their attention when they got a copy of unorganized borough zoning regulations put out by administration before the session started. He read portions of those regulations. The committee is to have copies of this letter and regulations. He felt that it should be stopped right now before a lot of money is spent if the committee doesn't approve of it.

Cotten said that it was a serious question.
He said that this should be resolved by the legislature and not by a single committee since it takes in quite a bit of scope. He will have a legal interpretation presented to the committee on this.

0857 Cotten asked the committee what they wanted to do with HB 656. He told the committee what the bill was briefly about.

There was discussion on the bill. He asked if someone would like to make a motion to pass the bill out.

0940 Ostrosky said that she moved to pass the bill out

The meeting was adjourned at 10.00 am.

HB656

4/1/16 Hugh Malone can't come testify right now,
but his only concern is on line 18:
there should be no penalty
He agrees
but wonders about disallowing interest
change.

HB-657

"An Act relating to the platting authority; and providing for an effective date."

COMMITTEE REPORT

1/27/76

HOUSE

Mr. Speaker: Date 4-20-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 657 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS

April 9, 1976

The meeting was called to order at 9:05 am by Chairman Cotten for discussion of SB 551, SB 529, HB's 656 and 657. Present were:

Rep. Cotten
Rep. Ose
Rep. Freeman
Rep. Kelley
Rep. Hackney
Rep. Davis
Rep. Ostrosky
Don Berry, Alaska Municipal League
Palmer Mc Carter, C&RA
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

0009 Chairman Cotten explained SB 551. Since Anchorage unified it didn't automatically come under the Social Security Act and apparently it appears that unless municipal employees are covered under Title II of the Social Security Act, they don't qualify for state PERS so the procedure is for them to have a vote on an individual basis to find out if they want to.

0058 Don Berry pointed out that on February 17th the House passed HB 569, 35-0 and this bill is identical to SB 551.

0079 Rep Freeman asked to vote the bill out.

0110 Palmer McCarter gave a run-down on SB 529. Sections 1 and 2 were in the Governors bill and basically they consider that part to be part of a clean up of existing language. There would be the possibility under Section 1 where a borough could apply under the state for monies that the state says could be exempted to certain individuals without actually having given the exemption to the person. That part is a clean-up. Also, Section 2 they consider a clean-up.

0145 Cotten asked McCarter if the problem was that they had a $10,000.00 exemption and so the state was paying the borough for revenue that they really hadn't lost.

McCarter said yes.

Cotten said that confused him.

McCarter explained this. There basically is really no objection to either Section 1 or 2. Those are amendments that were proposed by the state assessor. Section 3 additionally had some language in it that the state assessor felt should have been left in and McCarter suspects that the committee members do not have the original bill but he explained this part.

0368 McCarter discussed the bill with the committee and said that it would have helped to have Bob Dozier present.

0425 Rep. Ose stated that this exemption leaves it wide open for the food stampers and so forth and an honest farmer has a tough time. He stated examples of this in his area.

There was further discussion on the bill.

0540 Rep. Ose said that he would like to have some people come in and discuss the other end of this. Cotten said he have it Wednesday. wilks

0544 Cotten then discussed HB 657, Planning, Platting and Zoning. Gene Hines testified on this. He said that there are some reservations about this bill. He listened to the people representing the Administration and he feels it has much more effect than what they testified to. This was first brought to their attention when they got a copy of unorganized borough zoning regulations put out by administration before the session started. He read portions of those regulations. The committee is to have copies of this letter and regulations. He felt that it should be stopped right now before a lot of money is spent if the committee doesn't approve of it.

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He said that this should be resolved by the legislature and not by a single committee since it takes in quite a bit of scope. He will have a legal interpretation presented to the committee on this.

0857 Cotten asked the committee what they wanted to do with HB 656. He told the committee what the bill was briefly about.

There was discussion on the bill. He asked if someone would like to make a motion to pass the bill out.

0940 Ostrosky said that she moved to pass the bill out

The meeting was adjourned at 10:00 am.

Rep. Kelley was against the language. She felt that it gave you the feeling that you have to appropriate the money.

395 Palmer McCarter gave his opinions on the bill.
Without the language the state is obligated to pay and the borough could proceed to file delinquencies and file liens against the property. With the added language there is the escape.

580 Rep. Rudd said that it could be done by regulation. She asked Roderick if there were regulations now covering it. Roderick stated that he did know that the law requires that every state agency file with the Division of Lands their ownership and that has not been done. Division of Lands does not know what each department owns so when a bill comes in he's sure it finds its way to the Division of Lands and then they have to go back to the agencies and find out if it is a valid bill.

There was no further discussion on the bill and it was decided to hear from Mr. Tubbs from Division of Lands or other witnesses. It was decided to set this bill aside and move on to HB 657.

635 HB 657 has to do with the manner of subdividing areas that are in unorganized boroughs and third class boroughs. The new language is third class boroughs and may be more than one eventually.

Kevin Waring from the Department of Natural Resources was asked to testify on this bill. He felt it was primarily a planning bill. He said that the bill is primarily aimed at a gap in state law right now that does give the Division of Lands authority for review of proposed subdivision plats in unorganized areas outside the municipalities and boroughs. Under present law all subdivision plats in cities and in boroughs are mandatorily reviewed by the city planning commission or the borough planning commission to make sure that they conform with good engineering and planning practices. That is not the case outside municipal jurisdictions.

The committee discussed this bill and it was decided to carry on with discussion of this bill at a later date since the committee ran out of time.

Meeting was adjourned at 10:05 am.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 1, 1976

The meeting was called to order by Vice-Chairman Kathryn Ostrosky for discussion of HB's 656/657. Present were:

Rep. Davis	Rep. Cotten (late)
Rep. Hackney	Palmer McCarter, C&RA
Rep. Kelley	Jack Roderick, Deputy Commissioner of C&RA
Rep. Rudd	Barbara Englert Thomas, Staff
Rep. Freeman	Vicci Hansen, Staff

0007 Rep. Ostrosky asked Mr. Roderick to testify on HB 656.

He explained that right now the law provides in 38.05.030 subsection (c) that when any department acquires any real property, it is supposed to notify the division of Lands. That is not being done so the division of Lands doesn't know the ownership by department of the state land. The municipalities bill the agency and the agency then gets the bill and has to decide if it is their land that is being billed and then check with the division of Lands. They then put it in their CIP budget and eventually it gets to the appropriation state. This bill is designed to simply send a copy of that municipal bill to the Department of Administration who would package it up and go then to the legislature and get an appropriation and then pay the municipalities at one time. In researching this he came to the conclusion that if the division of lands had all the records of the various agencies and the bills were sent to the division of Lands the same thing would be accomplished but in fact the simplest way is to have the municipalities send the bills to the Department of Administration and the Department of Administration would have the responsibility of checking with each of the agencies to see if in fact the assessment is proper and then go into the legislature for the appropriation.

131 Rep. Kelley asked how come this particular portion of it is being subject to the appropriation of the legislature hasn't been added into the budget before. She asked if this way they would come out with a supplemental each time or if it could be worked into the budget itself.

142 Roderick stated that that was the other alternative to try to predict what the bills are going to be each time from the municipalities but this approach is also a way.

There was committee discussion and questions on this bill.

Rep. Kelley said that she would like to ask someone in Finance to see if they see this as a problem.

245 Rep. Hackney said that he felt that this would become a part of the budget for Community & Regional Affairs the same as Revenue Sharing and he felt that it should be handled the same as Revenue Sharing where if the Department didn't have enough money to fund for the entire amount that was needed then they would pay it. This way every community would get a portion up to the amount the Department had.

Sam Cotten —

Re: AG's opinion on State's authority to zone land in the unorganized borough

Rod Regues called about their opinion & he said the Dept. of Law has always interpreted that the zoning power was granted broadly. The original bill ~~granted~~ authorized zoning of Federal lands in the Unorganized borough. The Judiciary committee at the time changed the wording of sec a of AS 38.05037 and there is ~~the power~~ ~~of the~~ now no reference in that section to facilitating the sale of Federal lands. If a municipality has zoning power the Dept. of Law shall have it.

He reiterated the Administration's concern for this bill is that proper platting will prevent many legal problems from coming up in the future. Now they can vacate the plats but they don't get have to get platting authority

Hope this is okay! BST

HB 792 HOUSE BILL NO. 792 was referred to the Rules Committee for placement on the calendar.

HB 826 The Commerce Committee has had HOUSE BILL NO. 826 (discounts in retail sales) under consideration and a majority of the members of the Committee reports it back with individual recommendations. The report was signed by Mr. Bradley, Chairman. Bradley and McKinnon recommend do pass; Kelley, Freeman and Urion recommend do not pass: Fischer recommends "do not pass, it's ridiculous" and Rudd has no recommendation.

HOUSE BILL NO. 826 was referred to the Rules Committee for placement on the calendar.

INTRODUCTION, FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HCR 133 HOUSE CONCURRENT RESOLUTION NO. 133 by the Rules Committee by request of the Administrative Regulation Review Committee:

> Annulling regulations of the Department of Health and Social Services pertaining to plumbing facilities for restaurants and taverns.

was introduced, read the first time and referred to the Health, Education and Social Services Committee.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE BILLS

HB 646 HOUSE BILL NO. 646 (selection of architects, engineers and surveyors for state projects; effective date) was read the second time with the State Affairs Committee report (page 530 of the Journal), the Finance Committee report (page 558 of the Journal) and the second Finance Committee report (page 662 of the Journal).

Mr. Miller moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 646 (Finance) (same title) be adopted in lieu of HOUSE BILL NO. 646.

Mr. Specking objected and withdrew his objection.

Mr. Gardiner objected and withdrew his objection.

CSHB 646 (Fin) There being no further objection, it was so ordered.

STATE OF ALASKA SEND copy

Inter-Department Route Slip To SENATE committee—

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislature

ATTENTION Senate Cotten, Rep

☐ 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:

Sent ASAP you've looked at this Re your wishes included in HB 657 yes

FROM:
MAIL STATION NUMBER 0300

DEPARTMENT Law

BY Rod Squier DATE 4/28/76

02-002 (REV.10/73)

HB657

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

Pouch K
State Capitol Building
Juneau, Alaska 99811

April 28, 1976

The Honorable Sam R. Cotten
Representative
Alaska State Legislature
P. O. Box 296
Eagle River, Alaska 99577

Re: Zoning authority in the unorganized borough

Dear Chairman Cotten:

You have asked whether AS 38.05.037 authorizes the Alaska Division of Lands to zone all lands in the unorganized borough.

Subsection (a) of AS 38.05.037 provides:

> In areas of the unorganized borough where there is no political subdivision of the state with a zoning power, the division of lands shall exercise the zoning power by adopting zoning regulations.

As originally introduced by request of the Governor, the legislation provided that:

> The Division of Lands . . . shall exercise its zoning power . . . only at such times and in such areas as it is requested to do so by the Secretary of the Interior to facilitate sales of lands within the unorganized borough pursuant to Public Law 88-608, 78 Stat. 988. (emphasis added).

The legislature altered this limitation so that it applied solely to a limitation on zoning federal lands. AS 38.05.037(b). It then added an additional limitation:

> Any zoning done by the division of lands under (b) of this section is final unless disapproved by concurrent resolution at the next regular session of the legislature. 1/

The result is that the Alaska Division of Lands is authorized to zone private lands in the unorganized borough generally. It may zone federal lands only by request of the Secretary of the Interior. The latter may be disapproved by concurrent resolution by the legislature.

There can be no question that both the Governor, who requested the legislation, and the legislature contemplated that the power would be exercised solely to facilitate the sale of federal lands, which -- under the applicable federal law -- could be accomplished only where zoning regulations had been adopted. See 43 U.S.C.A. §1421; 1966 H. Jour. 659. And see, the title of ch. 47, SLA 1966 (". . . to facilitate federal land sales.") The power granted, however, was -- except as to federal lands -- general. Of course, under AS 44.62.320, the legislature retains the power to annul any regulation by a concurrent resolution. 2/

While the legislature could have limited its grant of authority, as indeed, the Governor's request did, its

---

1/ AS 38.05.037(c). The codification erroneously shows the source as §6, ch. 118, SLA 1972. The true source is §1, ch. 47, SLA 1966.

2/ Because of AS 44.62.320, the addition of subsection (c) to AS 38.05.037 was a redundancy.

decision to make a broader grant is understandable. It would serve little purpose to zone federal lands if no authority existed to zone adjacent private lands.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Rodger W. Pegues
Rodger W. Pegues
Assistant Attorney General

RWP:db

HB-688

UB688

Federal-State
Land Use Planning Commission
For Alaska

733 W. FOURTH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99501

February 11, 1976

Honorable Sam R. Cotten
Chairman
Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Sam:

Thanks for your rapid response to our request for the Community and Regional Affairs Committee's minutes and agenda.

Please do put us on your regular mailing list. We'll use the Legislative Information Offfice here in Anchorage to keep track of the schedule of hearings.

I am drafting a summary of alternative approaches to the Municipal Land Conveyance question and will send you a copy when it is complete.

Sincerely,

Janet McCabe
Land Management Planner

JM/gh

Federal-State
Land Use Planning Commission
For Alaska

733 W. FOURTH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99501

HB 688

February 19, 1976

Honorable Sam R. Cotten
Chairman
Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Sam:

As you requested when I saw you last Friday at the Juneau airport, I am enclosing our brief summary outlining alternative methods of granting municipalities rights to acquire State lands. This week, I discussed the draft with Dale Tubbs, Deputy Director of the Division of Lands. In his experience, this summary accurately reflects the main alternative approaches.

Your Committee would also be interested in the discussion of the subject on pages 48 through 50 and in the table on page 76 in the Commission's recent report, Agenda for State Lands.

Let us know if we can be of any further help.

Sincerely,

Janet

Janet McCabe
Land Management Planner

JM/gh

Enclosures (2)
1. Outline of Alternative Approaches
2. Agenda for State Lands

cc: Senator John Rader
Mike Smith, Director, Division of Lands
Kevin Waring, Director, Division of Community Planning

HB-725

"An Act relating to exemptions from municipal property tax; and providing for an effective date."

COMMITTEE REPORT

2/11/76

HOUSE

Mr. Speaker: Date 3-29-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 725 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 29, 1976

The meeting was called to order at 9:10 am by Chairman Cotten for discussion of HB's 797, 798, 725 and 816. Present were:

Rep. Cotten	Rep. Urion
Rep. Freeman	Alan Latham, Legislative Affairs
Rep. Rudd	Jerry Sargeant
Rep. Ostrosky	Jerry Rhinel, Dept. of C & R A
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Davis	Vicci Hansen, Staff

0014 Rep. Cotten said that last weekend he and Rep. Rudd had gone to Anchorage and he had a talk with a man named David Hickock from the Alaska Environmental Information and Data Center. Mr. Hickock suggested that he could use the contract and could put to use $75,000.00. He suggested $50,000.00 for people to gather the research and the remaining $25,000.00 to be used for publication and for holding a conference in Anchorage. He suggested that the benefits of having people coming in from different countries would be probably pretty slight. He also suggested that there probably wasn't a lot of new information that would be found through a study like this or as the result of any conference.

00 Cotten asked the Department if they would care to comment on this.

The Department, Jerry Rhinel, said that they really haven't had a chance to discuss this but his reaction was that they would pretty much have to concur with Mr. Hickock's comments. He wonders what they could get for $75,000.00. He was skeptical about what they get for $75,000.00.

0111 Cotten said that the point was made that "what do you have right now" -- what if they came to the Dept. and said that they would like to see what their options are for putting in a sewer disposal system up in a certain place, is the Department able to provide a work book of different plans that they might want to use or what their alternatives might be. Is the Department able to provide them with some hard data like that right now.

0127 Sargeant said that they have all kinds of data and you can't put everything into a little pamphlet. There was discussion on this.

The committee discussed the cost of hiring an engineer, the interest of people in having a conference.

It was discussed that on HB 797 the CS should be amended to switch 1 and 2, to amend lines 17 and 21 to delete arctic and sub arctic and insert "Alaskan" on line 21 to delete arctic and insert "Alaskan".

CSHB 797 and 798 were passed out.

0921 Cotten brought up HB 816 which was sponsered by Rep. Urion for changing the home rule power to not allow them to charge over 25%.

Rep. Freeman commented on this. He said that he checked any di inution of the home rule authority and come to find out that when you get righ down to it the community in question, Homer, is not a home rule city and they are violating the law. Mr. Freeman objected to the bill and said that it wouldn't do anything to accomplish. . The committee concurred with Mr. Freeman and the bill was dead.

1009 HB 725 was briefly discussed and was passed out.

The meeting was adjourned at 9:55 am.

AS 29.53.020(a) is amended by adding a new paragraph to read:
(7)land of a nonprofit organization committed exclusively to agricultural purposes. In this section agricultural means the use of the land for raising vegetable and fruit crops and does not include the raising and harvesting of grains and forest products. Land zoned for industrial or commercial purposes by the appropriate local municipal or borough zoning authorities shall not be exempted under this paragraph. The purpose of this paragraph is to shelter small nonprofit organizations committing land for agricultural subsistence use and nothing in this paragraph prohibits a local zoning authority from denying the exemption should ~~their~~ there be a written finding that this exemption is being used for land speculation. Local municipal or borough authorities may establish the following zones of restriction on this exemption:

(a)municipal zone-this zone shall reasonably circumscribe the urban area of any first or second class city or village or unified municipality. Within this zone the local zoning authority may establish reasonable limits to the size of any one parcel of land exempted. Should the use of the land exempted within this zone be committed to a different use the owner is liable for the years exempted.

(b)intermediary zone this zone shall reasonably circumscribe that area between urban and rural land and in no event shall it exceed 15 miles distance from the post office closest to the center of any first or second class city or unified municipality, nor exceed five miles distance from the post office or recognized urban center of a village. Should land exempted within this

zone be committed to another use the owner is liable for the years exempted, not to exceed 10 years.

(c)rural zone-this zone may circumscribe the entire jurisdiction of the local zoning authority, excluding the municipal and intermediary zones. Should land exempted within this zone be committed to another use the owner is liable for the years exempted, not to exceed 5 years.

Notified AH.

HB725

✓ Rep. Parker

✓ Dk Municipal League (Palmer McCarter & Dotter) X

✓ Dept. C & RA X

✓ Lee Sharp, C & B Juneau X

HB-997

"An Act directing the Department of Environmental Conservation to conduct a study of the advisability of requiring low water sanitary waste disposal systems in all new construction in the state; and providing for an effective date."

COMMITTEE REPORT

HOUSE

2/17/76

FINANCE

Mr. Speaker: Date 3-22-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 797 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

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( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community and Regional Affairs Comm

To: _____ S _____ HOUSE BILL No. 797

SENATE BILL No. _____

PAGE: 1 LINE: _____

Lines 17, 18: DELETE "arctic and subarctic"
INSERT "Alaskan"

Line 21: DELETE "arctic and subarctic"
INSERT "Alaskan"

Line 28: DELETE "arctic and subarctic"
INSERT "Alaskan"

Lines 16 and 20: Change "(1)" to "(2)"
Change "(2)" to "(1)"

[If this amendment is adopted, change the designations (1) and (2).]

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 29, 1976

The meeting was called to order at 9:10 am by Chairman Cotten for discussion of HB's 797, 798, 725 and 816. Present were:

Rep. Cotten	Rep. Urion
Rep. Freeman	Alan Latham, Legislative Affairs
Rep. Rudd	Jerry Sargeant, Dept. Environ. Conserv.
Rep. Ostrosky	Jerry Reinhard, Dept. of ~~C & R A~~ Envir. Conservation
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Davis	Vicci Hansen, Staff

0014 Rep. Cotten said that last weekend he and Rep. Rudd had gone to Anchorage and he had a talk with a man named David Hickock from the Alaska Environmental Information and Data Center. Mr. Hickock suggested that he could use the contract and could put to use $75,000.00. He suggested $50,000.00 for people to gather the research and the remaining $25,000.00 to be used for publication and for holding a conference in Anchorage. He suggested that the benefits of having people coming in from different countries would be probably pretty slight. He also suggested that there probably wasn't a lot of new information that would be found through a study like this or as the result of any conference.

00 Cotten asked the Department of Environmental Conservation, if they would care to comment on this.

The Department, Jerry Reinhard, said that they really haven't had a chance to discuss this but his reaction was that they would pretty much have to concur with Mr. Hickock's comments. He wonders what they could get for $75,000.00. He was skeptical about what they get for $75,000.00.

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Rep. Freeman commented on this. He said that he checked any dimunution of the home rule authority and come to find out that when you get right down to it the community in question, Homer, is not a home rule city and they are violating the law. Mr. Freeman objected to the bill and said that it wouldn't do anything to accomplish. . The committee concurred with Mr. Freeman and the bill was dead.

1009 HB 725 was briefly discussed and was passed out.

The meeting was adjourned at 9:55 am.

ARCTIC ENVIRONMENTAL INFORMATION AND DATA CENTER
707 A STREET
ANCHORAGE, ALASKA 99501

PHONE 279-4523

UNIVERSITY OF ALASKA

March 22, 1976

Representative Sam Cotten
House of Representatives
Pouch V
Juneau, AK 99811

Dear Sam:

Following up on our conversation at the Westward Hotel and the interests of Lisa Rudd, Kathryn Ostrosky and your other colleagues in House Bills 797 and 798, the following are my thoughts on how your collective objectives might be met.

First, however, may I summarize a few of the observations we discussed.

1. The science and technology for Arctic and sub-Arctic water and sewer systems exists and is known;

2. Many problems of waste disposal are directly associated with problems of water supply and may be better addressed together rather than separately;

3. The basic problem is one of transferring known knowledge to those communities or individuals who wish to use it;

4. The choice of a variety of suitable waste and related water supply and transport system technologies is essentially a problem of cost-benefit (or economic) analysis; and

5. Therefore, the economic and political issue becomes one of who will pay, how much, for what.

In order for the legislature to assist in meeting a very real need in this state on this subject the following approach is suggested:

a. Synthesize existing knowledge in a handbook type report which simplictically illustrates the kinds of waste and water related technologies, their specific environmental applications, their attributes and weaknesses and costs under alternative situations;

b. Prepare such a handbook as a background of information for a symposium or conference on Alaska sewage and waste treatment situations and problems;

c. Use the conference approach to achieve public awareness and to define gaps in knowledge or causes of non-application, as they may exist in:

   1) science and technology

   2) economics, and

   3) legislation*

d. Cause the conference to report to the legislature its observations on gaps in knowledge and causes of non-application and its specific recommendations for legislative action.

If, as proposed, the Department of Environmental Conservation and the legislature wish to use the services of AEIDC for these purposes I would note that:

1. AEIDC would coordinate its activity with the Institute of Water Resources. The synthesis of knowledge on waste and water related systems would be accomplished by the professional staff of both AEIDC and IWR. AEIDC expertise in communicating knowledge by graphics and mode of presentation would be put together with IWR and AEIDC engineering and environmental science capabilities.

*Note: One prerequisite to legislative recommendations is the availability of a summary of existing laws, regulations and codes. Perhaps this should be furnished by either the Department of Environmental Conservation or the Department of Law.

PLEASE REPLY BY AIRMAIL

The staff and publication costs of a loose leaf handbook of current knowledge in this field for use at the proposed conference is estimated at $50,000.

2. If the legislature was to direct the cooperation of State agencies with AEIDC in the planning and organizing of the proposed conference, with such costs borne by the agencies, then the overhead costs of putting on the proposed conference would be about $15,000. I must note, however, that if the legislature wished attendance of community representatives or individuals at conference expense the amount of dollars for such purpose would have to be in addition to the $15,000 noted above.

3. Finally, a report to the legislature on conference results and recommendations could be compiled for about $10,000 using the assumptions of limited copies for legislative and executive branch use only, black and white format and simple binding.

4. In summary, costs for this approach would be:

---preparation of handbook	$50,000
---holding of conference	15,000
---report to legislature	10,000
TOTAL	$75,000

Amendatory legislative language to House Bills 797 and 798 for the accomplishment of these approaches is suggested and attached.

Finally, may I just add the thought that regardless of the outcome of this legislation, the staff of AEIDC and IWR and a great many other Alaskans view this subject raised by the proponents of HB 797 and 798 very seriously. The staff of AEIDC is, in any event, at your service in every way possible.

Sincerely,

David M. Hickok
Director

DMH:ec

Enclosure

HB-298

"An Act making a special appropriation to the Department of Environmental Conservation to conduct a study on low water sanitary waste disposal systems; and providing for an effective date."

COMMITTEE REPORT

2/17/76 HOUSE FINANCE

Mr. Speaker: Date 3-24 76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 798 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 29, 1976

The meeting was called to order at 9:10 am by Chairman Cotten for discussion of HB's 797, 798, 725 and 816. Present were:

Rep. Cotten	Rep. Urion
Rep. Freeman	Alan Latham, Legislative Affairs
Rep. Rudd	Jerry Sargeant
Rep. Ostrosky	Jerry Rhinel, Dept. of C & R A
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Davis	Vicci Hansen, Staff

0014 Rep. Cotten said that last weekend he and Rep. Rudd had gone to Anchorage and he had a talk with a man named David Hickock from the Alaska Environmental Information and Data Center. Mr. Hickock suggested that he could use the contract and could put to use $75,000.00. He suggested $50,000.00 for people to gather the research and the remaining $25,000.00 to be used for publication and for holding a conference in Anchorage. He suggested that the benefits of having people coming in from different countries would be probably pretty slight. He also suggested that there probably wasn't a lot of new information that would be found through a study like this or as the result of any conference.

00 Cotten asked the Department if they would care to comment on this.

The Department, Jerry Rhinel, said that they really haven't had a chance to discuss this but his reaction was that they would pretty much have to concur with Mr Hickock's comments. He wonders what they could get for $75,000.00. He was skeptical about what they get for $75,000.00.

0111 Cotten said that the point was made that "what do you have right now" - what if they came to the Dept. and said that they would like to see what their options are for putting in a sewer disposal system up in a certain place, is the Department able to provide a work book of different plans that they might want to use or what their alternatives might be. Is the Department able to provide them with some hard data like that right now.

0127 Sargeant said that they have all kinds of data and you can't put everything into a little pamphlet. There was discussion on this.

The committee discussed the cost of hiring an engineer, the interest of people in having a conference.

It was discussed that on HB 797 the CS should be amended to switch 1 and 2, to amend lines 17 and 21 to delete arctic and sub arctic and insert "Alaskan" on line 21 to delete arctic and insert "Alaskan".

CSHB 797 and 798 were passed out.

0921 Cotten brought up HB 816 which was sponsered by Rep. Urion for changing the home rule power to not allow them to charge over 25%.

Rep. Freeman commented on this. He said that he checked any dimunution of the home rule authority and come to find out that when you get right down to it the community in question, Homer, is not a home rule city and they are violating the law. Mr. Freeman objected to the bill and said that it wouldn't do anything to accomplish. . The committee concurred with Mr. Freeman and the bill was dead.

1009 HB 725 was briefly discussed and was passed out.

The meeting was adjourned at 9:55 am.

HB-805

"An Act relating to senior citizen housing development grants."

COMMITTEE REPORT

2/17/76

FINANCE

HOUSE

Mr. Speaker: Date 2-4-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 805

under consideration A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(X) recommends it BE REPLACED WITH CS FOR ~~HB 805~~ AND THAT

CS FOR HB 805 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House C&RA

To: _____ HOUSE BILL No. 805

SENATE BILL No. _____

PAGE: One LINE: _____

Line 7 delete "grants"

Line 12 delete "grant"

Line 14 add "or loans" between "grants" and "to municipalities"

Line 17 add "or loan " between "grant" and "under (a)"

Line 20 after "plan" insert "which shall demonstrate the ability of the eligible recipient to sustain the proposed project."

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

February 26, 1976

The meeting was called to order by Chairman Cotten at 9:20 am for discussion of HB's 805/806. Present were:

Rep. Cotten
Rep. Kelley
Rep. Hackney
Rep. Ose
Rep. Ostrosky
Rep. Rudd
Rep. Freeman
Palmer McCarter, C&RA

David Freer, Dept H&SS
Dan Plotnick " , Office of Aging
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

0011 Rep Kelley testified on the bill. She stated that she felt that everyone knew of the need for senior citizen housing in the State of Alaska and it was her attempt to get some money into this. She explained how the bill would work as far as need and funding. She told the committee that it was a problem in the bush as well as the larger communities in getting the senior citizens into a senior citizen home. The figure of 6 million was one which was just picked. There could be direct appropriations or bond issues.

0126 Rep. Ose asked what would be priority -- grants or loans on line 14 of HB 805.

Kelley stated that she felt that the regulations should take care of that. She felt that there should be a letter of intent put with it. There was discussion on regulations between Rep. Kelley and Rep. Ose.

0201 Rep. Kelley told the committee about a complex in Fairbanks in comparison to what Ose and Kelley were discussing.

0240 Dan Plotnick was asked to testify, however he asked the Department to testify instead. Palmer McCarter stated that the Department agrees with the principle of the program in promulgating regulations and administering funding would be with the Department of H&SS.

0274 Dan Plotnick pointed out that Section 50 of the Statutes, Revolving Loan Fund is the proper vehicle to administer this act. He stated that from the Office of Aging's point of view, they wholeheartedly support the concept of the bill. Housing is the number 1 need all over Alaska.

There was further discussion on different states and how they handle this type of program.

Meeting adjourned at 10:00 am

The bill at line 19 requires the granting agency to review an application for "...the feasibility of the proposed project and an adequate management plan for the proposed project."

Perhaps Community and Regional Affairs can explain to the committee its in-house capability of analyzing applications for housing funds. It is my understanding that these grants are for actual housing, not to "study" the matter. Mr. Miles can tell you of the "new" ASHA capability presently analyzing 400 units as to feasibility in addition to a continual on-going management of some 1,800 units. How does this stack up with Community and Regional Affairs capability?

The principles of good public administration require that one not duplicate existing services and structures. The Legislature saw fit to grant ASHA in 1945 the overall authority for State planned and funded housing. Since that time ASHA has been over some rocky roads, through both Democratic and Republican Administrations. I can understand the reluctance - based on past history - of placing a project in ASHA. I submit to you that the track record of the "new" ASHA merits the Legislature's confidence. There have been several firsts in the last 12 months; first set of regulations, first voluntary involvement of communities in planning, and most importantly first elderly housing planned, funded and now under construction. I refer to the Golden Towers 96-unit project in Fairbanks. Presently, ASHA is "mother-hening" a 240-unit project for Anchorage through its tortuous path of urban development, Municipality of Anchorage Assembly, HUD and other entities. And that brings me to my final point. The inception, planning, financing construction and input of subsidized housing, especially elderly housing with its particular design requirements demands integrated full-time attention by professionals in the housing business.

The granting of State Bond funds without attempting to tailgate or "leverage" it with Federal funds is a misuse of public money. The proper procedure involves melding State funds with Federal funding in this case, specifically, HUD Section 8 and Section 202 monies. Both Bill Miles and I are intensively familiar with this - among other things we went to Washington last November to lock-in the Section 8 funds for the Fairbanks project and get in the front of the line for Section 202 funds for the Anchorage project. Perhaps, Community and Regional Affairs would like to explain to the committee what Section 8 and Section 202 funds are, who is eleigible, how does it work, and more importantly who in Washington disburses these funds.

In summary, you have an existing agency, ASHA who is in this business full-time, and can provide the services this bill requires - which goes beyond just writing a check. ASHA may have been a dirty word in the past but I think its track record in the last 12 months shows it capable of ingenuity and good work in providing the most housing with limited funds and merits your confidence. I suggest you change line 11 of this bill to so reflect this confidence.

STATE OF ALASKA

JAY S. HAMMOND
GOVERNOR

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D — JUNEAU 99811

March 3, 1976

The Honorable Samuel R. Cotton
Chairman, House Community & Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

At the outset, let me apologize for not being able to deliver this letter personally. There is a small matter called malpractice being heard in Senate Commerce that requires my attention. As you many know, the Administration does not have a firm position on this bill at this time. I believe it fair to state that all agree that the intent and methodology of the bill is good, the only issue, as I see it, is which State entity is best equipped to implement it.

It would appear that the basic questions to be answered are two-fold:

a. What needs to be done if the bill becomes law?
b. Who can do it best?

Let's look at the first criteria, what needs to be done? At a quick glance one could assume that dispensing grants is the objective of the bill. However, the end product, housing for elderly, appears to be the prime concern. In order to do so the "granting" agency will disburse and possibly raise funds through at line 13, I quote "...proceeds from a Bond fund...".

It may interest you to know that there are only three State entities that issue bonds: the State Bond Committee of which I am the Chairman, Alaska Housing Finance Corporation, and Alaska State Housing Authority. To ask yet another agency to gear up with appropriate bond counsel, financial advisor, etc., will have a definite fiscal impact. Perhaps Community and Regional Affairs would like to explain to the Committee how they will go through the mechanics of a Bond issue? Can they handle it in-house without additional full-time or contractual help?

Housing is historically funded through Bond issues - and that is something that ASHA is addressing every day.

That's one mans' opinion, but its based upon a lot of sweat and tears - mainly on the part of others - to turn that agency around. If you don't show that confidence at this stage, then I'd suggest to you that you introduce a one line bill repealing ASHA. Because in the final analysis, why have two agencies at the State level doing the same thing?

Sincerely,

Langhorne A. Motley
Commissioner

cc: Sponsors
House Finance Committee

Communities with 100 or more persons over the age of 60 in 1970 (U.S. Census)

*Community	Age 60+	Age 60+ Populations as Per Cent of the Community's Population
1. Anchorage	1,895	4%
2. Fairbanks	706	5%
3. Juneau	621	10%
4. Ketchikan	598	9%
5. Sitka	395	12%
6. Petersburg	194	10%
7. Kodiak	190	5%
8. Seward	166	10%
9. Nome	161	6%
10. Wrangell	158	8%
11. Bethel	106	4%
12. Palmer	99	9%
13. Cordova	99	9%

In 1970 the elderly population (60+) represented 4% of the State's total population. All of the above-cited communities exceed this percentage (4%) except Anchorage and Bethel.

*Represents the "center city" and does not include suburbs.

Ask about course Rule

Daily

HH

— per rep —

— set up minute —

on site resident mgr.

150

503 @ 7½%

Cost to keep

→ per 8 ★ 520 NO meeting —

no more than ½ on no

wanted the next week

1.

2.

LOAN vs Equity

no more than 50%

50-50

HB--816

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

March 15, 1976

The meeting was called to order by Chairman Cotten at 9:10 am for discussion of HB's 816 and 261. Present were:

Chairman Cotten
Rep. Kelley
Rep. Hershberger
Rep. Hackney
Rep. Rudd
Rep. Freeman
Rep. Ostrosky
Rep. Rick Urion
Rep. Hugh Malone
Don Berry, Municipal League
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

0012 First to testify was Rep. Rick Urion on 816.

Chairman Cotten pointed out that he couldn't find Section 29.63.100 in the statutes. Urion concurred with Cotten on that.

Urion explained that this particular bill is intended to change the way that local communities can handle cash assessments. Urion pointed out that cash assessments are not illegal but he feels that they are immoral. Most improvements are done through the bonding provisions and are assessed and paid over a period of 10 years and he feels that local government should be encourgaged through that bonding provision, not cash. As it is under existing law they get 51% of the property owners can approve a cash assessment and then when the improvement is made, the people have 20 days from the time the local government wants them to to come up with cash. So, 51% of the people could force the other 49% people who may be opposed to this. This could force them into a distress sale of their property and Urion feels this is wrong. He feels that a cash assessment should be handled in a different way than the bonded assessment.

0098 Cotten stated that the only limitation that he notes is that they can't charge you at any one time over 25% of the value of their property.

Urion told a personal story which refuted the statement.

0130 Don Berry stated that the 25% limitation does not apply to home rule city.

0150 Urion stated that possibly another bill might be in order.

The committee discussed the bill. Possible changes in the bill were discussed and Chairman Cotten stated that he would like to talk to Bill Berrier on this before any major changes. He stated that at best the committee would have to draw a committee substitute on this.

0617 Next Rep. Hugh Malone was asked to testify on HB 261. He said that this basically expands the options that local government have to set up a taxing program that meets the needs of the municipality. The limit was reduced on the amount of exemption that was authorized in 1973

He felt that we have to leave as much latitude as possible with the local governments in developing their tax structure to meet their needs if they are going to carry out their responsibilities. One of the other things was when it was reduced in 1973 it was done so in a somewhat punative manner. The Kenai and Northslope Borough quite possibly had in mind of preventing those areas from completely exempting residential property from taxation and thereby running up the taxes on the oil and gas pipeline. He doesn't feel that that was a realistic fear then and he doesn't feel it is a realistic fear now. There is still other industrial property, particularly commercial property.

0712 There was discussion on the bill and the meeting was adjourned at 10:00 am.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 29, 1976

The meeting was called to order at 9:10 am by Chairman Cotten for discussion of HB's 797, 798, 725 and 816. Present were:

Rep. Cotten	Rep. Urion
Rep. Freeman	Alan Latham, Legislative Affairs
Rep. Rudd	Jerry Sargeant
Rep. Ostrosky	Jerry Rhinel, Dept. of C & R A
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Davis	Vicci Hansen, Staff

0014 Rep. Cotten said that last weekend he and Rep. Rudd had gone to Anchorage and he had a talk with a man named David Hickock from the Alaska Environmental Information and Data Center. Mr. Hickock suggested that he could use the contract and could put to use $75,000.00. He suggested $50,000.00 for people to gather the research and the remaining $25,000.00 to be used for publication and for holding a conference in Anchorage. He suggested that the benefits of having people coming in from different countries would be probably pretty slight. He also suggested that there probably wasn't a lot of new information that would be found through a study like this or as the result of any conference.

00 Cotten asked the Department if they would care to comment on this.

The Department, Jerry Rhinel, said that they really haven't had a chance to discuss this but his reaction was that they would pretty much have to concur with Mr. Hickock's comments. He wonders what they could get for $75,000.00. He was skeptical about what they get for $75,000.00.

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0127 Sargeant said that they have all kinds of data and you can't put everything into a little pamphlet. There was discussion on this.

The committee discussed the cost of hiring an engineer, the interest of people in having a conference.

It was discussed that on HB 797 the CS should be amended to switch 1 and 2, to amend lines 17 and 21 to delete arctic and sub arctic and insert "Alaskan" on line 21 to delete arctic and insert "Alaskan".

CSHB 797 and 798 were passed out.

0921 Cotten brought up HB 816 which was sponsered by Rep. Urion for changing the home rule power to not allow them to charge over 25%.

Rep. Freeman commented on this. He said that he checked any dimunution of the home rule authority and come to find out that when you get right down to it the community in question, Homer, is not a home rule city and they are violating the law. Mr. Freeman objected to the bill and said that it wouldn't do anything to accomplish. . The committee concurred with Mr. Freeman and the bill was dead.

1009 HB 725 was briefly discussed and was passed out.

The meeting was adjourned at 9:55 am.

HB--860

"An Act relating to the Village Safe Water Act; and providing for an effective date."

COMMITTEE REPORT

3/9/76 HOUSE FINANCE

Mr. Speaker: Date _____

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 860 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: Community Affairs Committee

To: _____ HOUSE BILL No. 840

SENATE BILL No. _____

PAGE: 1 LINE: 21

DELETE "Secretary"

IT ENT "Authority"

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

March 16, 1976

The meeting was called to order at 9:15 am by Chairman Cotten for discussion of HB's 860,796,797,798,799 and 800. Also HCR 110 and HJR 55. Present were:

Rep. Cotten
Rep. Ostrosky
Rep. Hackney
Rep. Ese
Rep. Davis

Rep. Freeman
Rep. Helen Beirne
Alan Latham, Legislative Affairs
John Scribner, Environmental Conservation
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

Chairman Cotten first moved to pass out HJR 55. The Committee passed this Joint Resolution out.

Rep. Ostrosky said that the committee should start with 796. She felt that it should be revised and that there should be some amendments made. She felt that Section 2 should be deleted because it was unnecessary.

Alan Latham agreed that Section 2 should be struck from the bill.

Rep. Hackney asked if this would mean eliminating local contribution.

Latham stated that this section was repealed with new language and the new language had this in it.

Latham also stated that on line 4 the 10 year restriction was too severe yet there should be a potential for sites to become self sufficient. He suggested a change for line 4 in that it would read something that would make the facilities able to become financial self sufficient.

Rep. Hackney said that he would like to see this with an escape clause in it. He felt that the emphasis should be on fiscal manngement.

Rep. Cotten asked if on line 12 the language was lifted directly from the statutes and Latham agreed.

John Scribner from the Department of Environmental Conservation pointed out that the primary concern of the Department is the fact to stipulate this at 10 years. He wasn't too concerned as to how this would be done.

Cotten said that when bills go to Finance, the Committee wants a fiscal note attached and this one did not have a fiscal note.

Scribner said that there was no fiscal note attached to this because a fiscal note really wouldn't effect the program. However, he did say that he would check into it and see if one is needed.

Rep. Ostrosky said that there was a subcommittee which had come up with a representation from rural areas and the agreed that there should be the formation of an advisory counsel on needs in the rural areas.

Latham said that some input groups felt that the input wasn't being adequately addressed.

There was discussion on the formation of such a group.

Scribner said that basically there was no problem. One area with the most problem is in the advisory committee. A question at large is What role is the committee to have? If the role is for more than an advisory or policy making capacity, then there would be a potential for a conflict. He felt that the policy makers should be specified as to who they are.

It was pointed out that this committee would be one such as the Telecommunications committee.

Rep. Ostrosky made a motion to delete all of Section 2.

Rep. Davis moved to pass the bill out.

After a discussion regarding subsistance areas, the bill was passed out.

Meeting adjourned at 10:00 am

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

March 17, 1976

The meeting was called to order at 9:10 am by Chairman Cotten for discussion of HB 860 and 261. Present were:

Rep. Cotten	Rep. Kelley
Rep. Ose	Don Berry, AK. Municipal League
Rep. Davis	Bob Dozier
Rep. Ostrosky	Alan Latham, Legislative Affairs
Rep. Rudd	Barbara Englert Thomas, Staff
Rep. Hackney	Vicci Hansen, Staff
Rep. Freeman	

Rep. Davis explained the problem of getting safe water in the villages.

Rep. Ostrosky stated that on line 21 of HB 860 the word "bathing" should be included instead of "shower/bath".

Alan Latham testified that basically this is a clean up on the inconsistancy on the testimony on the Village Safe Water Act. There was a question if it was a central facility or if it could be dispersed; if it should provide a one time service, individually or serially. There was also a question as to how much input the villages had in introducing the services. What this bill did was to take the concerns of the users and the concerns of the Department and tried to come up with an agreeable bill.

There was some changes in the language of the bill.

Ostrosky made a motion to amend the wording on line 21.

Ose made a motion to move the bill out.

Next there was discussion on HB 261.

Bob Dozier explained that HB 261 is an attempt to put the exemption of residential property as an option back into the statutes. Each individual municipality should have the option to exempt residential property if they so desire. He briefly explained HB 261. He also explained that this bill would give 3 municipalities located near the pipeline an additional grant of state money in addition to the normal revenue sharing grant.

The committee discussed this.

Cotten stated that the committee couldn't act on this bill until they had information as to the effects on Valdez. He said that he felt that

the committee needed stronger information to work with.

The meeting was adjourned at 10:00 am

HB-883

"An Act relating to the establishment of group homes."

(9)

COMMITTEE REPORT

HOUSE

3/29/76

FINANCE

Mr. Speaker: Date 4-13-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 883 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Committee on Regional Affairs

To: CS HOUSE BILL No. 253

SENATE BILL No. _____

PAGE: 2 LINE: 34

DELETE: "another"

IN PART: SUB: "which is not" ; "not"

Effect: "subdivision" and "which" ; "land"

THIS [X] BILL [ ] RESOLUTION

has been prepared by the staff of the Legislative Affairs Agency in response to the request and at the direction of the sponsoring member or committee. The staff has attempted to place the document in proper legal and clerical form, subject to any special limitations or instructions of the requestor.

Any staff questions or comments as to legality, constitutionality, and form have been included in the memorandum addressed to the requestor and kept in the work file. If we may be of further assistance in this matter, please contact the Director of Legal Services or the Director of Research Services, as appropriate.

Delivered to requestor 4/13/76

LA-L 40

Amend

p 1 – Line 15 – DELETE [5 - 10; 1 - 5; 0 - 1]

ADD 2500 - 5000; 500 - 2500; 0 - 500.

April 7, 1976

Honorable Terry Gardiner, Chairman
House Judiciary Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

I received, at 5:00 p.m. today, the most recent copy of CSSSHB 823 (Judiciary). I appreciate you making the effort in getting a copy of this to me as soon as it was put together. My review of the bill has shown that you have incorporated many of the amendments that were discussed with members of your committee, the sponsor, Mr. Ken Humphries, members of the credit union industry, members of my department and myself. It might interest you to note that in the case of the latter, that is, members of my department and myself, we have, to date, expended 147 hours of time to this bill. I do note that some of the suggestions that we had were not incorporated in this version, however, in the aggregate I would say that your efforts and those of the Commerce Committee before you have resulted in a very viable State Credit Union bill, with one serious exception.

This exception, of course, is the root question of the involvement of credit unions in real estate mortgages in excess of 10 years. I will not belabor the point; I think my position has been clear from the beginning in both the Commerce Committee and in your committee. Let me just summarize my feelings on the matter:

A. It is, I understand, the intent of the sponsors to provide another vehicle for home mortgage monies in the State. I think that nowhere in all the testimony that has been given on this bill has anybody shown that there is a lack of mortgage money available to the people of this State. Therefore, I submit to you that, if this is the basic intent, it is a solution for a non-problem.

B. The structure of the financial institutions of this State, indeed nationwide, provides for different types of institutions to engage in different types of financial services required by the public. These different types of institutions are, by necessity, structured differently. Their patterns of

deposits and loans follow these guidelines. Credit unions have historically been entities in which a few people can ban together, deposit their money, receive a relatively high rate of interest on their savings, and borrow for personal and "consumer" types of items. By necessity, they have borrowed "short" and lent "short." Real estate mortgages are long-term mortgages. The pattern of investments and deposits of credit unions does not lend itself to covering these long-term debts through short-term deposits.

C. As administrator of the State banking system, it is my feeling that having a non-problem, and attempting to project a new untried dimension that appears to go against the basic principles of the relationship between deposits and loans, is unhealthy and could be dangerous.

With that one serious exception, I think you have created a financial entity that would afford better services to the public throughout the State of Alaska, and if such powers to make real estate mortgages in excess of 10 years were removed from the bill, I could support it wholeheartedly. Without the removal of that portion, I feel compelled to advise the Governor that such a provision, addressing a problem that has neither been proven nor quantified, and potentially could be dangerous to the depositors of the financial institutions of the State, should merit his serious consideration for veto. I am truly hopeful that you will be able to amend the bill accordingly and allow this vital structure to perform the services for which it was intended.

Sincerely yours,

Langborne A. Motley
Commissioner

cc: Governor Hammond
Judiciary Committee

HOUSE COMMUNITY & REGIONAL AFFAIRS

April 8, 1976

The meeting was called to order at 9:25 am by Chairman Cotten for discussion of HB 883. Present were:

Rep. Cotten
Rep. Davis
Rep. Ose
Rep. Hershberger
Rep. Ostrosky
Rep. Kelley

Don Berry, Alaska Municipal League
Pat Denney, Cahtolic Community Services
Gordon Landes, H&SS
Erik Lee, C&RA
Joe Guthrie, Legislative Affairs
Norm Ostling, Social Security Admin.
Vern Perry, Planners Benefits Division
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

0002 Rep. Cotten brought attention to the 4th CS for HB 883. Erik Lee was the first to testify. He stated that they went back after the earlier discussions and met with Rep. Davis, H&SS people, Legislative Affairs - to try to get what they have a pretty good idea of what the concept of the bill was and come up with a little better method of administering it to eliminate some of the problems of what might have been potential anyway with the original language in regards to some of the other payments which he feels some of the people from H&SS would like to testify on later. The other thing was to try to narrow down the fiscal note which they did to get a little bit more accurate. They feel more comfortable with these figures. He explained the program.

0358 There were questions from the committee and discussion.

0401 Pat Denney from the Catholic Community services testified on the bill and said that she felt that Juneau should be involved in the residential care of the seniors.

0538 Rep Ose said that he is afraid of everyone wanting to get on this and he feels that the quickest way to kill the bill is to get a bunch of cities tacked onto this. He wants the bill to ride through like it is now and get this started.

It was decided that there would have to be a separate bill for appropriation and they would both have to go to Finance. The committee had further discussion on this.

0756 Meeting adjourned.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

April 12, 1976

Chairman Cotten called the meeting to order at 9:00 am for discussion of CSHB 883 and HB 906. Present were:

Rep. Cotten	Harvey Pitts, DC&RA
Rep. Davis	Erik Lee, DC&RA
Rep. Freeman	Joe Guthrie, Legislative Affairs
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Ostrosky	Vicci Hansen, Staff
Rep. Ose	

Eric Lee discussed the provision in the bill for a caretaker in the cottage for every five persons in residence. Most villages have only one health aide therefore the language in the bill should be changed: Page 2 Line 12 which reads "shall" be changed to "may", this would allow flexibility where needed. Ose moved for an amendment as such.

Eric Lee suggested another language change on Page 2 Line 17: add "that houses persons" between "home" and "receiving" since the state is paying a subsidy to people rather than a facility.

Chairman Cotten asked if the subsidy would be paid by HESS.
Mr. Lee stated the subsidy would be paid by C & R A. If it is a cottage home that is housing people that are eligible under this chapter then it defines preference will be given to people receiving assistance under those other programs in HESS. Chairman Cotten asked about the non-contiguous to another institution language. Mr. Lee stated if it is part and parcel of a hospital or a nursing home there may be a question: is it institutionalized care? If it is institutionalized care it would create a problem with the federal government and their assistance payments. Chairman Cotten asked how the subsidy payments are made. Mr. Lee explained the appropriation would be the limiting factor.

Rep. Hackney asked how they came up with the figure $212,500 for the cost of building such a cottage. Mr. Lee explained they used current building costs in the Bering Straits Region they arrived at a figure based upon a 4 - 5 bedroom unit in Nome, 2 units in a community the size of Unalakleet and one in a smaller village. They then broke down what the cost would be to advertize the building costs and fixed the rent and then a subsidy based upon an 80% figure as the state portion. Rent figure was figured by taking the building, maintenance, administration costs total for an annual cost per unit, then divided it into a monthly rental per unit. Chairman Cotten stated a pilot project will let us see how the whole thing works and at a later point it could be expanded to include other areas of the state. Total bill for the whole state would be $50 million. Harvey Pitts explained this was the figure for nine communities throughout the state. $50 million would be amortized over a 20 year period. Mr Lee stated the people receiving the subsidy would be eligible to receive up to 100% of their rent. The money would be from the General Fund. Bering Straits Regional Corp. would construct the facility and this bill would subsidize the rent with no guarentee that this program would continue for more than one year. No profit margin allowed, just recovery cost.

Cotten stated anyone with a building meeting the regulations would be set up for this program. Ose mentioned the facility in Palmer where the state is paying to house old folks in an 18 bed facility, run by the Salvation Army. Hackney expressed concern that no limit is put on the amount spent on the facility in the first place. The department will pick up the tab that is over and above what that person can pay. No upper limit on the construction cost is set. Rep. Davis stated that can be taken care of by the rules and regulations of the department.

Palmer Subsidy Program

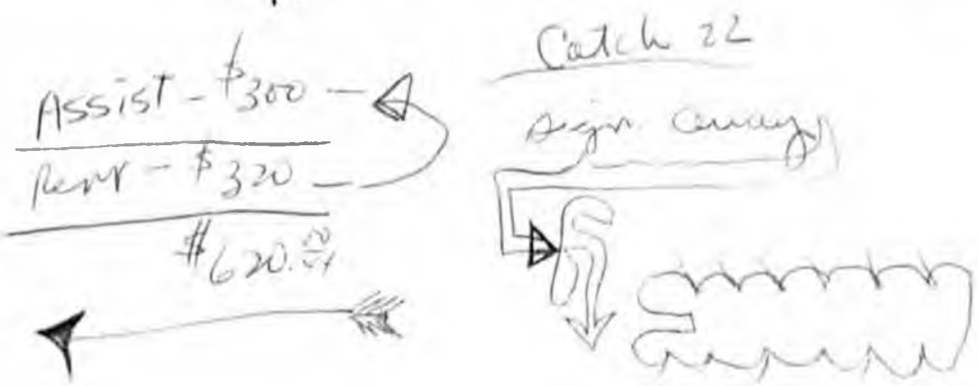
Old age assistance used to be under the State, now Federal SSI has taken over most of the function, though their maximum payment is $177.70/mo.

The State now has a supplemental assistance program that will bring the assistance payment up to $235 or $300, depending on such things as if the recipient lives alone & pays rent.

Although the payments are based on the recipient's need in certain areas (food, shelter, etc.) the use of the payments is non restricted, i.e. the State cannot dictate that the person will spend 1/4 check on food, 1/3 on rent, etc.

Apparently, what was happening in the Palmer situation was that the State was taking a certain amount out of the assistance checks and sending it directly to the home, not to the person, which was illegal.

Nobody now claims any knowledge of how that happened, or even what happened, of course.



P. 2 - line 24

delete [another]

add an

after inst add "and"

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. HB 883
Title: Group "Cottage" Homes
Requested by: House CRA Date: 4/1/76
Return Date Requested: 4/8/76
Agency: Comm. & Regional Affairs Program: Community Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Community Services 21-22-3-09-00-00

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		43.4	47.7	UNK	UNK	UNK
200	TRAVEL		20.0	10.0	UNK	UNK	UNK
300	CONTRACTUAL		11.9	13.1	UNK	UNK	UNK
400	COMMODITIES		0.4	0.5	UNK	UNK	UNK
500	EQUIPMENT		2.4	0.5	UNK	UNK	UNK
600	LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700	GRANTS, CLAIMS, ETC.		134.4	141.4	UNK	UNK	UNK
	TOTAL		212.5	213.2	UNK	UNK	UNK

B. FUNDING: (Thousands of dollars)

GENERAL FUND		212.5	213.2	UNK	UNK	UNK
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	2 /	UNK	UNK	UNK
MAN MONTHS (P./T.)	/	24 /	24 /	/	/	/

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

A. Assumptions:

1. This will be a pilot program for two years to study feasability of providing service on a state-wide basis.
2. During the pilot program facilities will be provided in three locations: 1) Nome - 4 units; 2) Unalakleet - 2 units; 3) Shishmaref 1 unit.
3. Each unit will be designed to accomodate 5 single persons or couples.
4. Each unit will consist of 5 individual bedrooms and other areas as follows: two bathrooms, central kitchen,central dining area, central living-recreation area, utility & storage room. Total area per unit to be approximately 1300 sq. ft.

(continued)

IV. ATTACHMENTS

V. DATE: 4/7/76 PREPARED BY: Eric Lee

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

H/S 50

A. (continued)

5. Construction cost is computed at $76.00 per sq. ft. based on data from: a) HUD costs for similar project in the Northwest. b) ASHA c) Division of Buildings d) costs for a similar current project in Barrow e) cost estimates by Regional Housing Authority
6. Administration and maintenance costs by building lessor are estimated at 10% of construction cost
7. Interest is computed at 8% compounded over 20 years
8. Utilities are estimated at $100 per month per person.
9. State share of rent will average 80% of total costs to be recovered.

B. Program Summary

The pilot program will be operated in three locations to study feasibility of an ongoing statewide program to subsidize housing for qualified participants. Funding will consist of general funds only. Program administration costs are detailed as follows:

1. Positions:	
a) Program Coordinator @ range 19	$24,408
b) Clerk Typist III @ range 8	11,484
	$35,892
benefits @ 21%	7,538
	$43,430
2. Travel:	
a) Hearings on regulations	$10,000
b) Site planning, preparation, coordination & monitoring	10,000
	$20,000
3. Contractual:	
a) Telephone	$ 4,000
b) postage	300
c) printing of regulations	1,000
d) advertising	500
e) office space 350 sq. ft. @ .85	3,570
f) duplication services	500
g) transportation of new employee	2,000
	$11,890
4. Commodities:	
a) office supplies and reference materials	$ 400
5. Equipment:	
a) two desks	$ 635
b) two chairs	245
c) file cabinet	205
d) bookcase	75
e) calculator	440
f) typewriter	800
	$ 2,400
6. Grants, Claims, etc. for subsidy payments to recipients	$134,400
Total	$212,500

Note: Second year funding is based on a 10% inflation cost.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTL
Second Session - Ninth Legislature

I. REQUEST
Bill No. HB 883
Title: Group "Cottage" Homes
Requested by: House CRA Date: 4/1/76
Return Date Requested: 4/8/76
Agency: Comm. & Regional Affairs Program: Community Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Community Services 21-22-3-09-00-00

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		43.4	47.7	UNK	UNK	UNK
200	TRAVEL		20.0	10.0	UNK	UNK	UNK
300	CONTRACTUAL		11.9	13.1	UNK	UNK	UNK
400	COMMODITIES		0.4	0.5	UNK	UNK	UNK
500	EQUIPMENT		2.4	0.5	UNK	UNK	UNK
600	LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700	GRANTS, CLAIMS, ETC.		134.4	141.4	UNK	UNK	UNK
	TOTAL		212.5	213.2	UNK	UNK	UNK

B. FUNDING: (Thousands of dollars)

GENERAL FUND		212.5	213.2	UNK	UNK	UNK
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	2 /	UNK /	UNK /	UNK /
MAN MONTHS (P./T.)	/	24 /	24 /	/	/	/

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

A. Assumptions:

1. This will be a pilot program for two years to study feasability of providing service on a state-wide basis.
2. During the pilot program facilities will be provided in three locations: 1) Nome - 4 units; 2) Unalakleet - 2 units; 3) Shishmaref 1 unit.
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4. Each unit will consist of 5 individual bedrooms and other areas as follows: two bathrooms, central kitchen,central dining area, central living-recreation area, utility & storage room. Total area per unit to be approximately 1300 sq. ft.

(continued)

IV. ATTACHMENTS

V. DATE: 4/7/76 PREPARED BY: Eric Lee EL

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

A. (continued)

5. Construction cost is computed at $76.00 per sq. ft. based on data from: a) HUD costs for similar project in the Northwest. b) ASHA c) Division of Buildings d) costs for a similar current project in Barrow e) cost estimates by Regional Housing Authority
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a) Program Coordinator @ range 19	$24,408
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	$35,892
benefits @ 21%	7,538
	$43,430
2. Travel:	
a) Hearings on regulations	$10,000
b) Site planning, preparation, coordination & monitoring	10,000
	$20,000
3. Contractual:	
a) Telephone	$ 4,000
b) postage	300
c) printing of regulations	1,000
d) advertising	500
e) office space 350 sq. ft. @ .85	3,570
f) duplication services	500
g) transportation of new employee	2,000
	$11,890
4. Commodities:	
a) office supplies and reference materials	$ 400
5. Equipment:	
a) two desks	$ 635
b) two chairs	245
c) file cabinet	205
d) bookcase	75
e) calculator	440
f) typewriter	800
	$ 2,400
6. Grants, Claims, etc. for subsidy payments to recipients	$134,400
Total	$212,500

Note: Second year funding is based on a 10% inflation cost.

HB-903

HB903

NOME COMMUNITY CENTER INC

BOX 98 NOME, ALASKA 99762
(907) 443-5259

April 29, 1976

Mr. Sam R. Cotten
P.O. Box 296
Eagle River, AK 99577

Dear Mr. Cotten:

I highly support HB 903 as this directly effects our seniors. Our seniors are Native and are subsistence living speaking mainly Eskimo. The senior citizens located in different regions in the state also have different needs and are in need of services for them to remain independent and to continue to live in their own homes. Our area is now in the process of losing long-term care facilities available thur the local hospital and if this happens our seniors will have to be shipped to Anchorage where the life is unfamiliar to them with no visitors, diet is different, life is too fast.

There is a great need for statewide coordination between services that are available for seniors. Representatives need to meet at least once a year to discuss needs of the elderly in Alaska. These representatives would be able to compare and discuss all needs of seniors to a greater extent and come thur with more impact.

This is the best proposal and I do hope it will be considered for next year. It is needed to fully serve our seniors.

Please keep me informed.

Thank you.

Sincerely,

Rose Ann Timbers

Rose Ann Timbers
Director

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. HB 903
Title: An act establishing the Division of Senior Citizens
Requested by: House, C&RA and Finance Date:
Return Date Requested:
Agency: Community & Regional Affrs. Program: Social Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Office of the Aging

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		216.9				
200	TRAVEL		45.3				
300	CONTRACTUAL		35.0				
400	COMMODITIES		3.1				
500	EQUIPMENT		2.0				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		1,288.8				
	TOTAL		1,591.1				

B. FUNDING: (Thousands of dollars)

GENERAL FUND Match		59.4				
FEDERAL FUNDS		1,466.5				
OTHER General Fund		65.2				

C. POSITIONS:

PERMANENT/TEMPORARY	/	8 /	/	/	/	/
MAN MONTHS (P./T.)	/	96 /	/	/	/	/

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

ASSUMPTIONS

1. Federal guidelines for Title III and VII Programs require quarterly program performance audits of individual sites.
2. Federal guidelines for Title III and VII Programs do not require annual financial compliance audits.
3. All Senior Citizens, over the age of 60 years as defined by the Federal guidelines, qualify for the programs regardless of economic status.
4. The noted changes would be in compliance with Federal Regulations.

IV. ATTACHMENTS

V. DATE: April 19, 1976 PREPARED BY: Lynn A. Wegener

Lynn A. Wegener, Admin. Officer

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

H/S 50

ANALYSIS

If HB 903 became law and the Office of Aging was allowed Divisional Status within the Department of Community and Regional Affairs, the structure of the agency would remain basically the same as it is currently operated within the Department of Health and Social Services. The Program Coordinator of the Title III Program and the Clerk Typist II would be transferred to Anchorage as a large portion of their responsibilities are located in the Northern regions of the State. The Accountant would be assigned to the Administrative Services Fiscal Section which provides the centralized accounting and control functions for the Department. It is felt the duties of the Accountant Clerk II could be absorbed by the existing positions within the fiscal section, therefore deleting this position. The pay grade of the Office of the Aging Coordinator would be raised to a range 24 consistent with the other Division Directors within the Department. The Nutrition Program Coordinator would continue to administer the Title VII projects. The activity level of the Division and the functions of the staff would be monitored before additional structural changes were made.

As the operational costs requested in the FY '77 budget are based on historical trends, the budget requests serves as the basis for our projections. The Grant fund request will remain the same.

OPERATIONAL COSTS-DIVISION

PERSONAL SERVICES	$176,592	
Merit increases @ 1 1/2%	2,648	
subtotal	179,240	
Benefits @ 21%	37,640	
Total		$216,880
TRAVEL		
Monitoring and administration of Aging programs and travel support for Governor's Advisory Council of Aging		45,300
CONTRACTUAL		
Communications	$ 6,000	
Printing and advertising	2,500	
Rent	18,000	
Repairs	400	
Transport. of personal effects	3,000	
Equipment rental	3,500	
Professional fees	1,600	
Total		35,000
COMMODITIES		
Office supplies and reference materials		3,100
EQUIPMENT		
Office equipment		2,000
TOTAL		$302,280

ALTERNATIVE TO HB 903

An alternative, we feel, should be considered is establishing the Office of Aging as a section within the Community Services Division. Advantages would be freeing the Coordinator of much of the administrative activities, allowing more time to monitor the operation and effectiveness of programs. As this division currently has out-reach into the majority of locations of senior citizens program sites, much of the field monitoring and administering could be combined with other divisional activities.

Under this alternative, a Program Coordinator would retain responsibility for the Title III programs and would be transferred to Anchorage along with the Clerk Typist II position for clerical support. The Nutrition Program Administrator would remain in Juneau and continue responsibilities in the Title VII programs. The Accountant would be assigned to the Administrative Services section, the Clerk Typist III would be retained, the Accounting Clerk II and the remaining two Program Coordinators would be deleted. The functions of preparing the State Wide Plan on the Aging, researching of legislation and statutes and conducting hearing on the State Wide Plan would be performed by a new Research Analyst II position. The Office of the Aging Coordinator would be reclassified to a range 21 consistent with other Project Coordinators within the Department.

OPERATIONAL COSTS-SECTION

PERSONAL SERVICES	$146,520	
Merit increases @ 1 1/2%	2,198	
subtotal	148,718	
Benefits @ 21%	31,230	
Total		$179,948
TRAVEL		
Monitoring and administration of Aging programs and travel support for Governor's Advisory Council of Aging		45,300
CONTRACTUAL		
Communciations	$ 4,500	
Printing and advertising	2,500	
Rent	18,000	
Repairs	400	
Transport. of personal effects	3,000	
Equipment rental	3,000	
Professional fees	1,600	
Total		33,000
COMMODITIES		
Office supplies and reference materials		2,500
EQUIPMENT		
Office equipment		2,000
TOTAL		$262,748

4/15/76 HB 903 Div of Senior Citizens

Fed Sundries & grants (Older Americans Act) — State $60,000 admin match (75/25%) (Fed/State)

Authority & respons - Federal - in State Auth

Admin - roughly $ 200,000 - 10 persons: 3 assoc. coord, 3 acctng, 1 nursing home devel specialist

Title 7 - meals on wheels

Gov's Advisory Committee

Place to C&E it - to avoid stigma of "welfare"

Fed law - would let office be subverted into another div - must be a single planning unit

Objections of Pioneers Organiz. to putting off in Off of Gov.

- not a fiscal problem

Bob Gore - Gov's Advisory Committee member

Poss. the politicality

Don't want any Fed $ in Pioneers Home - would mean Fed control

Prefer deferred comment on Div. status until fiscal note completed

Who's to Know - is receiving attention, under Ceiling Level

State Div Aff Home members

served, 231 over 65 in own homes

More need for in-home care

Comm. has approved (with Hood & Hall opposing) to HHC Consp

Sep agency, groups NAACP, Retired Teachers

to learn $ being taken into fed programs & help budgeting

Legislative Office pers

Pat's Comm on Williamson during Sess - 1155 general $

gearing up to meet the needs
Jails Regs ought to remain under H/HSS
Eliminated employees & touch of problem
Div of Health / Mental Health & Social Services all there
Closing resources of health & mental health
Com starting to work on it
Cover whole state, outreach into villages
Legis should appropriate more $ to keep old people in own homes

HB-906

"An Act making a special appropriation to the Department of Community and Regional Affairs for the subsidy for housing in cottage homes; and providing for an effective date."

COMMITTEE REPORT

4/9/76

HOUSE

FINANCE

Mr. Speaker: Date 4-14-76

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 906 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam Cotten		
Al Ross		
Terry Miller		
Ben Stevens		

Members NOT concurring in the Majority report:

_____ recommends:

Eileen Haberny recommends: worse

_____ recommends:

_____ recommends:

_____ recommends:

Sam Cotten Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

April 12, 1976

Chairman Cotten called the meeting to order at 9:00 am for discussion of CSHB 883 and HB 906. Present were:

Rep. Cotten	Harvey Pitts, DC&RA
Rep. Davis	Erik Lee, DC&RA
Rep. Freeman	Joe Guthrie, Legislative Affairs
Rep. Hackney	Barbara Englert Thomas, Staff
Rep. Ostrosky	Vicci Hansen, Staff
Rep. Ose	

Eric Lee discussed the provision in the bill for a caretaker in the cottage for every five persons in residence. Most villages have only one health aide therefore the language in the bill should be changed: Page 2 Line 12 which reads "shall" be changed to "may", this would allow flexibility where needed. Ose moved for an amendment as such.

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Mr. Lee stated the subsidy would be paid by C & R A. If it is a cottage home that is housing people that are eligible under this chapter then it defines preference will be given to people receiving assistance under those other programs in HESS. Chairman Cotten asked about the non-contiguous to another institution language. Mr. Lee stated if it is part and parcel of a hospital or a nursing home there may be a question: is it institutionalized care? If it is institutionalized care it would create a problem with the federal government and their assistance payments. Chairman Cotten asked how the subsidy payments are made. Mr. Lee explained the appropriation would be the limiting factor.

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HB--919

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

April 27, 1976

Chairman Cotten call the meeting to order at 9:20 am for discussion of HB 919. Present were:

Rep. Cotten	Brian Rogers, Staff
Rep. Ose	Cheryl Probst
Rep. Hackney	Mike Davis
Rep. Ostrosky	Mike Coumbe, Staff
Rep. Kelley	Mary Van Nimwigen
Rep. Freeman	Rep. Charlie Parr
Rep. Rudd	Frank Cook

0047 HB 919 is the product of an initial study done by Rep. Parr; it is a timely idea now that OCS leases have been sold. The legislative finding is that development projects cause an immediate demand on services in a community and the developer has not borne the full impact and burden. Rep. Parr stated this is the first of nine federal leases to be sold off Alaska's shores. The intent of HB 919 is to be assured of repayment for costs of increased services needed to meet impact. When the State of Alaska appropriated money for pipeline impact it was for municipal services. This bill proposes to have the Department of Community & Regional Affairs estimate cost and then have developing company pay impact costs prior to completion of the project. The bill in original form had tax credit exemption, however the administration did not favor that portion of the bill because money needs to be furnished.

Rep. Freeman asked if impact is negative? Rep. Parr answered pipeline impact is not necessarily negative impact.

The committee discussed this further.

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

May 3, 1976

The meeting was called to order at 9:08 am by Chairman Cotten to hear testimony on HB 919. Present were:

Rep. Cotten
Rep. Davis
Rep. Freeman
Rep. Hackney
Rep. Ostrosky
Rep. Ose
Rep. Hershberger
Rep. Kelley

Rep. Charlie Parr
Brian Rogers
Claire Lotspeich
Cameron Edmondson, Marathon Oil
Monte Taylor, Exxon
Ken Showalter, Sohio
Eugene F. Wiles, Socal
Robert J. Walker, Exxon
Sharon Lobaugh, Ak. Conservation So.

Eugene F. Wiles representing Standard Oil of California submitted four papers to the Committee: An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska, by Mathematical Sciences Northwest, Inc.; Executive Summary by Math. Sciences NW., Inc.; Alaska Taxation of the Petroleum Industry done for the Alaska Oil and Gas Association; and a paper on the economic and social impact of potential petroleum development in the eastern sector of the Gulf of Alaska. Mr. Wiles discussed and read from the four reports. The main point he was making was that there will not be an immediate impact on the areas, and he called the fee a tax and it is in violation of the tax law.

Chairman Cotten asked if anyone would be able to submit their testimony in the remaining 10 minutes.

Sharon Lobaugh representing the Alaska Conservation Society stated she expects written testimony to be available for the Committee's consideration but it has not arrived at this time. The Alaska Conservation Society is generally supportive of the concept of the bill.

Chairman Cotten adjourned the meeting at 9:55 am.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 4, 1976

The meeting was called to order at 9:12 am by Chairman Cotten to complete hearing testimony on HB 919. Present were:

Rep. Sam Cotten	Brian Rogers, self
Rep. Kathryn Ostrosky	Claire Lotspeich, self
Rep. Al Ose	Paul Carr, D.C. & R.A.
Rep. Larry Davis	Lois Kramer, D.C. & R.A.
Rep. Glen Hackney	Cameron Edmondson, Marathon
Rep. Hershberger	Waco Shelly, Mobil
	Sharon Lobaugh, ACS
	Eugene F. Wiles, SOCAL
	Robert J. Walker, Exxon
	Rep. Charlie Parr
	Barbara Englert Thomas, Staff
	Jo Putman, Staff

1014 Chairman Cotten called upon Brian Rogers to testify. Mr. Rogers was representing himself as a tax payer. A report done by Math Services NW contains figures about the personnel to be employed,"the initial complement of crews required for rig operation will be from Cook Inlet or will be brought into Alaska from other areas." Additional people will require additional services as seen by the pipeline construction impact. Seward and Kodiak may be potential construction sites for platforms creating significant impact. If the construction site is placed as close to the site on shore as possible the communities will not feel the impact significantly, but neither will they receive the tax base and benefits. Of $555 million investment required, $85 million will be on shore of which $25 million will not be brought into any local tax base. The population figures in the Math Sciences report are rather low estimates. If a new field is found each year then the activities illustrated in the development schedule will be repeated for each new field. So using the industry figures, Brian belives those figures will have to be tripled. Mr. Rogers submits that there has already been impact for the lease sales, SB 564 is a school bond package and included in that $1.4 million for a school in Cordova and $1.9 million for a school in Yakatat. Money is being put out now preparing for impact in advance. A problem we have with off shore oil development is there can be no state tax on the platforms. Mr. Rogers gave figures from OMB for additional population from increased OCS exploration and production in the Atlantic, the Gulf of Mexico, the Pacific and the Alaskan areas they believe that 64% of the population impact will be in Alaska and 70% of the cost of additional infrastruction will be in Alaska. IN a staff report prepared for the U. S. House of Representatives on Federal impact legislation of OCS states "state and local governments can require private owners and developers to ensure front end funding. Existing regulations now require companies to provide development plans, socio-economic impact information to state and local governments.

The rapid growth is what hurts the most. In Fairbanks suddenly the telephone system was inadequate, the road system was inadequate, whereas in the years preceding the pipeline the growth due to tourism and so on was relatively slow and could be met a little at a time. The OMB has estimated $683 million worth of impact in the next nine years. That works out to about $75 million a year or 10% of our state budget. I do not think any other industry has caused that large or quick an impact on the state. Rep. Ostrosky stated that all the studies that Mr. Rogers was referring to are impact studies that have been going on more than a year, it is an accepted concept that there will be drastic impact from this resource development and there will need to be front end monies available.

1646 Rep. Hackney asked how Mr. Rogers envisions a fee for a shore permit. Mr. Rogers stated it is a difficult problem but the bill does leave the department some leeway in computing these fees and after a couple of years of experience the legislature might want to look at it again and perhaps by statute rather then by regulation set up some formula.

1730 Waco Shelly, representing Mobil Oil Corporation, requested time, not to testify, but to unburden himself. He questions the practicality or workability of this bill. Mr. Shelly is opposed to trying to assess and make people pay in advance for something when they do not know what the magnitude is going to be.

Chairman Cotten stated we surely would be grateful if an industry representative were to offer some innovative suggestions as to what the state might do to prepare themselves for what appears to be a pretty heavy impact in the relatively near future.

0373 Mr. Shelly wanted to know how the state is going to separate the impact of oil development and any other industry?

Chairman Cotten stated the committee will take a few days to look at the figures now available and have another meeting to discuss the mechanism for fees.

0587 Rep. Parr asked Mr. Shelly if he had some alternate way to ensure the state gets some of the revenues from off shore drilling since the state does not have jurisdiction to tax beyond the three mile limit, no severence tax, no royalty tax, a distinction between onshore and offshore projects. Would the companies like to volunteer 12 1/2% royalty then we will not worry about the impact costs.

Mr. Shelly responded that he hopes, in time, the federal government will recognize the impact and come through with some impact funds.

0780 Meeting adjourned at 9:55 am

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING

POUCH B–JUNEAU 99801

May 3, 1976

The Honorable Sam Cotten
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Cotten:

Attached for your information are several exhibits which describe the estimated magnitude of OCS oil and gas development in Alaska. Included is a discussion of the extent of OCS areas to be leased as well as a comparative analysis of various employment and population forecasts. Four major sources are used:

1. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.

2. Office of Management and Budget; Comments on the Federal Energy Impact Assessment Act.

3. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska, prepared for the Environmental Protection Agency; November, 1975.

4. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.

The forecasts themselves demonstrate a wide range of opinion concerning the magnitude of growth which will be experienced. Despite the differences, however, it is clear that even the most modest growth which is predicted will have considerable impact, particularly in the coastal communities.

Summarized below are major points to be made about each of the exhibits:

EXHIBIT A: Acreage Leased in the United States Outer Continental Shelf, 1954-1976.

1. During the period 1954-1976, a total of 485,000 U. S. outer continental shelf acres was leased each year.

2. Since 1973, yearly acreage leased has doubled, approaching 1,000,000 acres/year.

EXHIBIT B: Outer Continental Shelf Areas in Alaska Under Consideration for Leasing.

Nine areas are scheduled for lease sales in Alaska. They include:

Lower Cook Inlet
Gulf of Alaska - Northern Gulf
Gulf of Alaska - Kodiak
Aleutian Shelf
St. George Basin (Bering Sea)
Bristol Bay Basin
Norton Basin
Hope Basin
Beaufort Basin

EXHIBIT C: Proposed OCS Sale Schedule.

According to the national policy of accelerated leasing, all nine sales are scheduled to take place in the next three years. Two to three sales are anticipated for 1976; three to four for 1977; and three for 1978.

EXHIBIT D: Proposed Acreage to be Leased on Alaska's Outer Continental Shelf.

1. At the recent Northern Gulf lease sale, 409,000 acres were sold. This acreage approximates the total amount sold each year during the period 1954-1973.

2. Proposed acreage for the Kodiak, Lower Cook Inlet and Bering Sea sales is 5,730,000 acres--equivalent to almost half of the total acreage leased during the last twenty-two years.

EXHIBIT E: Estimates of OCS Employment and Population Growth, Alaska, 1978-1990.

1. By 1978, total OCS-related employment may increase by as much as 12,000-20,000. Overall population growth resulting from OCS development may be 30,000-48,000.

2. Peak employment and population growth is likely to occur in the early 1980's. Peak employment is estimated at 44,000-63,000; peak population at 110,000-135,000.

3. The Office of Management and Budget (OMB) anticipates that direct employment will drop off in 1987; Resource Planning Associates, Inc. (RPA) predicts it will continue to grow, but at a slower rate than previous years.

4. RPA's total employment forecasts assume a higher rate of growth in oil-linked and service industries than does OMB's forecasts.

EXHIBIT F: Estimates of Direct OCS Employment, Gulf of Alaska, 1976-1990.

1. Estimates of direct employment depend greatly on assumptions concerning the magnitude and timing of OCS activity. There is some disagreement about the speed at which growth in direct employment will occur. The Alaska Division of Geological and Geophysical Survey (DGGS) anticipates that OCS activity will begin rapidly; BLM and Mathematical Sciences Northwest assume smaller levels of direct employment and slower rates of growth.

2. Beginning this year, the Gulf of Alaska will experience between six to ten years of continuous employment growth. During this period, direct employment will increase by 300 to as much as 4,000.

EXHIBIT G: Estimates of Total Employment, Gulf of Alaska, 1976-1990.

1. For every direct job created by oil and gas development on the Gulf of Alaska's outer continental shelf, between 1.7 and 3.0 other jobs will be created. It is likely that many of the other jobs will be in Anchorage.

2. Total employment will peak in the early 1980's with estimates of growth ranging from 3,250 jobs (Mathematical Sciences) to 15,000 jobs (RPA).

EXHIBIT H: Estimates of Total Population Growth, Gulf of Alaska, 1976-1990.

1. Population growth follows the pattern of total employment growth. On the average, family sizes are assumed to be between 2.0 and 2.5 persons. The relative smallness of the dependency ratios takes into account single migrant workers.

2. Estimates of peak population growth in the Gulf of Alaska range from 11,000 (DGGS) to 54,000 (RPA).

EXHIBIT I: Comparative Employment Data, Kenai-Cook Inlet, 1961-1974.

In the eight years 1961 through 1968, total employment grew by 3,790 jobs or 180 percent. Mining and contract construction are the greatest contributors to the new employment. These two sectors are also subject to considerable fluctuation during the fourteen-year period.

EXHIBIT J: Direct Oil Industry Employment in Scotland.

The analysis spans a year and one-half. Direct oil industry employment in Scotland zoomed from a mere 4,100 to 16,000 in eighteen months.

Finally, I would like to include a quote from Charles Prokop of Exxon given in testimony before the Council on Environmental Quality, September 26-27, 1973:

> "As production grows it would become necessary to have more and more personnel 'on location' until within a year or so a sizable community would develop near the producing area. If we keep our assumption of 200,000 B/D production as an example area, we could expect approximately 20 modest size business buildings, and two small hotels for temporary personnel and approximately 400 homes for the 600 people directly employed. A similar number would be expected to live outside the area in nearby cities with heavy emphasis still on Anchorage.
>
> Of course, now supporting services would grow into the communities to serve the families of the employees, providing new jobs for those not directly associated with the industry. This could produce a community of near 2400 people and the churches, schools, recreation and service buildings accompanying a small population center. Land use would be approximately 6 square miles . . . .
>
> There are several locations on the coastline of the Gulf which would accommodate sizable communities. At present Yakutat and Cordova are the only towns in the area under discussion. Neither is large enough to absorb even a part of the increased population, but either could be enlarged substantially should their positions be strategic. Yakutat would probably be the most ideally located of the two."

I hope that the attached information is helpful. If I can be of further assistance, please do not hesitate to ask.

Sincerely,

Kevin Waring

Kevin Waring
Director

Attachments

cc: Kathryn Ostrosky
Oral Freeman
Larry Davis
H. M. Hershberger
Glenn Hackney
Al Ose
Lisa Rudd
Ramona Kelley
Charlie Parr

EXHIBIT A
ACREAGE LEASED IN THE UNITED STATES
OUTER CONTINENTAL SHELF (OCS)
1954 - 1976

Period	OCS Acreage Leased
1954-1973	9,214,810
1974-1976	2,795,685
TOTAL	12,010,495

Source: U. S. Senate Committee on Interior and Insular Affairs, Federal Leasing of Petroleum on the Outer Continental Shelf, January, 1976.

EXHIBIT B
OUTER CONTINENTAL SHELF AREAS IN ALASKA
UNDER CONSIDERATION FOR LEASING

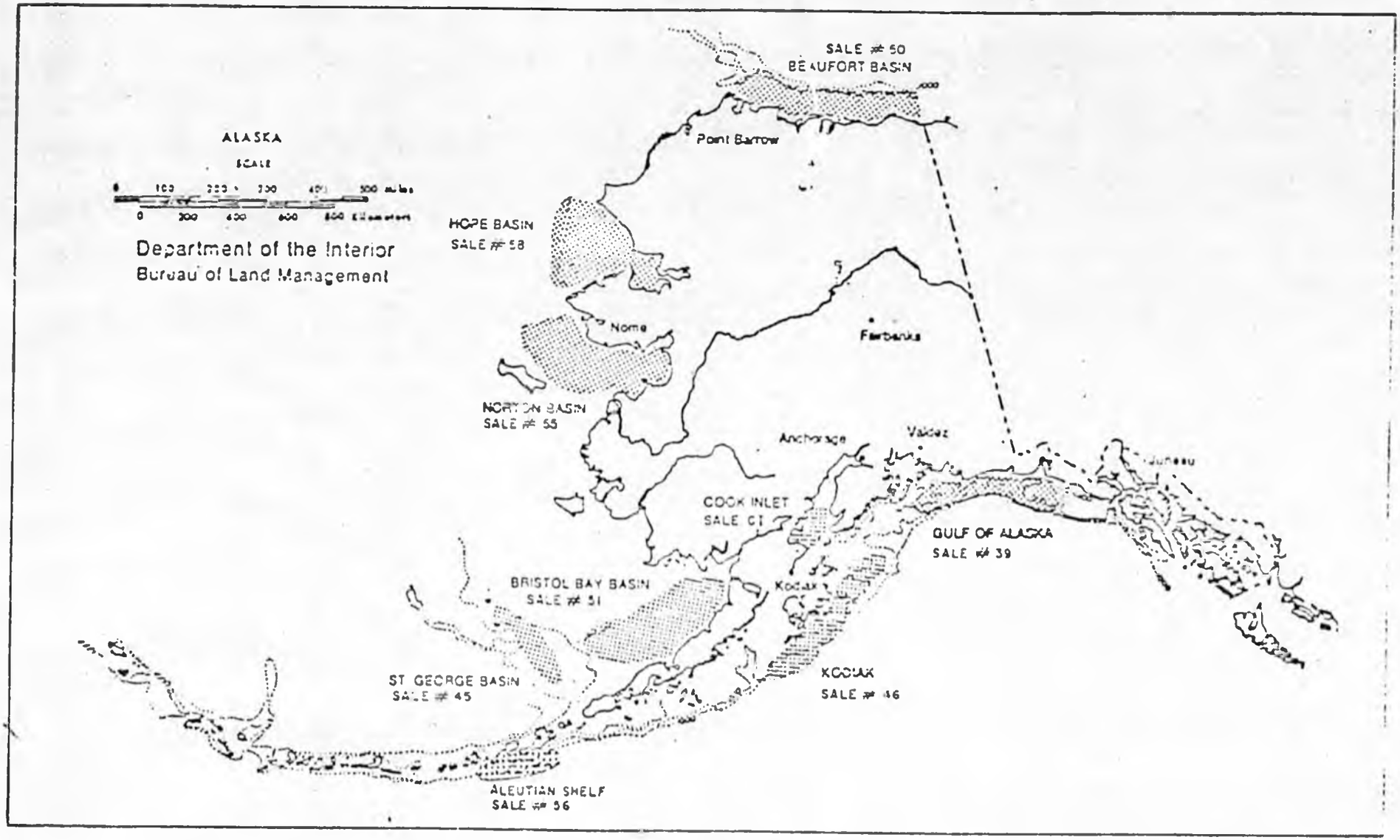
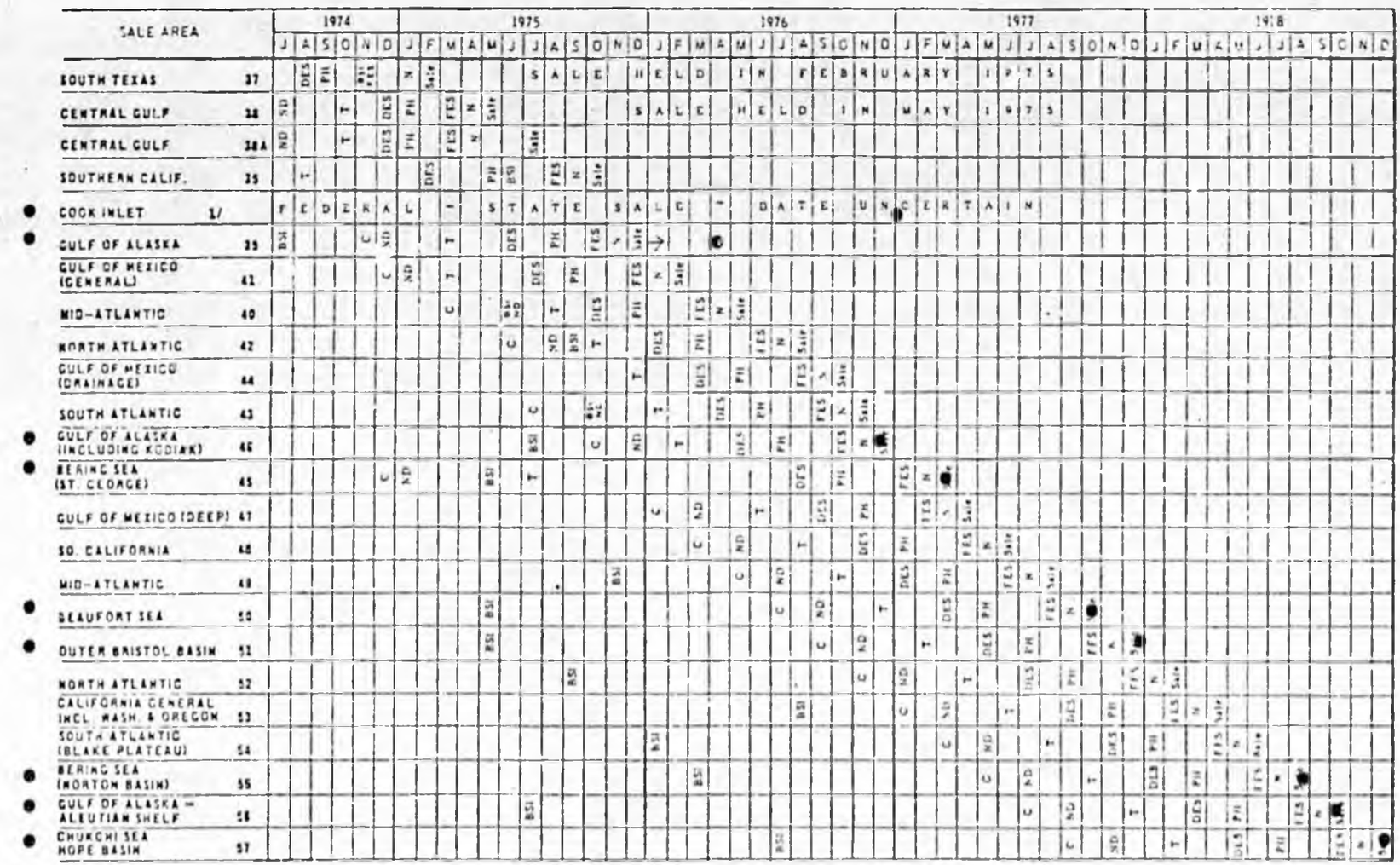


EXHIBIT C
PROPOSED OCS SALE SCHEDULE

JUNE 1975
(REVISES NOVEMBER 1974 SCHEDULE)



BS Baseline Studies Initiated
C Call for Nominations
ND Nominations Due
T Announcement of Tracts
DES Draft Environmental Statement
PH Public Hearing
FES Final Environmental Statement
N Notice of Sale
L/ State May Conduct Sale

Leasing studies scheduled are contingent upon scientific personnel and equipment being available to perform the studies.

Sales are contingent upon technology being available for exploration and development. A decision whether to hold any of the lease sales listed will not be made until completion of all necessary studies of the environmental impact and the holding of public hearings; as a result of the environmental, technical, and economic studies employed in the decision – making process, a decision may, in fact, be made not to hold any sale on this schedule.

Director,
Bureau of Land Management

EXHIBIT D
PROPOSED ACREAGE TO BE LEASED
ON ALASKA'S OUTER CONTINENTAL SHELF

Area	Sale Number	Proposed Acreage
Northeast Gulf of Alaska	39	408,592 (actual)
Kodiak	46	3,179,660
Lower Cook Inlet	--	865,364
Bering Sea (St. George Basin)	45	1,682,389
Beaufort Sea	50	No information available
Outer Bristol Basin	51	No information available
Bering Sea (Norton Basin)	55	No information available
Gulf of Alaska (Aleutian Shelf)	56	No information available
Chukchi Sea	57	No information available

EXHIBIT E
ESTIMATES OF OCS EMPLOYMENT AND POPULATION GROWTH
STATE OF ALASKA, 1978-1990

Year	Direct Employment		Total Employment		Population	
	RPA[1]	OMB[2]	RPA	E OMB[3]	RPA	OMB[4]
1978	5,500	4,300	20,000	11,800	48,000	29,600
1980	15,000	16,100	63,000	44,300	135,000	110,700
1987		8,100		22,300		55,700
1990	16,000		95,000		246,000	

Notes

1. Estimates taken from Resource Planning Associates, Inc., Onshore Impacts of Oil and Gas Development in Alaska, Volume I, prepared for the Environmental Protection Agency, November, 1975. Included in totals are estimates for OCS development in the Gulf of Alaska, Beaufort Sea, Bering Sea, Lower Cook Inlet, Kotzebue Sound, Bristol Bay and Chukchi Sea.
2. Estimates taken from Office of Management and Budget Comments on the Federal Energy Impact Assessment Act.
3. CRA estimates using OMB assumptions of direct to total employment multiplier of 2.75.
4. CRA estimates using OMB employment to population multiplier of 2.5.

EXHIBIT F
ESTIMATES OF DIRECT OCS EMPLOYMENT
GULF OF ALASKA, 1976-1990

Year	DGGS[1]	FEIS[2]	MATH SCI[3]	RPA[4]
1976	1,085	296	291	
1977	1,800	888	622	
1978	2,160	1,284	936	1,000
1979	2,438	1,284	1,250	
1980	2,825	1,626	1,486	4,000
1981	2,610	1,686	1,490	
1982	2,380	1,594	1,191	
1983	3,290	1,650	940	
1984	1,815	2,370	951	
1985	1,335	2,306	886	
1986	1,285	1,302		
1987	1,285	1,302		
1990	1,285			4,000

1. Division of Geological and Geophysical Surveys; Gulf of Alaska Development Model.
2. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.
3. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.
4. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska; prepared for the Environmental Protection Agency; November, 1975.

EXHIBIT G
ESTIMATES OF TOTAL EMPLOYMENT
GULF OF ALASKA, 1976-1990

Year	DGGS[1]	FEIS[2]	MATH SCI[3]	RPA[4]
1976	1,845	883	796	
1977	3,060	2,649	1,414	
1978	3,672	3,835	2,132	5,000
1979	4,145	3,835	2,723	
1980	4,803	4,882	3,036	15,000
1981	4,437	5,081	3,250	
1982	4,046	4,817	2,793	
1983	5,593	6,505	2,289	
1984	3,085	7,168	2,623	
1985	2,270	5,615	2,601	
1986	2,185	4,351		
1987	2,185	3,939		
1990	2,185			24,000

1. Estimates derived from Division of Geological and Geophysical Survey Forecasts for direct employment. CRA assumed a direct to total employment multiplier of 1.7.
2. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.
3. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.
4. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska; prepared for the Environmental Protection Agency; November, 1975.

EXHIBIT H
ESTIMATES OF TOTAL POPULATION GROWTH
GULF OF ALASKA, 1976-1990

Year	DGGS[1]	FEIS[2]	MATH SCI[3]	RPA[4]
1976	3,723	708	1,606	
1977	6,175	2,120	2,853	
1978	7,410	3,366	4,302	14,000
1979	8,365	3,366	5,495	
1980	9,692	6,298	6,127	33,000
1981	8,954	8,141	6,558	
1982	8,165	8,850	5,636	
1983	11,287	12,602	4,619	
1984	6,226	14,124	5,293	
1985	4,581	11,570	5,248	
1986	4,409	9,462		
1987	4,409	8,521		
1990	4,409			54,000

1. Estimates derived from Division of Geological and Geophysical Survey Forecasts for direct employment. CRA assumes a dependency ratio of 2.018 (provided by the Alaska Department of Labor).
2. U. S. Department of the Interior, Bureau of Land Management; Proposed Oil and Gas Leasing in the Northern Gulf of Alaska, Final Environmental Impact Statement; 1975.
3. Mathematical Sciences Northwest, Inc.; An Economic and Social Impact Study of Oil Related Activities in the Gulf of Alaska; prepared for the Gulf of Alaska Operators Committee; May, 1975.
4. Resource Planning Associates, Inc.; Onshore Impacts of Oil and Gas Development in Alaska; prepared for the Environmental Protection Agency; November, 1975.

EXHIBIT I

COMPARATIVE EMPLOYMENT DATA

1961-1974

KENAI-COOK INLET LABOR AREA

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	% Increase 1961-1970	% Increase 1961-1974
Total Civilian Work Force	2,512	3,123	3,274	3,318	2,914	3,883	5,415	6,475	6,262	5,560	5,508	5,967	5,748	6,179	121%	146%
Total Employment	2,102	2,664	2,723	2,830	2,510	3,383	4,936	5,892	5,510	4,745	4,594	5,022	4,831	5,375	126%	156%
Total Unemployment	410	459	551	488	404	500	479	583	752	815	914	945	917	970	99%	137%
Non-agricultural wage and salary employment	960	1,284	1,322	1,397	1,754	2,462	3,677	4,470	4,153	3,576	3,454	3,822	4,049	4,487	273%	367%
Mining	155	169	159	179	212	415	915	1,099	966	652	525	528	560	503	321%	225%
Contract Construction	57	94	99	128	259	**	821	1,209	736	354	398	433	343	441	521%	674%
Manufacturing	138	198	236	266	265	258	260	333	482	583	524	553	629	716	322%	419%
Transportation, communications and utilities	90	104	94	107	124	141	306	267	273	293	254	280	296	404	226%	349%
Trade	113	134	152	151	219	303	357	432	528	507	466	502	567	627	349%	455%
Finance, insurance and real estate	27	34	44	**	**	**	**	**	**	**	**	79	81	90	**	233%
Services	86	154	135	**	180	263	334	401	364	339	338	446	596	671	294%	680%
Miscellaneous	*	*	*	*	**	**	**	**	**	**	**	55	90	88	**	*
Government	294	397	403	380	445	595	611	641	701	751	873	946	947	947	155%	222%

*Services and miscellaneous aggregated

**Withheld to comply with disclosure regulations

EXHIBIT J
OIL INDUSTRY EMPLOYMENT IN SCOTLAND

TABLE 5.6 CHANGES IN OIL INDUSTRY EMPLOYMENT, MARCH 1973–DECEMBER 1974

	Mar. '73	*Jun. '73*	*Sep. '73*	*Dec. '73*	*Mar. '74*	*Jul. '74*	*Oct. '74*	*Dec. '74*
Inverness and Easter Ross	1 840	1 795	2 040	3 205	4 175	4 375	3 520	4 025
Remainder of Highlands and Islands	50	65	50	85	395	930	1 365	1 565
North East	1 410	2 305	2 305[b]	3 730	4 065	4 715	5 495	6 925
Tayside	25	35	95	135	150	280	475	765
East Central[a]	665	770	910	975	1 815	2 530	2 430	2 080
West Central[c]	110	170	250	480	675	785	855	870
Total	4 100	5 140	5 650	8 610	11 275	13 615	14 140	16 230

a. East Central is equivalent to the Firth of Forth region as described in Chapter 6.
b. No fresh figure was published for this quarter, therefore previous total has been carried forward.
c. The figures for West Central Scotland do not include workers engaged in rig construction work in Clyde shipyards, e.g. Marathon, Clydebank. In December 1974 workers in this category numbered 1935.

Source: Department of Employment.

Source: Hutcheson, MacGregor and Hogg, Alexander, Scotland and Oil, 1975, p. 61.

National Governors' Conference
1150 Seventeenth Street N.W. Suite 600
Washington, D.C. 20036
(202)785-5600

Robert D. Ray
Governor of Iowa
Chairman

February 3, 1976

W.I. Bob Palmer
Chief of Staff
Office of the Governor
Pouch A
Juneau, Alaska 99811

Dear Bob:

Pursuant to our discussion last week relevant to pending legislation to impact assistance, I am sending to you as an attachment the following material:

1) Staff draft of January 28, 1976 - "Federal Energy Development Impact Assistance Act of 1976".

2) A fact sheet prepared by OMB addressing the various provisions of the above referenced bill.

Please be advised Bob that the fact sheet was prepared on OMB's initial estimate of the impacts that would be created in the various States should this bill pass. There have been several redrafts of the bill, and as a result, some of the initial points referred to in the fact sheet may no longer be applicable. As a result, please don't take everything reflected in the fact sheet as gospel.

The meeting held in Denver last Wednesday evening proved to be most productive, particularly in light of Monday's discussion which we attended. There are still a number of questions in respect to debt ceiling and the constitutional prohibition of State administrative structure on borrowing that need to be worked on. In addition, the question of appropriate security for local units of government may prove to be most unworkable.

You should be receiving under separate cover a copy of a preliminary work program prepared by Jim Monaghan of Colorado. There are a number of issues which the task forces could explore; however, the more we look at the subject the more it appears that we should refine issues to the point that they don't become academic in nature. When you receive this document from Jim, I am sure you will understand my point more clearly.

It would be helpful to analyze this bill in relation to your understanding and position of various OCS bills that are now before the Congress. The critical question would be as follows: "Are loan guarantees and grants more attractive than grants, to ameliorate Net Adverse Impacts"?

Both Jim and I would appreciate your views on the subject as quickly as possible as the impact assistance bill may be introduced within the next several days. Further, any other additional comments that you think appropriate would be welcome.

With kindest personal regards.

Sincerely,

Tom

Thomas J. Dennis
Interstate Coordinator for
Energy Programs

bcc: Jim Monaghan

4/28/76 HB 919

Name	Organization
Monte Taylor	Exxon Co., USA
Emmett Wiles	Socal
Ken Chandler	Ohio
Kevin Waring	Dept of Com + Reg Affairs
Bob Weden	Office of Governor
Connie Talbot	Office of Governor
Paul Carr	Dept of Community & Regional Affairs
Roger V. Lewis	Dept. NATURAL RESOURCES
Ralph J. Walker	EXXON

Sam — These are the comments Dept. of Revenue had on HB564, but since the tax credit provision was taken out they have no concerns or interests in HB919

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S — JUNEAU 99811

January 26, 1976

The Honorable Charles H. Parr
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parr:

I appreciate what you are trying to accomplish in your bill providing for permits and fees for the construction of shore facilities associated with off-shore natural resource extraction. If industry is not going to pay its way, it is only right for them to equalize the cost. However, I do not feel it should be credited against future taxes. Governments have to live in the long run as well as the short run. The administration does not favor that portion of the bill.

We do like the concept of the bill but feel that portion should be changed.

Sincerely,

Sterling Gallagher
Commissioner

OCS Impact

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

February 4, 1976

Honorable Nels Anderson
Chairman
House Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

Re: House Bill No. 564

Dear Mr. Anderson:

House Bill No. 564, an Act providing for permits and fees for the construction of shore facilities associated with off-shore natural resources extraction was introduced in the House on January 14, 1976 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing a copy of a memorandum dated January 26, 1976 from Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, Anchorage relating to problems of administration of the proposed legislation.

If you or any members of the House Resources Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Williams in Anchorage for further information.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Hugh Malone
Chairman
House Finance Committee

The Honorable Charles Parr
Prime Sponsor - HB 564

Thomas K. Williams
Director
Petroleum Revenue Division
Department of Revenue
Anchorage, Alaska

02-001B (REV. 08-73)

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue
Juneau

DATE: January 26, 1976

FILE NO:

TELEPHONE NO:

FROM: Thomas K. Williams
Director
Petroleum Revenue Division
Department of Revenue

SUBJECT: House Bill No. 564

Offered in response to your request are the following observations on HB 564:

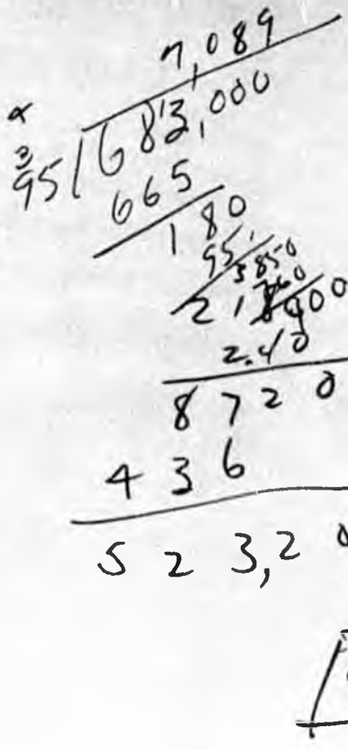
1. The primary effect on Treasury would be a pre-payment into the General Fund of State tax revenues from the extraction of offshore natural resources.

2. The bill invites litigation between impacted local governments and the State over the local government's uncompensated service expenses.

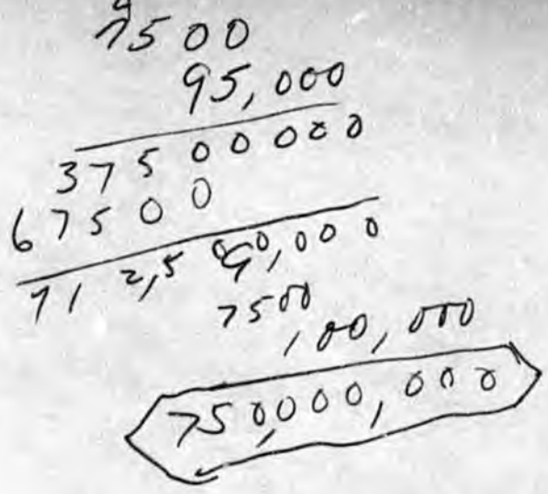
3. The bill fails to specify whether interest earned on the fee for the permit would be credited against State or local taxes.

4. The bill fails to consider what happens if a Permanent Fund is established and if some monies going into that Fund were from State taxes (e.g., AS 43.56) against which the fee for the permit could be credited: would part of the permit fee go into that Fund when paid, or would it go in as the credit was taken against those State taxes?

TKW:lgh



$523,200,000



~~750,000,000~~

94 95,000 by 1985

Specific Impact - Kevin Waring

OMB $951,000,000 increased cost to Govt.
683,000,000 add. cost to Alaska

150 people per rig

DIRECTOR of Div of Comm. Services

Projections of on-shore facilities

Milton A. Wiltse
SRA 20826
Fairbanks, Alaska 99701
February 9, 1976

Honorable Charles H. Parr
Alaska State House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Mr. Parr:

Enclosed are modifications for three Bills which I would like to submit for your consideration. A brief review of my suggested changes will show that my concern is directed at what I believe to be an unhealthy tendency exhibited by the executive branch of our state government to achieve the effect of legislation by agency regulation rather than legislative process. If passed in their present form, all of the Bills cited would have the effect of placing more control of the Alaskan public's resources in the hands of executive appointees and the bureaucratic agencies which they administer. I would much prefer to see such significant policy decisions remain the sole preogative of my elected representatives.

In my opinion, the agencies may advise, but policy is the responsibility of the legislature. To assure the unbiased and professional quality of the advice submitted, I believe it mandatory that the qualifications of persons chosen to give such advice should be subject to legislative review and approval.

Thank you for your consideration.

Respectfully yours,

Milton A Wiltse

Milton A. Wiltse

Enclosures

Senate Bill 564

Overall concept of this bill appears to be sound. However, nowhere in the bill is there any control mechanism to ensure that the fees collected are, indeed, immediately used to provide those specific services and facilities for which they were collected. The moneys are determined by estimation and handed on to the local government with no further control on them. I believe the fee permit should state " $x assessed for schools, $x assessed for sewage, $x assessed for fire, " etc. (since these figures will be generated to arrive at the total fee in any case).

It also appears that since the fees are being collected for the purpose of providing services and facilities for the communities affected, that some provision be made for a company to provide services and facilities in kind. For example, a company might well be able to build and provide a community sewage treatment plant which was superior to, and less expensive than one constructed on state bid. Since the objective is the facility, not the revenue, I believe it would be appropriate to provide for such a manner of meeting permit costs.

State Exhibits #3 in case against Klepe to delay the lease sale

TABLE 1

	North Atlantic	Mid-Atlantic	South Atlantic	Gulf of Mexico	Pacific	Alaska	Total
Production (million barrels per year by 1985) 1/	57	114	19	343	385	161	
Peak Employment 2/	2520	5880	830	8500	5600	19,200	
Permanent Employment 2/	1020	2040	340	3800	3400	8,100	
Average of Peak & Permanent Employment	1770	3960	585	6150	4500	13,650	
Net Additional New Employment 3/	1328	2970	439	3998	3150	13,650	
Average Additional Population 4/	5976	13,365	1976	17,991	14,175	34,185	
Cost of Additional Infrastructure 5/	$30M	$67M	$10M	$90M	$71M	$683M	$951M

1/ Based on estimates from Department of Interior.

2/ Based on labor input factors supplied by American Petroleum Institute and a rapid exploration and development scenario in every area.

3/ Assumes at least 75% of employees will be new to the Atlantic areas; 60% will be new to the Gulf areas; 70% will be new to the Pacific areas; and 100% will be new to the Alaska areas.

4/ Assumes direct to total employment multiplier of 2.75 in Alaska and 1.8 in all other areas and employment to population multiplier of 2.5 in all areas.

5/ At $7250 per capita in Alaska and $5000 per capita in all other areas.

88,000 people × $7250 = $638 million

18,000 people × $5000 = $90 million

HJR-55

Requesting Congress to appropriate funds to the state for sewer construction.

COMMITTEE REPORT

3/2/76

HOUSE

Mr. Speaker: Date 3-16-71

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HJR 55 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Jean Foster

Al Bark

Lawrence T. Day

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Jean Foster Chairman

Sewer bonds
HJR-55

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

March 22, 1976

SUBJECT: Sewer Construction Funding

TO: The Honorable Sam Cotten, Chairman
House Committee on Community and Regional Affairs

FROM: A. R. Latham, Research Analyst

The attached "Washington Report" appeared on my desk Friday (3/19/76), and I thought you might be interested in its contents. Since the deadline (3/15/76) has passed, I am not sure what we should do. If you have any suggestions or directions, please forward them to me.

ARL:jm
Attachment

Washington Report

FOR STATE LEGISLATURES

From the National Conference of State Legislatures

March 2, 1976

REAUTHORIZATION NEEDED FOR NEW SEWER CONSTRUCTION

Latest Developments: March 15 is the deadline for House and Senate Committees to notify their respective budget committees that they intend to report authorizations for fiscal year 1977, but so far, only the Senate has a bill to reauthorize funds for the sewage treatment construction grants program. Key members of the Senate Public Works Committee, including Senators Muskie (D-Me.), Chairman Randolph (D-W.Va.), Baker (R-Tenn.), and Buckley (Cons-N.Y.) only last week introduced S. 3037, authorizing $7 billion in contract authority for next year.

On the House side, no similar bill has yet been introduced. Nor does the Administration's proposed 1977 budget include provisions for a reauthorization.

If there is no reauthorization, more than half the states could run out of their allotments of federal funding for new sewer construction projects next fiscal year. Four states could run out by June . (See attached list of states)

Background: Under the construction grants program in the 1972 Federal Water Pollution Control Act, Congress established $18 billion in authority for the Environmental Protection Agency to pay most of the eligible costs in approved construction contracts for sewage treatment works. This contract authority was parcelled out to the states according to need and population. As each state submits approvable construction projects, EPA obligates itself to pay 75 percent of the eligible costs, subtracting each obligation from the state's allotment of contract authority. Thus, when a state runs out of its allocation of contract authority, it can no longer get an obligation of funds for new construction projects.

It is important to note here that if Congress authorized, say, $7 billion in contract authority for FY '77, the federal government would not necessarily spend that amount in one year. EPA's actual outlays for sewer construction each year depend on the pace of engineering, design, and construction on projects to which the Agency has obligated itself. The number of obligations in turn depends on how quickly EPA can process and approve project applications. Due to funding impoundments and the proliferation of federal red tape over local development and state submission of project applications, EPA at the end of 1974 had obligated itself to only $3.9 billion worth of projects, and had actually paid out only $427 million on the $2 billion worth of these that had started construction. Thus a Congressional reauthorization of contract authority next year would not be irresponsible inflationary pump-priming, since actual outlays would be deferred and spread out over the years needed for projects to be prepared, submitted, approved, designed, and built.

State Impacts: The Administration contends that since there is still $10 billion of the original $18 billion remaining to be obligated, there is no need for a reauthorization for FY '77. The rate of obligation has picked up considerably in the last year, however, and EPA has calculated that at its present rate of obligation, 22 states will exhaust their contract authority allocations by March in 1977. So far, however, EPA has not been able to convince the Office of Management and Budget or the White House that an immediate reauthorization is essential.

Carol Steinbach
Editor

1150 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 785-5614

Earl S. Mackey
Executive Director

Depletion of federal contract authority would play hob with state and local sewer planning and programming. All the state man-hours spent this year on needs surveys and construction priority lists will have been wasted, since only a few if any new projects could be funded. State staffs for the construction grants program could find themselves largely idle, many of them having recently expanded for faster processing of local applications.

There would also be economic dislocations, which would affect state revenues. Orders for new construction equipment and materials would eventually slacken, with a corresponding aggravation of unemployment. The National Commission on Water Quality estimates that each $1 billion spent on sewer construction directly creates 20,00 jobs, and indirectly, another 20,000.

Among states that currently fund part of the 25 percent non-federal share of project costs, delays on needed new projects spell larger eventual outlays, since construction costs will continue to ratchet upward.

Action Needed: Members of both House and Senate Public Works Committees should be urged to support early enactment of a reauthorization up to $7 billion. This is the level originally authorized for 1975. (Existing NCSL policy calls for increased funding to at least $60 billion through 1983.) Committee members on the House side especially need an urgent appeal to have a bill introduced before the March 15 deadline.

A list of House and Senate Committee members is enclosed.

Since President Ford is likely to veto any reauthorization, it would be prudent to call for a separate House reauthorization bill, rather than an addition to H.R. 9560, the water pollution bill now before the Committee. H.R. 9650 contains several important measures for the states, including a provision allowing qualified states to assume larger responsibilities for processing project applications. The effect would boost the rate of EPA obligation to new projects. This and other needed amendments would be lost if a construction grant reauthorization were attached to H.R. 9560 and a Presidential veto were sustained, however.

Once these bills are reported out of their respective Committees, they will need strong support on the floors of both Houses to surmount the inevitable veto. Ford recently vetoed H.R. 5247, a public works bill that contained a $1.4 billion authorization for sewer construction, and the veto was narrowly sustained. The $1.4 billion would have reduced the number of states running out of contract authority next year from 28 to 6.

To help avert the same outcome next time around, a letter or call to your Congressman or Senator just before a floor vote would be most helpful. If the Senate and House Committees do report reauthorization bills, a later Washington Report will let you know when the floor votes come up.

Staff Contact: Rob MacDougall

ENVIRONMENTAL PROTECTION AGENCY PROJECTION OF STATES AFFECTED

IF THERE IS NO REAUTHORIZATION

(Based on Current Obligation Rates)

To Run Out by June, 1976:

Hawaii
Nevada
North Dakota
Wyoming

To Run Out by March, 1977:

Alabama
Alaska
Arizona
Colorado
Delaware
Florida
Odaho
Maine
Mississippi
Missouri
Montana
North Carolina
Oregon
Pacific Trust Territories
South Dakota
Texas
Utah
Virginia

To Run Out by End of FY 1977 (Projections less firm, according to EPA sources):

California
Maryland
Michigan
Minnesota
Nebraska
New Jersey
Ohio
Wisconsin

House Public Works and Transportation Committee

Jim Wright (Texas)
Harold T. Johnson (Calif.)
David N. Henderson (N.C.)
Ray Roberts (Texas)
James J. Howard (N.J.)
Glenn M. Anderson (Calif.)
Robert A. Roe (N.J.)
Teno Roncalio (Wyo.)
Mike McCormack (Wash.)
James V. Stanton (Ohio)
Bella S. Abzug (N.Y.)
John B. Breaux (La.)
Gerry E. Studds (Mass.)
Ronald B. (Bo) Ginn (Ga.)
Dale Milford (Texas)
Norman Y. Mineta (Calif.)
Kenneth L. Holland (S.C.)
Allan T. Howe (Utah)
Elliott H. Levitas (Ga.)
James L. Oberstar (Minn.)
Jerome A. Ambro (N.Y.)
Henry J. Nowak (N.Y.)
Robert W. Edgar (Pa.)
Marilyn Lloyd (Tenn.)

William H. Harsha (Ohio)
James C. Cleveland (N.H.)
Don H. Clausen (Calif.)
M. G. (Gene) Snyder (Ky.)
John Paul Hammerschmidt (Ark.)
E. G. Shuster (Pa.)
William F. Walsh (N.Y.)
Thad Cochran (Miss.)
James Abdnor (S.D.)
Gene Taylor (Mo.)
Barry M. Goldwater, Jr. (Calif.)
Tom Hagedorn (Minn.)
Gary A. Myers (Pa.)

Senate Public Works Committee

Edmund S. Muskie (Maine)
Joseph M. Montoya (N.M.)
Mike Gravel (Alaska)
Lloyd Bentsen (Texas)
Quentin N. Burdick (N.D.)
John C. Culver (Iowa)
Robert Morgan (N.C.)
Gary Hart (Colo.)

Howard H. Baker, Jr. (Tenn.)
James L. Buckley (N.Y.)
Robert T. Stafford (Vt.)
James A. McClure (Idaho)
Pete V. Domenici (N.M.)

RECEIVED
MAR 8 1976
LEGISLATIVE AFFAIRS AGENCY

CSSB-43am

DAWSON&CO.OFALASKA,INC.

JUNEAU OFFICE
230 Seward Street
Juneau, Alaska 99801
Phone (907) 586-1530
Telex 45-330

May 5, 1975

Mr. Alan Judson
Chairman, Legislative Committee
Alaska State Firefighter's Association
145 Admiral Way
Juneau, Alaska 99801

Dear Alan:

This letter is to confirm our conversation of May 3, 1975 regarding fire protection and insurance costs.

It is my opinion that insurance costs could be reduced on a state-wide average.

This opinion is based on the theory that the number of approved Fire Departments with approved water supply be substantially increased state-wide.

The rationale for this is if a substantial portion of the insurable property in the state were protected by approved fire services the rating base would be reduced. The key to this is, in my opinion, the coupling of approved fire services and approved water supplies. Minor reductions have been realized in certain areas by merely providing approved Fire Departments. However, these reductions on a general basis are relatively minor.

As mentioned before these are my personal thoughts from experience gained as an insurance agent and broker in Alaska for approximately 10 years. If I can be of any further help to you, please don't hesitate to call on me.

Very truly yours,

William A. Baker

CSSB 43 am

The only real difference between HB 15 & CSSB 43 am seems to be Sec. 3; which appears to be a housekeeping measure, allowing hospitals outside municipalities to receive, as well as expend, health revenue sharing funds.

TAPE #12
side 2
1405-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 5, 1975

Meeting was called to order at 9:00 to discuss HB 15, CSSB 43am.

Rep. Cotten	Gordon Brunton, Regional fire Chief
Rep. Freeman	Allen Judson, Ak. St. Firefighters Assoc.
Rep. Davis	Rep. Duncan, Sponsor
Rep. Hackney	Bill Hagby, Fire trainer
Barbara Englert Thomas, Staff	Don Berry, Municipal League
Andrea Guernsey, Staff	Jack Chenoweth, director, Local Gov't

ALLEN JUDSON — Mr. Judson said the Alaska State firefighters were in support of CSSB 43. Over the last three years fire money is being spent for other things. For example Hoonah has been using it for their genator problems. he read a letter from DAwson and Company stating that if the fire facilities across the State were upgraded it would reduce insurance rates. The fire underwriters grade each community for insurance premiums but the overall picture is taken statewide.

HOONAH — Hackney asked what sort of equipment Hoonah has? and what their fire less is? They have a 500 gal pumper but don't know the fire loss in dollars. Rep. Hackney thinks the people in the communities should set the priorities instead of having the State step in and say how to spend the money. Cotten pointed out that SB 43 says the money could be spent elsewhere if the community can show adequate fire protection. Mr. Brunton said Hoonah has 5-10 working fires each year. 80% of these are total losses. This is typical of the rest of Ak. in that it is double that of the rest of the U.S. Rep. Freeman askedif H-onah had a tax base? They have sales tax. He also aked what the city council thought. Judson said they were opposed to the bill because they want to use the money for the electrical system. Cotten said the community had to make its priorities.

M.L. POSITION — Freeman asked Mr. Bery for the Leagues opinion. Don said they were inopposition. It was not originally an idea of sharied revenue to earmark the funds. They compromised with SB 43 by saying that the funds culd be used elsewhere in original which was later amended out.

C&RA POSITION

Jack said hs dept. was in favor with the League's position.

Mr. Brunton suggested disqualifying the title of "fire protection". Don't want to increase fire money to be spent on something else. But some communities only get fire shared revenue, Cotten said.

After further discussion meeting was adjourned at 10:00.

CSSB 43am NOT. PT. TEST

5/5 Ray Chadwick X X

Don Tandy X X

allen Jackson X

X

Rating Bureau – Insurance Rates

(Statewide Impact of this ruling?

RJDA #64,000 (75) 76 83,000

unless the council had an overriding reason to spend it elsewhere.

---

what reaction from commerce

CSSB-90

"An Act relating to transfer of state equipment to political subdivisions."

COMMITTEE REPORT

3/27/75 HOUSE FINANCE

Mr. Speaker: Date 3-27-75

The Committee on C&RA has had CSSB 90 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam R. Cotten	Do Pass	
Kathryn Reed Nichols	" "	
Mike Hershberger	" "	

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam R. Cotten Chairman

TAPE #12
side 2
570-1403

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 2, 1975

Meeting was called to order at 9:00 to discuss CSSB 90. Present:

Rep. Cotten
Rep. Ostrosky
Rep. Freeman
Rep. Hackney
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff

Earl Prince, Dept. of Administration
Dale Walington, Environmental Conser.
Bill Pritchard, Local Government
Jim Anderegg, Local Government

STATE PROPERTY OFFICER

Mr. Prince, the State Property Officier, said he administers two statutes dealing with all surplus property. This is not a new bill, but has been largely unworkable in the past because of a lack of policy for transfering. He said there have been 20 separate occasions where someone has called for the equipment the day before it was to go on sale. This bill tries to clarify the existing statute. The problem is in the administration.

WHERE MONEY GOES

Rep. Freeman asked what happens to the money when a piece of equipment is sold. 90% goes to the Dept. from which it came, and 10% to the Dept. of Adminstration for administration costs. THen the dept. would have to make a choice between selling for money or giving to the villages.

PROCESS USED BY DEPT. OF C&RA

Bill Pritchard from the Local Government Division of the Dept of Community and Regional Affairs, explained the process his dept. uses. In February they had a meeting with the Capitol Working Fund of the dept. of Hiways who asked them if they would communicate with the municipalities concerning the surplus equipment of the dept. of hiways. A list of all surplus equipment was sent to all municipalities (incorporated) and received 25 requests back. The municipality must pay the cost of transportation plus the recommended salvage cost of the piece of equipment. They send a list every time there is usuable equipment for sale. In this process the municipalities have first crack at the stuff already, which solves Mr. Prince's problem. THe equipment which isn't sold is then given over to the dept. of Administration for sale.

RESTRICTING USE OF EQUIPMENT

Cotten would like to get rid of the section saying that the equipment can only be used for maintenance of roads or airports. This would give the communities the option of using them for garbage removal.

LETTER TO AGENCIES

Rep. Hackney doesn't think the bill is even needed. He suggests the committee write a letter to the dept.of C&RA, Hiways, Administration, Public Works asking them to all get together on this matter.

Chairman Cotten doesn't want to do anything with the bill until he hears from its sponsor.

Meeting was adjourned at 10:00.

TAPE #14
side 1
388-822

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 21, 1975

Meeting was called to order at 9:15 to discuss SB 259am, SB 138, CSSB 90.

Rep. Cotten	Barbara Thomas, Staff
REp. Ostrosky	Andrea Guernsey, Staff
Rep. Hershberger	Senator Orsini
Rep. Freeman	Rep. Smith
	Bob LeResche, Fish & Game

SB 259am

Senator Orsini passed out a proposed Committee Substitute that would give the local government a year to act. The bill takes effect June 1, 1976. But he thinks the new Anchorage Borough Assembly will take action on it. Nobody had any objections to the substitute so it was adopted and the bill was reported out.

REPORT OUT

SB 138

Rep. Cotten suggests replacing section b with "before any such regulations are enforced they shall be submitted to and approved by the legislature."

AMENDMENT

PRIVATE LAND IN PARK

Rep. Freeman still wants to know if private land surrounded by a state park is within that park? Rep. Smith said that according to this bill that land would be within the park and subject to zoning.

Senator Orsini offered some different language for secion B, to the extent that if the legislature didn't act the regulations would take affect. Sam likes the first language better but agrees to change "are enforced" to "takes effect" for the sake of clarity.

REPORT OUT
COM. SUB.

Rep. Ostrosky moved to adopt the amendment and report the bill out. Without objection so moved.

CSSB 90

Oral still wants to know whether the equipment is sold or given. The "shall transfer" was changed to "may transfer" in the committee substitute.

REPORT OUT

The bill was reported out.

Meeting was adjourned at 9:50.

CSSB 90

WOT.

5/2

Sen Ferguson X
Earl Prince (2290) X
art Sanford X
Dept. Highways X
Dept. Public Works X
Bill Pritchard CARA ✓

C55B-111AM

"An Act making a supplemental apprcpriation to the Department of Community and Regional Affairs for the Chugiak-Eagle River Borough; and providing for an effective date."

COMMITTEE REPORT

3/20/75 HOUSE FINANCE

Mr. Speaker: Date 3/21/75

The Committee on C&RA has had CSSB 111am under consideration. A Majority of the members of the Committee

(✓) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #6
side 1
0-1022

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 21, 1975

Meeting was called to order at 9:00 for discussion of HB 16 and HB 140. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Oral Freeman
Rep. Glenn Hackney
Rep. Larry DAvis
Rep. Al Ose
Rep. Mike Hershberger--absent
Barbara ENglert Thomas, Staff
Andrea Guernsey, Staff
Kevin Waring, Director, Community Planning
Don Berry, Municipal League
Rep. Jim Duncan, Sponsor, HB 16
Al Judson, Firemen

HB 16

Duncan said this was the same bill as in the Senate, only the figures were different.

(53) Mr. Judson gave a small dissertation on why fire protection needed more money: shortages, all costs have gone up tremendously.

(166) Rep. Freeman asked if communities are required to spend X dollars for fire protection out of revenue? Not now, Duncan said, but HB 15 would earmark for fire.

(203) Freeman-If there is a village that gets only fire protection revenue sharing the increase from $5 to $15 would mean a lot of change, but for Anchorage the money would be the same but percentage wise would be smaller.

(368) Ose explains. If they raise fire protection to $15 the increase would be %300 but Anchorage would have to take a decrease in other areas. (400) the top figure would have to go up equally.

(536) Mr. Berry suggests a committee substitute for the Senate bill.

(643) Freeman has reservations but moves to report HB 16 and SB 40 out.

The Committee amended SB 40 to $15 and moved it and HB 16 out of committee.

HB 140

(873) Rep. Ostrosky moves to untable. Suggested amendments: line 12-change shall to may, delete "an", add an "s" to map. After map add"of cities and townsites". Line 23-add after "building", "or other structure located within a bed of a".

She asked Mr. WAring for comments but he had none.

(967) Freeman would rather see a committee substitute.

CSSB 111am

Committee moved the bill out. (EAgle River) (1026)

C55B-120AM

"An Act relating to day care facilities; and providing for an effective date."

COMMITTEE REPORT

3/5/75 HOUSE FINANCE

Mr. Speaker: Date 4-1-75

The Committee on C&RA has had CSSB 120 am under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam R Cotten	Do Pass	
Wm Craddick	"	
D D Day		

Members NOT concurring in the Majority report:

Farenthold recommends: Do Not Pass

Mike Hirshberger recommends: Do Not Pass

Sterling Hackney recommends: Do not Pass

Terrell Blair recommends: Do Not Pass

_____ recommends:

Sam R Cotten Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs Committee

To: Amend HOUSE BILL No. _____

SENATE BILL No. SB 120am

PAGE: 2 LINE: 12

On page 2, line 12, after the word "shall" add the words "give approval to and".

TAPE #1
side 2
1362-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 1, 1975

Meeting was called to order at 9:00 for discussion of HB 161, 162 & SB 120am, 121. Present:

Rep. Sam Cotten, Chairman
" Kathryn Ostrosky
" Oral Freeman
" Larry Davis
Rep. Al Ose
" Mike Hershberger-late
" Glenn Hackney-late
Barbara englert Thomas, Staff
Andrea Guernsey, Staff
Eric Lee, SEOO, Dept. of C&RA
Susan Clark
Jennifer Peterson, Juneau Model Cities

(1365) Ostrosky, presiding Chairperson, asked Ms. Clark to give a run down on the differences b etween HB 161 and SB 120.

Pg. 1 line 11-- "who either do no qualify... with dependent children" was considered to go better under the Eligibility section.. Was put on page 2 line 14 under eligibility. "Whether the family receives aid to families with dependent childrenand is eligible for day care service under aid to families with dependent children." Intent: people who get AFDC are not eligible for day care under this program but people who are eligible for AFDC but who don't use it may get day care.

Page 1 line 21--wording simply changed from "the provision of" to "assist in providing".

Page 1 line 29--added section 5 under powers and duties to insure local control and input.

Page 2 line 2--two additional subsections were added under "the dept may: contract with local agencies to perform duties and solicit recommendations from local governing bodies. Local control would be better for state. Less money, city culd easily do it.

(1560) Ostrosky asked what the contractual dutées would be? Lee answered: selecting receipients, dealing with day care centers, bill ing centers, paying billing, seeing that the homes are licensed.

(1575) Freeman asked what was the cities reaction to this. Eric said Senators had been in touch with cities and had gotten favorable reaction. It would only be a %5 or %10 match for the cities and often they would already have someone on the payroll who could administer the program. The parents would be free to be more productive and their earnings would then add to the tax base. (1618) Freeman doesn't like the idea of the State mandating a program and then expecting the city to carry it out.

(1630) Cotten -- Should the dept. make contact with the local agency? Lee--If thelocal community is incorporated they would have a choice whether they want the program or not. Cotten said that would be bypassing the local administration. Freeman didn't like that either so Lee suggested adding an amendemtn on page 2 line 12 "the incorporated city or borough shall give approval to and pay the cost.."

Page 2 line 20—drafting error.. Contributions will be paid to the day care facility instead of the dept.

page 3 line 14— added to definition of licensed day care " or recognized by the fedral government". This was so head start centers in rural areas would be included.

page 3 lind 29— definition of child chaged to read " up to the mandatory school age" instead of 5 years.

(end of tape)

Cotten moves to accept the Senate amendments and inlcude the amendment by C&RA and to adopt a committee substitute.

Reps. Hershberger and Hackney arrived late and Cotten explained the Senate amendments to them. Hackney asked lee how many people SEOO will need. Two. And how will you pay for it? The Finance committee will appropriate for a new position.

Cotten withdraws his motion and moves to offer amendment for SB 120am, also to move SB 121 out.

Without objection they were moved out of committee with individual recommendations.

Meeting was adjourned at 10:00.

TAPE #6
side 1
1023-1600

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 24, 1975

Meeting was called to order at 9:00 for discussion of SB 120, 121, Day Care. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostrosky
Rep. Al Ose
Rep. Larry Davis
Rep. Mike Hershberger
Barbara Englert Thomas, Staff
ANdrea Guernsey, Staff
Eric Lee, Director, SEOO
Jennifer Peterson, Model Cities Agency Director
Rosalee Walker, Early Chilhood Specialist, Dept. of Ed.
Mary McClinton, Dept. of C&RA
Susan Clark, League of Women Voters

(1025) Cotten gives introduction. Eric Lee passes out a flow chart made by his division showing a breakdown of how the program will work. (1060) Mr. Lee is in favor of the amendments made on SB 120. The program is not to subsidize day care centers but to assist parents to work or go to school. Money would go to C&RA, to the Division of State Economic Opportunity who would employ a day care Coordinator to administer the program. They will deal with only licensed centers or homes that are currently functioning. It is left up to the parent which center he wishes to send his or her child. Money would be given to community in a block grant who in turn would decided how to administer it. (1181) Chairman Cotten asked how the block grants would be determined. Mr. Lee said it would be based on various factors: need of community; population; day care center availability and other things.

(1206) The Field Representative and DAy Care Coordinator will start beginning FY'76. Right now they will use Contractual monies from the Federal government to hire someone to start the research and getting things organized.

(1245) Rep. Ose asked about the local entity. Is it the borough or the city? Neither necessarily, Lee said. It could even be Rural CAP, SOME capable local agency. (1261) Cotten asked if there would be any conflict between the borugh and city about who would pay the 10% matching funds. Thants always possible but theres no way to tell.

(1281) Rep. Ostrosky asked Susan Clark for any comments. She said the program was adminisered by Juneau Model Cities in Juneau and in Anchorage by the Borugh Health Department.

(1333) Rep. Ostrosky suggested that the field rep. and coordinator could offer the communities technical assistance in decideing such a decision as whether the city or borough would pay.

(1347) Cotten-If you start with 1.2 million dollars, how will you prorate if the program is ongoing? Had to start with a figure which seemed reasonable. Figure based on the centers that are functioning right now.

(1434) Ose wanted a breakdown of the money. ; said the money would go to the Dept. who in turn would give it to the community in a block grant. They would in turn deal with the parent and decide where the need is and how the money should be distributed.

(1485) Miss Peterson made some comments on the program in Juneau. They started out by subsidizing centers and then turned to helping the parents. She handles the individual interviews and need is determined mostly on the financial statement. Right now Juneau deals with only 2 day care centers for children over three. They deal mainly with single adults but do take married couples. Program covers the 5 day work week and not 24 hours. As a follow up process she reevaluates her parents every three months.

Meeting was adjourned at 10:00. (1600)

BACKGROUND INFORMATION
HB 161

The League of Women Voters strongly supports HB 161 with the substitutes and amendments added to it by the Senate. Some of the changes were due simply to misunderstandings and oversights in drafting. Other changes to the bill we feel have strengthened it and would urge your concurrence.

*Pg. 1, ln. 11-12: "who either do not qualify.. with dependent children." This was considered to belong better under the Eligibility sect' n. Under that section (44.47.200) was added:

(4) "whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children;"

*Pg. 1, ln. 21-22: "a program to assist in providing day care..." This wording was simpler.

*Pg. 1, ln. 29: Subsection (5) was added to "the dept. shall" requiring that the Dept. of CRA__ __"Provide notification to the local government body of the request for a contract with a day care facility. This insures local input and control of the program, one of the important aims of this bill. Too often programs are run thru Juneau and local governments or participants are unable to have adequate input on what should have been a local concern.

*Pg. 2, ln. 1: Under the heading "the dept. may" were added two additional subsections. (2) "contract with local agencies to perform its duties under secs. 180-230 of this chapter;" This is important not only to local control, but also because it cuts down on the potential bureaucracy of a dept.

(3) "Solicit recommendations from local governing bodies regarding local agencies which may provide contractual services under this section." This again strengthens local control and allows some local say as to who runs the program in that area.

*Pg. 2, ln. 1: Section 44.47.185 was added by the Senate Finance Committee and we basically support the concept.

"When a contract is made under sec. 180(b)(2) of this chapter between the depart. and a local agency within an incorporated borough or city of the state, the incorporated borough or city shall pay the costs of administering the contractual duties within its jurisdiction." This section makes the program a type of revenue-sharing tagged specifically for day care. The cost to any single city would be slight, yet the cost to the state in terms of money, peoplepower, and added bureaucracy were this section not added would be high.

For example, in Juneau, an individual already hired by the city would take on the duties of this contract as a small part (currently four days a month) of her job at no additional cost to city or state.

In Anchorage, this could similarly be the case. Several people already hired for compatable duties (say, in the Borough Health Dept.) could incorporate these as a part of their job. The maximum staff that Anchorage should have to hire for the aproximately 750 slots would be two people - a

small price to pay for an estimated $685,000 in sharing from the state.

In smaller cities, only a couple days a month need be set aside for these contractual duties. On the other hand, the state would have to hire considerably more staff, including travel expences, etc. at the estimated cost of $100,000.

*Pg. 2, ln. 15: As was mentioned, this was taken out of the purpose of the bill and put here instead.

(4)"whether the family receives aid to families with dependent children and is eligible for day care service under aid to families with dependent children;

(5)"Other factors..."

*Pg. 2, ln. 20: "The catribution of the parent or guardian shall be paid to the day care facility."

This was simply a misunderstanding in the drafting.

*Pg. 3, ln. 2: "licensed by the Dept. of H.S.S. or recognized by the Federal government for the care of children".

This was added so that Head Start children could also benefit from this bill. In some areas where necessary Head Start programs have been expanded to a full day program and can include "private" children as well as federall funded.children.

*Pg. 2, ln. 28: "'child' means a person up to the mandatory school age" Five was originally an arbitrary age given the limitations of the $1.2 million appropriation. It was thought that the inclusion of all "pre-school" children was more reasonable since some areas of the state do not have kindergarten. Once the program has proven itself, and more money is available to it, we would hope that children in need up to age 12 or 14 would be included in subsequent years to provide before and after-school care and care during vacation and holidays.

Of course the most persistent question people have had on this bill is why it has been put in CRA rather than HSS. We feel that the placement in CRA is important to this piece of legislation for the following reasons:

(1) Following the lead of the Federal government in this year's social services amendments, we believe it is important to separate from this program the "stigma" of welfare. This is a program to keep people off or remove them from the welfare rolls. In Juneau, over one-third of the participants (37%) were eligible for welfare, but just knowing that their children were adequately cared for allowed them to side-step AFDC and retain their independent lives. At any rate we surely don't need more folk standing in lines at 5 AM in sub-zero weather at the HSS eligibility office in Anchorage, for example.

(2) HSS does not have an extensive history of contracting out services to local control, which is one of the main aims of this bill. In a dept. always underfunded, always needing more personel and top heavy with bureaucracy, we feel that this program might simply get "lost" in the process. HSS has some serious problems on which we need to work. This is not the time to throw yet another program onto their already over burdened laps.

(3) This bill was intended as a revenue-sharing idea, a community self-help program. CRA would only handle the money, would probably always contract out the administration of local programs, and would not concern itself with specific day care problems other than to see that the facilities contracted with were paid on time. HSS is frequently months behind in their payments seemingly due to the large bulk of programs it has to deal with.

HSS (DFCS) would continue to license and monitor the programs of the day care facilities as is its job. It should perhaps be noted here that when time comes to consider the HSS budget, serious thought should be given to assuring additional licensing staff to carry out this important job of quality control for the children of the State.

CSSB 120

Dear Rep. Cotton;

Since I am in favor of Day Care Programs, I ask for your strong support in prompt passage of CSSB 120 am.

Thank you for your cooperation.

Mrs. P.C. Hoffmann

PHILIP C. HOFFMANN
120 Carlanna
Ketchikan, Alaska 99901

Rep. Sam Cotton
Pouch V
State Capitol
Juneau,
Alaska
99811

TELEGRAM

CSSB 120
Day Care

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

02105 POM ANCHORAGE ALASKA 15 03-18 305P ADT 1975 MAR 18 PM 10 19

PMS REP SAM COTTON

JUN 1685

PLEASE SUPPORT CSSB120 AMENDED YOUR SUPPORT WILL BE

APPRECIATED

SHELBY WARNER 602 SOUTH KLEVIN 99504

CSSB 120
Day Care

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6440
JUNEAU, ALASKA 99801

#

1975 MAR 14 PM 9 09

02068 POM ANCHORAGE ALASKA 15 03-14 0228P ADT

PMS HON SAM COTTEN

ALASKA HOUSE OF REPRESENTATIVES

JUN

URGE IMMEDIATE PASSAGE OF CSHB 120. DAY CARE IS CRISIS

ISSUE THROUGHOUT ALASKA

ROGER MOONEY DIRECTOR, CHILD DEVELOPME T RURAL CAP

Day Care

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAR 20 PM 8 30

02090 POM ANCHORAGE ALASKA 1[illegible] 03-20 419P ADT

PMS SAM COTTON

JUN 2018

GET CSSB120 OUT OF COMMITTEE AS IS

MARY J HOTCHKISS 2256 ST ELIAS 99503

CSSB 120

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAR 18 AM 1 58

#

02117 NL ANCHORAGE ALASKA 50 03-17 1040P ADT

PMS REP SAM COTTON

1602

JUN

DEAR REPRESENTATIVE COTTON THE REVENUE SHARING APPRAOCH TO A DAY CARE SUBSIDY WILL NOT WORK. THERE IS NO TAX BASE IN THE BUSH BASED ON A PER CAPITAL DISTRIBUTION SMALL VILLAGES WOULD NOT GET ENOUGH TO MEET NEED PLEASE SUPPORT CSSB120AM IN COMMITTEE AND OUT ON THE FLOOR

ELAINE HULTENGREN CHAIRPERSON HUMAN RESOURCE COMMITTEE

ANCHORAGE LEAGUE OF WOMAN VOTERS PO BOX 377 99510

SB120

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAR 18 AM 1 48

02108 POM ANCHORAGE ALASKA 15 03-17 944P ADT

PMS REP SAM COTTON

1598

JUN

THINK OF CHILDREN MOVE COMMITTEE SUBSTITUTE SB120 OUT OF

COMMITTEE

UNA TUCK 1822 CINDYLEE LANE 99507

CSSB120

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAR 18 AM 1 47

#

02106 POM ANCHORAGE ALASKA 15 03-17 916P ADT

PMS REP SAM COTTON

1597

JUN

PLEASE GET CSSB120AM TO THE FLOOR WITH A DO PASS

IMMEDIATELY

HEATHER FLYNN HUMAN RESOURCES CHAIRPERSON LEGAUE OF

WOMAN VOTERS OF ALASKA 918 R ST 99501

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

975 MAR 27 AM 4 06

#

02021 POM ANCHORAGE ALASKA 15 03-26 1155P ADT

PMS REP SAM COTTON

JUN 2934

URGE YOUR SUPPORT VITALLY NEEDED

CSSB120

JEAN STASSEL 911 R ST 99501

1975 MAR 25 PM 10 49

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE 586-6440
JUNEAU, ALASKA 99801

#

E3227 NL ANCHORAGE ALASKA 50 03-25 730P ADT

PMS REP SAM COTTON 2SS52

JUN

URGE YOUR IMMEDIATE DO PASS OUT OF COMMITTEE ON CSSB120.
REVENUE SHARING IS NOT WORKABLE FOR DAYCARE AS IT WOULD
DELUTE THE DOLLARS AVAILABLE AND WOULD NOT PROVIDE THE
IMPORTANT LICENSING STANDARDS. AFTER DAYCARE NEEDS ARE
ASSESSED AND THE PROGRAM IS ESTABLISHED AND WORKING, REVENUE
SHARING MAY BECOME FEASIBLE

SUSAN CONNOLLY CHAIRPERSON DAYCARE COMMITTEE THE GOVERNORS
ADVISORY BOARD TO THE DF AND CS BOX 1032 ANCHORAGE 99510

March 31, 1975

Dear

The day care legislation being considered in this Committee has, I feel, been looked upon favorablyy There is no real delay except that we nowhhave all the pending bills and can look at them collectively. I expect the day care package to pass out of this Committee early in the week of March 31,

Thank you for writing and showing your interest in some very important action this bodyy is about to undertake.

SSincerely,

Sam R. Cotten

SRC:asg

March 31, 1975

Dear

The day care legislation being considered in this Committee has, I feel, been looked upon favorably. There is no real delay except that we now have all the pending bills and can look at them collectively. I expect the day care package to pass out of this Committee early in the week of March 31,

Thank you for writing and showing your interest in some very important action this body is about to undertake.

Sincerely,

Sam R. Cotten

SRC:asg

Thank

the week of March 31.

SB 120

UNIVERSITY OF ALASKA

SOUTHCENTRAL REGION
2651 PROVIDENCE AVENUE
ANCHORAGE, ALASKA 99504

March 4, 1975

Senator Bill Ray
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Senator Ray:

We the undersigned; student/parents attending the University of Alaska, Anchorage and currently using the USUAA Student's Child Care Service, STRONGLY support Senate Bill No. 120. We believe this bill is to our benefit and applaud the recognition for more child care facilities and financing.

NAME	ADDRESS
Linda Jones Fiddler	SRA 372-X Anchorage 99507
Paul & Mrs. Lee	1836 Thunderbird Rd Anchorage 99504
Susan Rhodes	1419 Turpen Rd. Anchorage 99504
Renetta Semans	1932 Bartlett Dr. Anchorage 99507
Judy Libby Propst	3840 Patricia Lane 99504
Karen Lokosa	3209 Denali St 99502
Angel Colon	700 W 53rd Apt 1 99503
Lori Brown	1275 E 9 #1052 99501
Trudy Lee	2330 Homestead Ct 99507
Gregory Nilsson	99504
Nancy Peterson	5645 Gatekeeper 99504
Lili Fredrickson	2324 Glacier St. 99503
Cynthia Thales	3511 W. 31st

PLEASE REPLY BY AIRMAIL

UNIVERSITY OF ALASKA
SOUTHCENTRAL REGION
2651 PROVIDENCE AVENUE
ANCHORAGE, ALASKA 99504

NAME	ADDRESS
Marjorie Farrell	625 C Street Anch. 99501
Katherine A. Johnson	4300 Arctic Blvd. Sp 59 Anch. AK 99502
Clarence Folcroft	3155 E. 19th Ct. Anch. - 99504
Hilda Roberts	1401 Rich Vista apt# 129 Bldg #6 99501
Valerie LeMieux	30-341 G Cherry Dr. Elmendorf AFB 99506
Kathy Jenzen	537 E. 15th Terrace #4 Anchorage, Ak 99501
Sue Sheldon	1275 E 9th #1080 anchorage ak
Cris Manya Tiffany	303 E. 9th Ave. Anchorage, AK. 99501
Jacks Schappet	Box 481 Anch. 99510
Diana Rutter	2434 Ingra 99504
Carolyn Sutton	Poboy 96 Eagle River
Jackie Lipscomb	602 ½ Mumford

League of Women Voters of Alaska

21 March, 1975

Representative Sam Cotton, Chairman
House Community and Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99801

re: CSSB 120am - Day Care Subsidy

Dear Representative Cotton:

We assume you have received the League's telegram regarding the day care subsidy bill and have been fully informed of our position by our lobby corps.

However, in a recent conversation with Elaine Hultengren, a member of the Governor's Advisory Commission to the Division of Family and Children's Services, she indicated that in a joint meeting of your committee and that of House Health and Social Services, you asked why a day care care subsidy should not be handled by revenue sharing, and gave the impression to those in attendance that your committee would recommend just that. No one in attendance, including Elaine, was prepared to respond to you question fully at that time. The purpose of my letter is to indicate League's opposition to revenue sharing for the purpose of day care.

One must look carefully at the original philosophy and design of revenue sharing, both at the federal and state levels. While the ideal of returning revenue to those areas which pay heavy taxes is a noble one, it is now, and perhaps always will be, eminently unfair to not only the rural areas of the state, but even the smaller cities. Here in Anchorage, schools, public safety, fire protection, water and sewer systems, and all manner of other services is largely supported by the local tax base, which, as you know, is substantial both in residential and commercial property. Where is the tax base in rural Alaska? All too often it is simply nonexistent.

If I were concerned only with my own personal need, I might favor a revenue sharing approach, not only to day care, but virtually every service provided by government. However, the League of Women Voters of Alaska is concerned with the needs of all Alaskans and realizes that many services do not now lend themselves to the revenue sharing approach. Practically speaking, revenue sharing would force the allocated dollars to be spread so thinly that it is doubtful anyone would benefit except possibly Anchorage.

We have recommended that the Department of Community and Regional Affairs administer the day care subsidy program because, having the responsibility of disbursing pipeline impact funds, they are probably more closely attuned to the needs of the entire state. Which department, for example is better able to coordinate the needs of Emmonak, where a large portion of those persons who would otherwise work the canneries in the summer, will be working on rural housing construction this summer and next, thereby forcing many mothers of young children into the cannery work force and creating a need for seasonal day care.

We hope you will carefully rethink the whole subject of revenue sharing. In a time when the State of Alaska is experiencing a severe fiscal pinch, "them that gots...gets" is a poor philosophy of meeting the needs of all Alaskans.

Thank you for your consideration of CSSB 120 am. We hope to see it on the floor and passed very soon.

Very truly yours,

LEAGUE OF WOMEN VOTERS OF ALASKA

Heather Flynn

Heather Flynn,
Human Resources Chairperson

C: Rep. Susan Sullivan
Sen. Bill Ray
Rep. Hugh Malone

CSSB 120

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU ALASKA 99801

1975 APR 14 PM 10 59

02061 NL ANCHORAGE ALASKA 50 04-14 522P ADT

PMS REP SAM COTTON

1321

JUN

ACCORDING TO YOUR LETTER DATED MARCH 31 1975 THE DAY CARE PACKAGE WAS TO PASS OUT OF YOUR COMMITTEE BY THE END OF THE WEEK OF MARCH 31. IT IS MY UNDERSTANDING THAT CSSB120-121 ARE YET TO BE APPROVED BY YOUR COMMITTEE. IT IS NOW APRIL 14 1975. WHAT HAPPENED?

ELAINE HULTENGIEN JEFFERSON HUMAN RESOURCES COMMITTEE

ANCHORAGE LEAGUE OF WOMEN VOTERS BOX 377

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

April 16, 1975

Elaine Hultengren
Box 377
Anchorage, Alaska 99501

Dear Elaine:

Regarding your telegram of April 14, CSSB 120am and SB 121 were passed out of the Community and REgional Affairs Committee on April 1. The bills were passed out with individual recommendations, with three do passes: Kathryn Ostrosky, Al Ose and myself. I don't know where you got your information concerning the status of these bills, but sometimes sources are not as accurate as they could be.

As of today these two bills are in the House Finance Committee and are tentatively scheduled for a hearing this Saturday. May I suggest that you address any further correspondence concerning this to Hugh Malone, Chairman of that committee.

Sincerely,

Sam

Sam R. Cotten

SC/AG

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1975 MAY 13 AM 2 33

#

02119 NL ANCHORAGE ALASKA 53 05-12 829P ADT

PMS REP SAM COTTON

JUN 1106

I WISH TO APOLOGIZE FOR MY TELEGRAM DATED APRIL 24 1975

REGARDING SFFS120 AND 121. AGAIN, I DID INDEED HAVE MY INFORMATION

BACKWARDS. NEXT TIME I WILL CERTAINLY DOUBLE CHECK THE STATUS
BEFORE RESPONDING. I DO APPRECIATE YOUR SUPPORT FOR THOSE TWO
BILLS AND THE COMMITTEES SWIFT RESPONSE TO ACTING ON THEM
ELAINE HULTENGREN

#

Day Care
SB 120

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

February 18, 1975

Sandra H. Larson
Center Director
Chugiak Children's Services
P.O. Box 233
Chugiak, Alaska 99567

Dear Sandra:

Thank you for your letter. I too support SB 120 and can report progress on this measure. Today, February 18, the Senate Committee on Community and Regional Affairs amended and passed this bill out to the Finance Committee. Further progress is, of course, dependent upon their action.

I agree that further legislation must be considered, however we all feel that this is a positive step in the right direction.

Your center provides a needed service for our community and again I appreciate your interest and thank you for your letter.

Sincerely,

Sam

Sam R. Cotten

SRC:sag
Enclosure SB120am

CHUGIAK CHILDREN'S SERVICES, inc.

Post Office box 233 Chugiak, Alaska 99567

Head Start·Day Care·Enrichment phone 688-2660

February 10, 1975

Day Care

Senator W. E. "Brad" Bradley
Alaska State Senate
Pouch V
Juneau, Alaska

Dear Senator Bradley:

I wish to express my support for Senate Bill #120, providing day care assistance for some low-income families who do not receive aid to families with dependant children.

This bill is a step in the right direction, but I feel obligated to point out that it overlooks the need for before and after-school care for children ages six through eleven, as well as overlooking the fact that in many two parent families, both parents must work to provide support at a low-income level.

I would like to see sliding-scale day care subsidies for all families, based on size of family and family income, plus direct support to licensed day care facilities allowing them to upgrade their daily services. Recent national estimates put the actual cost of providing quality center care at $200 - per month for our child! Our own center calculated our cost last year at $175.00 per child per month, yet parents found fees of $135.00 per month difficult to meet. (We re-opened our day care program last month due to the availability of CETA employees, but have found a quality day care operation cannot support itself.)

Working parents are a reality, whether dictated by financial need or personal choice, and provision for quality day care is no less an investment in society's future than public school education.

Sincerely,

Sandra V. Larson
Center Director

cc: State Representatives Sullivan, Kelly, Cotten and Bradley

Thanks to you it's working, the United Way Member Agency United Way of Anchorage

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

March 25, 1975

Karen Hedland
SRA Box 4122
Anchorage, Alaska 99502

Dear Karen:

I am not a reluctant supporter of CSSB 120. I support the idea of providing day care in those very obvious areas of need. I know the Bill sped through the Senate and don't really think the measure will have any trouble in the House. I hope you will understand that I'm taking my job and responsibility very seriously and will consider this Bill very carefully. I have explored other methods of more efficiently distributing the funds for this project and have concluded that the methodology in CSSB 120 is probably the best. I would have thought myself to be irresponsible had I merely rubber-stamped the speedy action of the Senate.

As far as the ERA amendment is concerned, I'm not sure if our resinding our action to ratify would even be valid, but whatever, I plan to vote NO to HJR 26.

Thanks for the mail,

Sam

Sam R. Cotten

SRC:asg

SRA, Box 4122
Anchorage, Alaska 99502
March 19, 1975

Representative Sam Cotten
House of Representatives
Pouch V
Juneau, Alaska, 99811

Dear Sam:

I would like to take this opportunity to tell you first of all that you're doing a good job.....However, I will think it even better once you get moving on the day care legislation.

I wish that you could have made it to Amchorage for the hearings and hope that you took some time to listen to some of the testimony. Quality day care is something that many of us have been searching for for years, and I had about reached the conclusion that maybe by the time I had grandkids such a thing would exist. However, the makeup of the legislature this year gave me some hope. After the Senate's unanimous passage of CS SB 120 I thought it would speed right through the House. Now the word is that you are a reluctant supporter. I certainly hope that is a false rumor and that you will not only support the bill, but move it quickly out of your committee.

In addition, I hope that as a member of the Judiciary Committee you will do your part to bury forever the Resolution that would rescind the ratification of the Equal Rights Amendment.

Thanks for your efforts!

Sincerely,

Karen

Karen Hedland

2509 Fourth Avenue
Ketchikan, Alaska 99901
March 26, 1975

Rep. Sam Cotton, Chairman
House Community and Regional Affairs Committee
Pouch V, State Capitol
JUNEAU, AK 99811

Dear Representative Cotton:

The Committee Substitute for Senate Bill 120, amended, to provide Day Care subsidy for families needing it, provides quality care for children whose parent(s) must work but who are not able to afford excellent care for their young while they are out of the home. This is something I have supported for many years. I am glad that this bill is at last in "the hopper."

The support provided by CSSB 120 am. enables families to be self-supporting, to stay off "welfare", which is a commendable desire in my opinion, and to finally "make it" entirely on their own, without even the Day Care subsidy. Two-thirds of the recipients of this aid are able to do without it in from three to six months. What a simple thing to do to help a young family get on its feet, heads held high.

It has been said that you believe that revenue sharing will take care of this sort of need in a community. NOT SO, Rep. Cotton, at least not so in my home-town of Ketchikan. The Day Care need is well known here, and has broad community support. But the shared revenue finds its way to support of the new airport to help hide the true costs of this blessing to the taxpayer. Families starting out are not as important as airports starting out. Only, that's a fallacy. I'd like to see CSSB 120 am. reported favorably out of committee, and passed unanimously by the people who represent the rest of us back home. I beg your help in fulfilling the meeting of a real need in Alaska, day care for children which is safe and of high quality.

Hopefully,

Constance F. Griffith

Constance F. Griffith
(Mrs. S. D.)

CFG:s

cc: Sen. Ziegler, Rep. Gardiner

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

April 2, 1975

Brenda Jester
1922 Talkeetna
Anchorage, Alaska 99504

Dear Mrs. Jester:

I feel that the day care issue is a very important one. This Committee, Community and REgional Affairs, has just passed out a bill appropriating 1.2 million dollars to fund the state's first subsidized day care program. Inclusion in the Budget of day care licensing positions is not an area in which I would have any say. I will let your position be known to those who would be able to make such an addition. Also, you may wish to write directly to Representative Jim Duncan, a member of the Finance Committee and also Chairman of the sub-committee which deals with this subject.

Thank you for writing.

Sincerely,

Sam

Sam R. Cotten

SRC:asg

1922 Talkeetna
Anchorage, Alaska 99504
March 26, 1975

The Honorable Samuel R. Cotten
House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Mr. Cotten:

I feel Day Care is of critical importance at this time in our state and am writing to request that you include in the budget licensing positions for day care. We can not have adequate day care for any of our areas if we do not have the personnel to license the homes or day care centers that wish to establish themselves. I know there is a critical need for more personnel in this department and hope you will support such an addition in the budget. Juneau has a highly successful program there due to their Model Cities Grant and I think it is just as important for Anchorage and the rest of the state to have adequate day care also. Children are too important not to give them the best care that is possible so that they will mature into the kind of adults that will contribute to our society.

Sincerely,

Brenda Jester

(Mrs.) Brenda Jester

Diff letter to Tlees one then usual

Alaska State Legislature

REPRESENTATIVE
SAM R. COTTEN
P.O. BOX 296
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99 1

CHAIRMAN
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

MEMBER
JUDICIARY COMMITTEE

House of Representatives

April 16, 1975

Linda Bensen
4257 Westwood Drive
ANchorage, Alaska 99503

Dear Linda:

Thank you for your Letter concerning SB 120 providing day care. This bill was passed out of my committee on the 1st of April and is now in the House Finance Committee. Hopefully this bill will get through the other house before the close of this session.

Thank you for your interest in this important legislation.

Sincerely,

Sam

Sam R. Cotten

SC/AG

April 5, 1975

Dear Representative Cattor:

Having recently attended several workshops for child advocacy, I have become aware of the need to pass SB 120 providing 1.2 million dollars for subsidizing day care costs to low income, employed parents. I wanted you to know that I will be interested in watching the progress of this bill.

Sincerely,

Linda Beeson

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

February 5, 1975

MEMORANDUM

TO: Marsha Hubbard, Administrative Assistant
Office of Senator Chance

FROM: Anne Carpeneti, Legislative Counsel

SUBJECT: Day Care Assistance, Senate Bills 120 and 121

As presently drafted, Senate Bills 120 and 121 provide for an appropriation to the Department of Community and Regional Affairs (hereinafter, CRA) to develop and implement a program of aid to low income families who do not receive welfare for day care of their children up to and including five years of age. (The provision that aid be provided to families who do not receive welfare is in the Findings of Fact; I believe it would be better to spell this out in the substantive portion of the bill.)

The bill provides that CRA determine eligibility for benefits based on factors listed in sec. 210 (net income, number of children in family, whether the parent or guardian is single, and other factors CRA finds relev t). However, a condition of receiving benefits is that because of he benefits a parent or guardian be freed to work or to attend s ol (sec. 200).

Eligible families that are able to contribute something toward the day care do so according to a sliding fee scale to be developed by the department. Payment by the family is made to the department which contracts with the facility of the family's choice; the department pays the facility the full amount for the care.

Please keep me informed of the time and place of the hearings on the bill as I would like to attend. Thanks.

ADC:pmk

Rep Sam Cotten

Alaska State Legislature

House

JUNEAU ALASKA

March 12, 1975

Del A. Brock, Ph.D.
Alaska Association for
Quality Education
Alaska Child Care Centers
Association
6401 E. Northern Lights Blvd.
Anchorage, Alaska 99504

Dear Doctor Brock:

Thank you for your comments on SB 120 and 121 which are companion measures to HB 161 and 162 which I am co-sponsoring. I attempted to attend the Public Hearings held jointly a few weeks ago by the House and Senate Community and Regional Affairs committees but no flights were able to make it in or out of Juneau at that time.

I have requested, and the respective chairman have agreed, that your letter of February 15, 1975 be entered into the record of testimony on these bills. The House Committee on Health, Education and Social Services will be holding hearings on these bills tomorrow and I will also make your comments part of the record there.

The points you raised will be considered.

Sincerely,

Clark Gruening

Clark Gruening
Representative

CG/rb

EXECUTIVE COMMITTEE
ALASKA ASSOCIATION FOR QUALITY EDUCATION
ALASKA CHILD CARE CENTERS ASSOCIATION

DR. DEL A. BROCK
DR. MARGARET GREEN
BUD BIRD
SHIRLEY BRATCHER

February 15, 1975

The Honorable Clark Gruening
State Legislature
Pouch V
Juneau, AK 99801

Dear Mr. Gruening:

I regret that we were unable to attend the public hearing on Senate bills 120 and 121 held yesterday in Anchorage and request that this written testimony be entered in the record.

Our organization represents 20 members providing day care and private school to approximately 2000 children in Alaska.

We would urge that a clarification of Senate bill 120 be made prior to passage, concerning the intent as to whether private centers will be funded to care for the children qualified or whether Agency centers will be funded to be in direct competition with private centers. As worded, it would seem that the Agency could choose to enter the field, both regulating and operating. The care to be provided by this legislation is needed, but the great expense per child, which would result from the inefficient operation by a government agency, would limit its benefits. Past experience in other states shows that private centers can provide the services under contract at much lower costs, thereby benefiting more children. The typical charge for day care in Anchorage is $1800 per year. Parents cannot afford to pay more and centers cannot provide more care under present regulations.

If there are insufficient facilities available now for the number of families requiring service, it is due to the restrictions imposed by state staffing regulations which make operation of a center difficult, if not impossible, unless the operation is fortunate enough to have free rent, free staff or other benefits adequate to offset the deficit. Contributing to this marginal operation is the low rate paid by the state for the care of children of families receiving state aid. State compensation currently paid is less than that paid by the public for the same service, while requiring centers much additional record keeping and billing for only those state children. Payments arrive 60 days after the payment would have been received had the care been provided to the paying public.

The often quoted "federal interagency day care standards," considered the base standard in the country, have recently been modified by Congress to allow lower operating costs in day care. To quote from the January 8, 1975, issue of Education Daily's "Report on Preschool Education": President Signs Social Services Bill - - "Major eligibility changes for social services under the Social Security Act and a relaxation of Federal day care standards are among provisions of H.R. 17045, which passed both houses of Congress on December 20 by voice vote.... Lowers Staffing Ratios. In an effort to reduce yearly Federal day care costs which are approaching $3,000 per child, provisions of H.R. 17045 loosen minimum staffing ratios and education program

6401 E. NORTHERN LIGHTS BLVD. • ANCHORAGE, ALASKA 99504 • PHONE 333-6535

requirements of day care centers. The bill requires that ratios of one adult for every 20 children aged 10-14 be maintained, and a 1 to 15 ratio for children 3-9 years old. The conference committee earlier scrapped a provision which would have required a staffing ratio of one adult for every two infants under 3 years of age, and instead voted to leave the final requirements to the Secretary of Health, Education, and Welfare.

We urge that the Legislature adopt the new Federal staffing requirements in Senate bill 120 and commit Senate bills 120 and 121 to only contracting day care services with private and non-profit operated centers.

Yours truly,

Del A. Brock

Del A. Brock, Ph.D.

DB:nm

Feds - 4 potential problems in the implementation

(1) No discrimination would be allowed
Chance - w/ no intention of discrim, but why would affect them
Fed-State only might be discrim & the Fed can't be involved

(2) Quality & quantum amts already existing can't be altered
Would have to watch closely competition between agencies

(3) If DHSS used as licensing day-care institutions - the amt of Fed funds for " would be cut if there are state only on more than 50% state programs
cost allocation

(4) 47.05.010 (1) (5) may create a problem - gen'l policy declaration "pledges" - why separation? seems to be getting away from single agency concept - may not be concern of Feds
ch - This doesn't apply to Community assistance programs
The plan has to be implemented by same agency that prepares it.
Provider agreements - DHSS w/ DCRA

Recommendations For Administration of CSSB 120 am, by the Department of Community and Regional Affairs, Division of State Economic Opportunity

The Division of State Economic Opportunity has a mandate to improve the economic conditions of low income people in Alaska, and to advocate for their needs and interests. It is felt that within the Department of Community and Regional Affairs, this division would be most closely attuned to the segment of the population that this program is designed to assist.

It is envisioned that the program would be administered in the following manner. (See attached flow chart.)

A position of Day Care Coordinator would be established within the division and would report directly to the director. The duties are to include: initial set-up and implementation of the program, draft regulations, guidelines, and forms, negotiate for contractual services to be performed by local communities, conduct needs assessments, analyze and evaluate program components, contract monitoring, and general supervision and administration of the program.

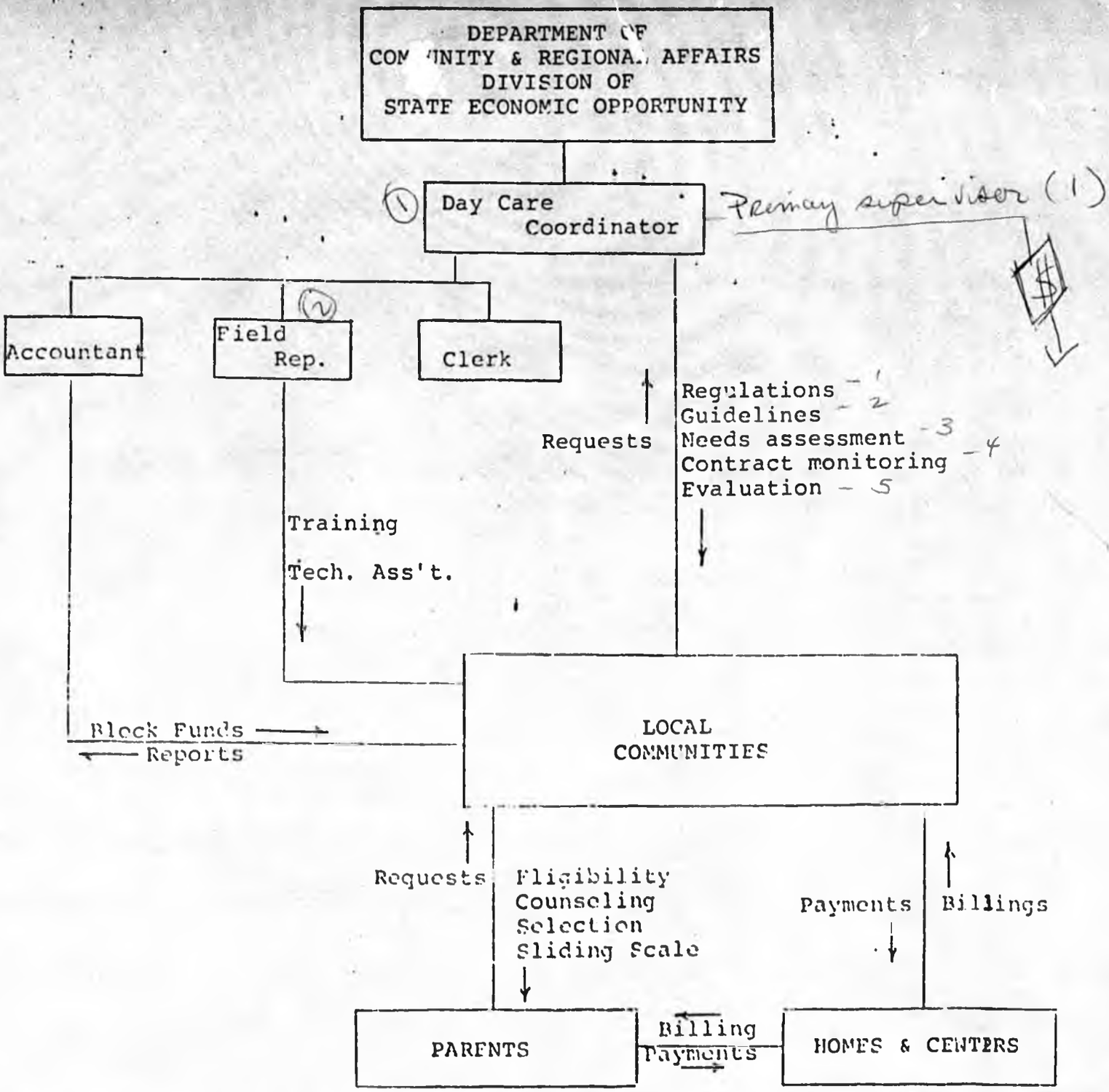
The coordinator would be assisted by a Day Care Field Representative. This would be the only other new position. The field representative would be responsible for training of contractor personnel, on site program monitoring, and technical assistance to the contractor. This person would be expected to be in the field full-time.

The division will provide clerical and accounting support from within its current staff.

It is hoped that the local communities would be given as much flexibility as possible in administration of the program in terms of: local needs and priorities, recipient financial participation, sliding fee scale, eligibility requirements, internal monitoring, billing and payment procedures with recipients and facilities. The divison will provide advice and assistance as required.

The community must demonstrate its intent to adequately administer the program in its initial request for funding.

All phases of the program directly related to contact with individual recipients and/or day care centers or homes will be contracted to local agencies in those communities affected. This would include receipt of billings and payments to those licensed facilities which have been chosen by the recipients. The language in which the legislation is currently written would involve only those communities which currently have licensed facilities.


DEPARTMENT OF
COMMUNITY & REGIONAL AFFAIRS
DIVISION OF
STATE ECONOMIC OPPORTUNITY
(1)
Day Care
Coordinator
Primary supervisor (1)
Accountant
(2)
Field
Rep.
Clerk
Requests
Regulations - 1
Guidelines - 2
Needs assessment - 3
Contract monitoring - 4
Evaluation - 5
Training
Tech. Ass't.
Block Funds
Reports
LOCAL
COMMUNITIES
Requests
Fligibility
Counseling
Selection
Sliding Scale
Payments
Billings
PARENTS
Billing
Payments
HOMES & CENTERS

REPRESENTATIVE Cotten

This booklet outlines the prevalent day care myths which lead to Nixon's veto of national comprehensive child care legislation. These myths are as prevalent in Alaska as they are "down below", and we hope this will aid you in your quest for solutions to a serious Alaskan problem - that of inadequate quality care for the children of our working parents.

Day Care

CRITERIA TO QUALIFY FOR MODEL CITIES DAY CARE SUBSIDY

FY 1974-75

Requirements for $7.00 per day subsidy (waived only in extreme circumstances on individual cases).

1. Single parent family.

2. Day care releases parent for work or school.

3. Married couples only if head of household is unemployed, disabled, or seasonal worker.

Other considerations if child meets basic requirements:

1. Working parent qualifies for food stamps.

2. Working parent qualifies for low-income housing.

3. Child has regular attendance.

Children would not qualify if members of single, working parent family is receiving Welfare or AFDC payments. (Day care would be paid through State.)

Model Cities will not pay any day care subsidy for children whose parents receive subsidy from other federal programs and will not pay full subsidy for children whose parents can pay part cost of care at the rate calculated on the following sliding fee scale.

Besides direct salary, other income considered in setting the sliding fee includes alimony, child support, retirement, social security and other sources of regular or seasonal income.

SUBSIDIZED DAY CARE
JUNEAU MODEL CITIES PROGRAM
Sliding Fee Scale
FY 1974-75

No. Children in Family

NET INCOME	1	2	3	4	5	6	7	8	9
$ 0 - 525	1.00								
526- 550	1.25	1.00							
551- 575	1.50	1.25	1.00						
576- 600	1.75	1.50	1.25	1.00					
601- 625	2.00	1.75	1.50	1.25	1.00				
626- 650	2.25	2.00	1.75	1.50	1.25	1.00			
651- 675	2.50	2.25	2.00	1.75	1.50	1.25	1.00		
676- 700	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00	
701- 725	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00

CENTER_____

MODEL CITIES DAY CARE

CHILD NAME:_____

HOME ADDRESS:_____

MAILING ADDRESS:_____

BIRTHDATE:_____ _____HOME PHONE:_____

MOTHER'S NAME:_____

OCCUPATION:_____PHONE:_____

BUSINESS ADDRESS:_____

FATHER'S NAME:_____

OCCUPATION:_____PHONE:_____

BUSINESS ADDRESS:_____

MARITAL STATUS:_____

OTHER CHILDREN IN THE HOME:

_____

_____

PRESENT RECIPIENT OF:

WELFARE:_____ FOOD STAMPS:_____

AFDC:_____ LOW_INCOME HOUSING_____

OTHER:_____

IS THE CHILD:

IN NEED OF SPEECH THERAPY:_____

IN NEED OF EMERGENCY CARE:_____

OTHER:_____

MODEL CITIES DAY CARE
Financial Statement

NAME:_____

CHILD'S NAME_____

NET SALARY:_____ OTHER INCOME:_____

RENT:_____

UTILITIES: ELECTRICITY_____ PHONE_____ HEAT_____

GROCERIES:_____

LOANS:_____

_____

CHARGE ACCOUNTS:_____

_____

TRANSPORTATION:_____

MEDICAL:_____

OTHER DEBTS:_____

**

Do you feel you could afford to have your fee increased?_____

If so, what would you be willing to pay?_____

If not, when do you feel you could afford an increase?_____

Do you feel the program is meeting your present needs?_____

Signature:_____

Date:_____

Address:_____

Phone:_____
(Where you can be reached during the day.)

EMROLLMENT AGREEMENT

In enrolling a child with the Model Cities Day Care the undersigned parents hereby agree:

That they shall pay for child care at the rate calculated during a parent conference;

That such payments become due each month shall be paid by the fifteenth (15) day of the following month;

That their child shall be in regular attendance at the day care center unless otherwise stated;

That failure to comply with this Agreement shall constitute reasonable justification for termination of the child's subsidy by the Model Cities Agency.

Dated_____ _____

_____

JUNEAU MODEL CITIES

DAY CARE PROGRAM

The Juneau Model Cities Day Care Program is operated on a sliding fee scale subsidy basis as is described in Senate Bill 120. Our program has been operating under this concept since March, 1973. The following information applies to the period of March, 1973 to the present.

1. The Juneau program is funded for 65 child day care slots with contracts for services with two day care centers; the St. Ann's Center, located in downtown Juneau and the Lilliput Center located in a new facility built by Model Cities funds located on Douglas Island.

2. Payment is made on a per day attended basis at the rate of $7.00 per child per day.

3. In June, 1974 an evaluation was done on past and present clients. Of the total clients served 39% were eligible but did not apply for some type of assistance; Aid to Families and Dependent Children, Welfare or Food Stamps.

157 Clients Served

x 39% Eligible

61 Clients

DECEMBER 197

MODEL CITIES DAY CARE

SUBSIDY PAYMENTS

Payment	No. Involved
-0-	22
.50	2
.75	2
1.00	9
1.50	6
2.00	8
2.50	3
3.00	1
3.50	1
4.00	1

The program presently has 55 children enrolled. The average parent payment $1.01.

Of the fully subsidized clients: 9 married with an average of 3 children in the home.
13 are separated or divorced with an average of 2 children in the home and an average net income of $500/month.

Low enrollment is primarily due to the transfer of Lilliput School to the new Cedar Park facility. There is a waiting list of children at the St. Ann's Day Care Center.

FY 74-75
MODEL CITIES DAY CARE

	Model Cities Funds	Parent Share	Child Care Days	Days	Child
ST. ANN'S					
July	2,365.50	504.50	410	21	32
August	2,841.00	554.00	485	22	34
September	* 2,914.25	382.75	471	20	36
October	3,407.75	400.25	544	22	29
November	3,143.00	406.00	507	20	31
December	3,082.25	389.75	496	19	32
Adjustment *	126.00				
Total	17,879.75	2,637.25			
LILLIPUT					
July	1,763.00	334.00	300	21	18
August	1,725.00	277.00	286	22	18
September	1,267.50	230.50	214	19	16
October	2,094.50	327.50	346	22	19
November	1,727.50	253.50	283	19	18
December	1,735.00	253.00	284	20	19
Total	10,315.50	1,675.50			

FY 74-75
DAY CARE MONITORING

Attendance Factor

	No. Days	Children	Actual Days	Possible Days	Percentage
ST. ANN'S					
July	21	32	410	672	61
August	22	34	485	748	65
September	20	36	471	720	65
October	22	29	544	638	85
November	20	31	507	620	82
December	19	32	496	608	82
LILLIPUT					
July	21	18	300	378	79
August	22	18	286	396	72
September	19	16	214	304	70
October	22	19	346	418	83
November	19	18	283	342	83
December	20	19	284	380	75

Attach 1/6 agenda for [illegible]

FY 73-74
DAY CARE MONITORING

Attendance Factor

ST. ANN'S

Month	No. Days	Children	Actual Days	Possible Days	Percentage
July	21	35	460	735	63
August	23	35	540	805	67
September	19	34	496	646	77
October	22	33	634	726	87
November	20	35	576	700	82
December	17	34	463	578	80
January	22	36	630	792	80
February	19	35	552	665	83
March	21	36	619	756	82
April	22	35	652	770	85
May	22	34	607	748	81
June	20	34	431	680	63

LILLIPUT

July	20	7	91	140	65
August	22	8	149	176	83
September	19	20	278	380	73
October	23	23	369	529	70
November	20	23	363	460	79
December	18	22	294	396	74
January	22	24	402	524	77
February	19	25	382	475	80
March	21	24	374	504	74
April	22	27	444	594	75
May	22	27	473	594	80
June	20	23	274	460	60

CEDAR PARK

July	20	16	192	320	60
August	23	13	200	299	67
September	Closed				
October	Closed				
November	Closed				
December	Closed				
January	Closed				
February	Closed				
March	Closed				
April	Closed				
May	Closed				
June	Closed				

FY 73-74

ST. ANN'S DAY CARE

		Model Cities Funds	Parent Share	Child Care Days	Days	Child
July		2,619.50	600.50	460	21	35
August		3,116.50	667.00	540.5	23	35
September		2,966.00	506.00	496	19	34
October	*	3,854.50	583.50	634	22	33
November	**	3,528.00	504.00	576	20	35
December		2,854.00	387.00	463	17	34
January		3,952.75	457.25	630	22	36
February		3,435.75	428.25	552	19	35
March		3,772.00	561.00	619	21	36
April		3,884.00	680.00	652	22	35
May		3,587.50	661.50	607	22	34
June		2,476.75	540.25	431	20	34
Sub-Total		40,047.25	6,576.25	6,660.5		
Special Grant		2,768.42				
Adjustments on Parent Payment not Billed on Previous Months						
	*October	78.00				
	**November	53.00				
		131.00				
	TOTAL	42,946.67	6,576.25	6,660.5		

FY 73-74
LILLIPUT DAY CARE

	Model Cities Funds	Parent Share	Child Care Days	Days	Child
July	601.50	35.50	91	20	7
August	1,029.00	14.00	149	22	8
September	1,598.25	347.75	278	19	20
October	2,189.75	393.25	369	23	23
November	2,138.25	402.75	363	20	23
December	1,697.00	361.00	294	18	22
January	2,437.75	376.25	402	22	24
February	2,338.75	335.25	382	19	25
March	2,195.00	423.00	374	21	24
April	2,737.50	370.50	444	22	27
May	2,825.00	486.00	473	22	27
June	1,552.50	365.50	274	20	23
Sub-Total	23,340.25	3,910.75	3,893		
Special Grants	4,000.00				
Total	27,340.25	3,910.75	3,893		

FY 73-74
CEDAR PARK DAY CARE

	Model Cities Funds	Parent Share	Child Care Days	Days	Child
July	1,069.37	218.63	192	20	16
(Correction not made over paid)	(1,045.18)	(211.32)	(179-1/2)		
August	1,180.00	220.00	200	23	13
Sub Total	2,249.37	438.63			
Special Grant	4,600.00				
Reliable Transfer	42.30				
Total	6,891.67	438.63	392		
Funds Returned	(743.04)				
	6,148.63	438.63	392		

IV. JUNEAU DAY CARE

Day care in Juneau began with the planning and application for a Comprehensive City Demonstration Program grant pursuant to the Title I of the Demonstration Cities and Metropolitan Act of 1966. Application was made to Department of Housing and Urban Development in 1969 with day care being one program of the plan to end blight and help the poor and disadvantaged people of Juneau.

A. History

1. July, 1970- Approval received from Department of Housing and Urban Development on the Model Cities Grant. Juneau 4 C's is established as a non-profit corporation licensed by the State of Alaska for the provision and coordination of child care programs in Juneau.

2. November, 1970 to October 31, 1971 - The First Action Year of the Model Cities program. The Model Cities Agency contracted with the 4 C's corporation for the purpose of operating a day care program in Juneau. The 4 C's began and operated three day care centers; the Crackers Center in the Lutheran Church, Cedar Park Center in the Douglas Methodist Church, and the St. Ann's Center.

   Funding: $97,000 Model Cities, $65,000 Title IVA = $162,000 / 12 MO. PERIOD

3. November 1, 1971 to October 31, 1972 - The Second Action Year of the Model Cities program. 4 C's corporation again contracted with for the operation of the day care program. Additional program of before and after school activities also operated.

   Funding: $83,080 Model Cities, $166,900 Title IVA = $249,980 / 12 MO PERIOD

4. October, 1972 - notification of cutback of catagorical grants by the President. All Title IVA and XVI grants halted. Assessment of the day care program by the Evaluation Section of the Model Cities Agency and determined the program would be run on reduced funding til alternate funding could be secured.

5. January, 1973 - Notification of Model Cities program to be phased out. No other sources of funding yet secured.

6. March 13, 1973 - Through mutual agreement between the Model Cities Agency and the 4 C's corporation the contract was suspended due to funding problems.

   Funding: November 1, 1972 to March 13, 1973 - $42,887 Model Cities
   4.5 MO PERIOD

7. March 14, 1973 - Day care centers "spun-off" to other operating agencies; St. Ann's Center to Catholic Community Service, Inc., Cedar Park Center to a newly formed non-profit citizen group called Cedar Park Day Care, Inc , and Lilliput School contracted with to replace the Crackers Center.

Payment to the centers for services at the rate of $22 per day per child.

Funding: March 14, 1973 to June 30, 1973 - $52,611 Model Cities 3.5 MC. PERIOD

8. May, 1973 - Initiation of Sliding Fee Scale as method of subsidizing centers and low-income parents. This method allowed parents to assist in the cost of day care for their children at a rate they could afford and reduced the amount needed to support a day care program. The centers were given the responsibility of operations and were paid at the rate of $7.00 per day per child per day attended.

9. July 1, 1973 to June 30, 1974 - Assembly allocates funds for subsidized day care program as initiated in May, 1973.

Funding: $77,521 Model Cities

10. August, 1973 - Cedar Park Center folds by mutually agreement of both parties due to management problems.

11. July 1, 1974 to June 30, 1975 - Assembly allocates $60,000 forthe subsidy for continuation of program.

B. Present Statis

1. To replace catagorical grants, the President introduced the Better Communities Act, a block grant concept giving to the municipalities the power to decide what their community needs. The final compromise between the Congress and the President is the Housing and Community Development Act of 1974. The Act replaces a number of other grants; Neighborhood Facilities, Model Cities, Water and Sewer, Urban Renewal, and Federal Housing programs.

2. The Act has a "hold harmless" clause which entitles a city, whose Federal funds has been prematurely terminated, to funds equalling the loss in order to let down a city gradually from Federal support. Juneau receives funds under this clause in the amount of over $6,000,000 in a five year period.

   a. December, 1974 - Public hearings held in five locations for citizen input on how funds should be spent. In these meetings, day care was overwhelmingly supported.

   b. January 6, 1975 - The City/Borough staff presented to the Assembly at a Committee of the Whole meeting recommendations based on citizen input. The report recommended that day care be allocated $100,000 for the first year of the Act.

   c. January 13, 14, 1975- Public hearings to allow citizens to express their feelings on priorities set by Assembly.

   d. January 16, 1975 - Assembly to finalize priorities at regular Assembly meeting.

   e. Plan to be submitted to A95 Clearinghouse for State review of total

plan for Juneau.

f. Following review by A95 Clearinghouse the plan will be submitted to HUD for approval. Anticipated approval from HUD by mid April, 1975.

C. Day Care Available in Juneau

1. St. Ann's Day Care Center - A non-profit, non-sectarian center under the sponsorship of the Catholic Community Service, Inc. Thirty of the forty-five slots at the St. Ann's Center are contracted for children of the Model Cities program.

2. Lilliput School - A non-profit center sponsored by a private citizen. Located in the new Cedar Park Facility which was built with Model Cities for the purpose of a multi-use facility with day care its prime user. Thirty-five of the available forty slots are contract under the Model Cities day care program.

3. Henry House - Licensed both as a day care center and a pre-school, it is designed principally for children who are emotionally or physically handicapped. In serving these children an attempt at normalcy is sought by including non-handicapped children in the daily program. Funds for the handicapped children come from the State through various grants.

4. Jack and Jill Nursery - A private center for thirty children licensed by the State of Alaska, but not meeting Federal regulations, and therefore unable to accept children receiving State subsidy (AFDC or WIN).

5. Family Day Care Homes - Any home that takes in even one child on a regular bas s for pay is required by State law to be licensed by the Division of Family and Children Services. To be unlicensed is a misdemeanor and a fine of not more than $200 could be levied.

The number of licensed homes in Juneau greatly fluctuates depending on the staff availableto license them. In 1974 only one temporary (6-9 month) staff member was retained by the State to license homes in Juneau. In the past year between five and seventeen day care homes in Juneau have remained licensed, and serve a maximum of about sixty children. An estimated additional 1,000 preschool Juneau children are in unlicensed family day care homes. Another 500 children are being cared for in their homes usually by a relative.

6. The Auke Bay and Juneau Cooperative Pre-School - This is designed for pre-school experience only and not intended for day care. It operates four days a week for 2½ hours a day though most children only attend only two days a week. It is non-profit with a teacher hired and aided by parents.

DAY CARE – Joint hearing w/ House HESS
3/13/75

Susan Clark, LWV – strongly supporting HB 161 w/ Senate am. (SB 120 am)
Margaret Wolfe, Gov.'s Advisory Council on Family & Children's Services
Proven ability of C&RA to work through a local agency – local more reasonable model
Sliding fee scale – insert language to reflect local conditions
duration of grant
Mary Afcan – runs En'eput Children Center in Fbks.
threw out her waiting list when there were more children on it than she could take in 3 yrs.
There is a need for more facilities & this bill (CSSB 120 am) doesn't speak to that need. However, there is HB 290/291 (SB 79), a revolving loan fund.
Look at this bill as one side of a triangle

Susan Clarke - CWV in support of HB161 as amended

(1) no figures as to how many were on welfare 38%

(2) Reasons to be in C+RA
(A) similar rev. Sharing
(B) dealings w/ Rural areas (experience)
Head
work thru local comm. govt. process.
DE-EMPHASIZE - welfare

EAAB Health Dept.
Margret Wolfe

$1,2 million would only fully fund $600 = 700.

Rosalie Walker
Juneau 4 C's

(5-10 children) It is technically illegal to have unlicensed facility, home or foster. Moms get away w/ it because Juneau service. Victimless use centers are known.

(20-100 children) Homes are not the same as centers

Did Margret Wolfe say there was only 1 licence in anchorage with 90 homes?

Only 1 person to inspect places + give licenses.
Only 90 (out of 500) homes are licensed.

Does he remind you
of the Addams family?
YES!

SB 120, 121

EXECUTIVE COMMITTEE
ALASKA ASSOCIATION FOR QUALITY EDUCATION
ALASKA CHILD CARE CENTERS ASSOCIATION

DR. DEL A. BROCK
DR. MARGARET GREEN
BUD BIRD
SHIRLEY BRATCHER

February 15, 1975

The Honorable Samuel Cotten
State Legislature
Pouch V
Juneau, AK 99801

Dear Mr. Cotten:

I regret that we were unable to at end the public hearing on Senate bills 120 and 121 held yesterday in Anchorage and request that this written testimony be entered in the record.

Our organization represents 20 members providing day care and private school to approximately 2000 children in Alaska.

We would urge that a clarification of Senate bill 120 be made prior to passage, concerning the intent as to whether private centers will be funded to care for the children qualified or whether Agency centers will be funded to be in direct competition with private centers. As worded, it would seem that the Agency could choose to enter the field, both regulating and operating. The care to be provided by this legislation is needed, but the great expense per child, which would result from the inefficient operation by a government agency, would limit its benefits. Past experience in other states shows that private centers can provide the services under contract at much lower costs, thereby benefiting more children. The typical charge for day care in Anchorage is $1800 per year. Parents cannot afford to pay more and centers cannot provide more care under present regulations.

If there are insufficient facilities available now for the number of families requiring service, it is due to the restrictions imposed by state staffing regulations which make operation of a center difficult, if not impossible, unless the operation is fortunate enough to have free rent, free staff or other benefits adequate to offset the deficit. Contributing to this marginal operation is the low rate paid by the state for the care of children of families receiving state aid. State compensation currently paid is less than that paid by the public for the same service, while requiring centers much additional record keeping and billing for only those state children. Payments arrive 60 days after the payment would have been received had the care been provided to the paying public.

The often quoted "federal interagency day care standards," considered the base standard in the country, have recently been modified by Congress to allow lower operating costs in day care. To quote from the January 8, 1975, issue of Education Daily's "Report on Preschool Education": President Signs Social Services Bill - - "Major eligibility changes for social services under the Social Security Act and a relaxation of Federal day care standards are among provisions of H.R. 17045, which passed both houses of Congress on December 20 by voice vote.... Lowers Staffing Ratios. In an effort to reduce yearly Federal day care costs which are approaching $3,000 per child, provisions of H.R. 17045 loosen minimum staffing ratios and education program

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requirements of day care centers. The bill requires that ratios of one adult for every 20 children aged 10-14 be maintained, and a 1 to 15 ratio for children 3-9 years old. The conference committee earlier scrapped a provision which would have required a staffing ratio of one adult for every two infants under 3 years of age, and instead voted to leave the final requirements to the Secretary of Health, Education, and Welfare.

We urge that the Legislature adopt the new Federal staffing requirements in Senate bill 120 and commit Senate bills 120 and 121 to only contracting day care services with private and non-profit operated centers.

Yours truly,

Del A. Brock

Del A. Brock, Ph.D.

DB:nm

Hearings

	SB 120 am	Notified	Present	Testified
3/24/75	Susan Clark (586-6952)	X	X	X
	Commissioner Lee McAnerney (C&RA)	X		
	Eric Lee, SEOO, C&RA	X	X	X
	Sen. Genie Chance (Marcia Hubbard, SA)	X		
	Jennifer Peterson, City & Bor. Juneau Model Cities Agency Director (586-3300)	X	X	X
	Rosalee Walker, Early Childhood Specialist, Dept Ed		X	X
	Mary McClinton, DCRA			

SB.125

"An Act relating to state compliance with local planning, platting and zoning ordinances; and providing for an effective date."

COMMITTEE REPORT

HOUSE

3/7/75

Mr. Speaker: Date 4-28

The Committee on C&RA has had SB 125 under consideration. A Majority of the members of the Committee

(X) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam P. Cotten

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam P. Cotten Chairman

TAPE #10'
side 1
1624-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

April 21, 1975
Meeting Minutes

Meeting was called to order at 9:00 to discuss CSHB 246. Present:

Rep. Cotten
Rep. Ostrosky
Rep. Hackney
Rep. Hershberger
Rep. Freeman
Rep. DAvis
Rep. Ose
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Don Clocksin, Legal Services
Cheryl Probst, Anchorage Times

Sec. 300, para C

The Committee members wanted an explanation of sec. C of the new committee substitute. Clocksin explained that sec. 300 provides 3 alternative methods: 1) para A--this is the procedure now in use. One individual can protest and the Board may or may not have a hearing. 2)para B--35% of the residents of an established village may require a hearing. 3) para C--this takes care of the situation that Ose was having problems with(license along hiway). The Board will take other things into account besides just the residents.

LETTER OF INTENT

Hershberger had the same problem as Ose. Two or 3 resients may be the majority. Ose calls for a letter of inten t. Freeman says you can't do much better than the wy it is already written in C.

REPORT OUT

Ose withdraws request. Moves to pass bill out. All members signed due pass.

Side 2
0-683

HB 172

The committe now took up several other bills. Bob Pavitt was present, to discuss HB 172. He said it was a good bill and there was not much other discussion. Rep. Freeman moved to report the bill out. With out objection it was reported out with all members signing do pass.

HB 228

Hackney asked for the reason for this bill. Cotten siad it was sometimes the case when a city is not more than 25 miles from the boundary of the borough seat. Hershberger moved to report out and it was done with all members signing do pass.

TAPE #11
side 2
1065-1409

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 28, 1975

Meeting was called to order at 9:00 to discuss SB358 & HB 136.

Rep. Cotten	Barbara Englert Thomas, Staff
REp. Ostrosky'	Andrea Guernsey, Staff
Rep. DAvis	Kevin Waring, Director, Community Planning
Rep. Freeman	
REp. Hackney	Rep. Hershberger-absent
Rep. Ose	

Chairman Cotten said he was ready to pass out SB 358 if the rest of the members were agreed. The suggested amendments were gone over.

AMENDMENT "shall" — Line 13 page 1: change "shall" to "shall be designated to".

AMENDMENT "interest" — Ose wants "and interest" to be added on line 29 on page 1 and on line 7, page 2. To make things clearer.

SECTION B — REp. DAvis doesn't like lines 21, and 22. He says the land belongs to the Native corporations aned not to the village councils. Mr. Waring explained that this section covered after the land had been transfered to the State and if the State wanted to do anything else with it they had to get the concurrence of a local body. Regional Corporations are not used because they represent the private interests and not public.

PASS OUT — Rep. Ostrosky moved to incorporate the amendments in a committee substitute and pass out. So moved. All members signed do pass.

- -

SB 125 (1342) — Rep. Cotten said he received a request from the Municipal League to pass out SB 125, companion to HB 172 already passed out. It's an identical bill and the League would like to pass it out in the interest of time.

REPORT OUT — Ose made a motion to pass out. So moved.

ADJOURN — Meeting was adjourned at 9:40.)1409)

"An Act relating to municipal special assessments."

COMMITTEE REPORT

2/25/75

HOUSE

Mr. Speaker: Date 5-1

The Committee on CRA has had CSSB 127 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(X) recommends it BE REPLACED WITH CS FOR SB 127 AND THAT CS FOR SB 127 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #12 tape #12 HB 445, 205
side 1 side 2 May 1, 1975
1545-end 0-570

SOLID WASTE BILLS ATTENDENCE

Meeting was continued with all members of the Committee still present plus: Jim Anderegg, Dept. of C&RA, Jerry Rienvon, deputy Commissioner of Environmental Conservation, Red Swanson, Sponsor of HB 205, Chet Strohmeyer, Acme Disposal.

CSSB 127

Before discussing solid waste bills, the Committee looked over the committee substitute for SB 127 which had been prepared for today and it was passed out.

HB 445

Mr. Rienvon said there were two things at issue here: revenue and intent. The Dept. supports the intent but the issue of funding transends the dept. Disposal is a real problem especially in the bush and rural areas. The sliding fee scale is a good concept. Fiscal note around $1,500,000.

FISCAL NOTE

EXAMPLE OF HYDABURG

Rep. Hackney asked what a place like Hydaburg with a population of 300-400 would be able to do with the $4,000 the bill would give them. Jerry said in this case they would probably use it for a driver for a cat to bury the land fill. A small amount will improve the situation somewhat.

REP. OSE

Rep. Ose objects to Anchorage getting the 1/2 million they would get because they are already doing a good job. Oral said the sliding fee scale favors the small communities. The facilities that Anchorage and

FREEMAN

Fairbanks have the people paid for. Oral thinks it's a good bill, but perhaps there should be a provision making it mandatory to use the money for solid waste.

HB 205

Rep. Swanson stated that while in the 7th Legislature he saw that the problem existed and so decided to introduce this bill. He represents 30 small communities in interior who have a real problem. He has an idea--to get the Hiway dept. to let the small communities use their old equipment, and with the $5 from revenue sharing the communities will be able to take care of their problem.

CSSB 90 (side 2)

Cotten pointed out that CSSB90 transfers state equipment to political subdivisions. Will take up that bill tomorrow.

JIM ADEREGG C&RA POSITION

The dept. is aware of the review of revenue sharing thats supposed to take place this summer so they don't want to push anything right now, but they do favor solid waste. They like the sliding fee scale in HB 445, a fixed amount is not good. The dept. recommends wording that will allow the municipalities to use private contractors. Also set criteria for compliance, and wording to cover the situation in double governments. They recommend against state ceiling on revenue sharing.

li

Rep. Swanson said the issue in his district was disposal and not collection. Jerry agreed.

Chairman Coten wants to try to put some of these bills together. Freeman likes the approach in HB 445.

Meeting was adjourned at 9:40.

TAPE # 12
side 1
335-1037

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 30, 1975

Meeting was called to order at 9:00 to discuss CS for CSSB127.

Rep. Cotten	Barbara Englert Thomas, Staff
REp. Ostrosky	ANdrea Guernsey, Staff
Rep. Freeman	Don Berry, Municipal League
Rep. DAvis	Ginny Kline, " "
Rep. Hackney	Cheryl Probst, Anchorage Times
Rep. Ose	Vivian Loovas, Citizen
	Rep. Rhode

WHO PICKS UP TAB

Rep. Freeman wants to know where in the Committee substitute it states who picks up the tab for these exemptions. He wants to be sure there is no question that the State is paying. Cotten said 29.53.020 E-I explains that the State pays. Freeman doesn't see it. 29.53.020 covers real property tax, not assessments. Cotten explained that in the bill, line 15, it merely says that the exemption granted under this section applies to e-i also. But it Mr. Freeman wants to make it more clear a new section could be added, incorporating section G of 29.53.020 into the bill. "The State shall reimburse a home rule or general law municipality for the sewer and water assessment revenues lost to it by the operation of (a) of this section."

AMENDMENT

LETTER FROM GARY THURLOW

A letter from anchorage Borough Atty., Gary Thurlow, was passed out to members. Mr. Thurlow would like an amendment added to keep people fromrefinancing the property and getting a rip off. Hackney wondered how many bankers would refinance project for person over 65? Rep. Rhode, a banker, said there wasn't much chance. It is too high risk. The comittee members didn't think there was any real need for an amendment.

DELETE HEIRS

One of the areas of concern at previous meetings was passing the land on to heirs. All references to heirs will be deleted.

AMENDMENT "SINGLE FAMILY DWELLING"

The committee also wanted something added which clarified this was for single family dwellings and not multi-unit apts..

A new committeesubstitute will be drawn up and ready for the Committee tomorrow.

Meeting was adjourned at 9:40.

TAPE #5
side 2
0-1154

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 18, 1975

Meeting was called to order at 9:00 for discussion of CSSB 127. Present were:

Rep. Sam Cotten, Chairman
Rep. Kathryn Ostosky
Rep. Al Ose
Rep. Glenn Hackney
Bob Dozier, State Assessor
Rep. Larry DAvis
Rep. Oral Freeman
Barbara Englert Thomas, Staff
ANdrea Guernsey, Staff

(7) Cotten gives introduction. He has had a House Committee Substitute for CSSB 127 drawn up. Changed first line--amount of property. Line 18-lien established in favor of State. Changed the language about abode to the same used in the Senior Citizens Property Tax Exemption. Cotten read a letter from Kenai suggesting adding disabled persons to the exemption. Chairman Cotten asked Mr. Dozier THE price for sewer assessment.
(126) Dozier said sewer would be $27,500 for a year, excluding Fairbanks. Adding Fairbanks wouldn't be over $50,000.
(196) Cotten asked for the cost to individual. Dozier hasn't figured it but it is based on square feet.
(230) Rep. Freeman said there was great diversity in cost and sited the case of Ketchikan where it is very expensive because of having to drill into rock. There it averaged $1500/lot.
(280) Mr. Dozier suggests taking out the part about lien. Suggest limit of land-20 acres in rural areas.
(468) Cotten notes there is no mention of pay back by the State in the original bill.
(470) Dozier reads a letter from Gary Thurlow, Anch. Borough Atty.
(547) Cotten said that without a lien there is need for a restriction on land but with it you can have unlimited lands.
(579) Rep. Ostrosky sees two choices; exempt land on which the person actually lives or exempt all land with lien. (585) Cotten responds.
(605) Dozier brings out the fact that on transfer to heir the lien is forever forgiven (line 22). This could provide a rip off. (632) Cotten responds.
(648) Hackney asked why heir was included. Cotten responds. (677) Hackney would like to see heir deleted.
(690) Rep. Ostrosky runs through the choices.
(722) Cotten askes Mr. Dozier about property exemptions, especially in the case of a religious organization. Dozier replies.
(776) Rep. Ostrosky asked about a $15,000 income limit. It was Thurlow's idea, Dozier said, and was too cumbersome. (819) Is there any limitation now, Ostrosky asked? No, Dozier said, but it has been limited verbally to 5 acres in rural areas.
(847) Ostrosky- 20 acres in rural, 5 suburban, 1 urban. (Dozier) Presently there is no limitation in the definition, up to assessor.
(870) Hackney says there are not too many places with water and sewer. The bill was really written for Homer, Dozier said.(908) Hackney-The application would be in the Anchorage area mostly. This would not apply in rural areas.
(951) Chairman Cotten asked the Committee if there were any objections to giving senior citizens sewer exemptions? There was none but Freeman doesn't want to see a rip off.

(963) Cotten brings up question of land: all land exempt or small plot?
(989) Freeman in favor of limitation. Do away with heirs.
(1073) Ose basically agrees with Freeman.
(1090) Ostrosky-limit size of land.
(1098) Cotten-What about residency? No objection from Committee. What about lien? It would avoid rip offs.
(1120) Ostrosky askes how that works; person who buys lot from senior citizen wouldn't get assessment? (1131) Dozier explains. If sold to anyone someone pays--if given to heir forever forgiven.
(1145) Hackney has queston on line 26.

Meeting adjourned at 9:55. (1154)

Tape #5
side 1
0-1160

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 12, 1975

Meeting was called to order at 9:00 am by Chairman Cotten for discussion of CSSB 127.
Present were:

Rep. Sam Cotten	Rep. Kathryn Ostrosky
Rep. Larry Davis	Rep. Mike Hershberger
Rep. Glenn Hackney	Barbara Englert Thomas, Staff
Rep. Oral Freeman	Andrea Guernsey, Staff

Bob Dozier, State Assessor
Don Berry, Municipal League
Lee Sharp, City Borough Atty., Juneau

0- Chairman Cotten gives introduction.
14 - Lee Sharp gave his comments on the bill, which are stated in a letter passed out to committee members. He made the point that the way the bill is written only general law municipalities can give exemption. Bill should be changed to include home rule cities. (157) Does the recapture provision provide only to water or for sewer also? The section should be redrafted to make it clear that it applies to both. How is C&RA going to recapture themoney?
261 - Cotten asked if water assessment was a one time thing. Sharp says yes.
313 - Cotten comments on senior citizens making a water connection versus those who don't.
330 - Sharp said if they make the connection they're liable for the payment. If they are exempt, reimbursment will come from C&RA to the municipality.
373 - Cotten-Hypothetical situation of an exempt person selling before he made a connection to a person who was non exempt. Sharp said that C&RA would pay for the first person and would have to police after that.
454 - Cotten calls on Mr. Dozier, Assessor, for his comments.
456 - Dozier had basically the same comments that Mr. Sharp made. He said that under the present wording of the bill deferred taxes covers water and full exemption is given to sewer. The recapture part should also be worked out.
480 - It was brought up that the lien should be against the property.
488 - Hackney thinks the purpose is for the State to pick up the tab. Cotten explains what happens.
510 - Freeman wants to know where the recapture assessment goes. Berry says the money ought to go to the State.
551 - Sharp reiterates that the recapture provision should be redrafted and clarified.
600 - Cotten asked for possible redraft, on line 18. Clearly establish lien that runs in favor of State.
637 - Hackney commented that this was another revenue sharing bill.
645 - Cotten-Does this bill have a retroactive clause? Sharp says no.
679 - Hackney-Bill is mandatory and doesn't give the municipalities any room.
689 - Freeman wanted to know what would happen if C&RA didn't have enough money to pay everybody. (705) Dozier said if they can't pay there is a provision in the administrative code. Lien on property. (714) Cotten-What does it cover? Dozier explains.
736 - Dozier brought up the fact that the residency requirement is written differently

in this bill than in the statutes covering senior citizen property tax exemption. It should be the same. There is also no limited amount of property. (832) Hershberger thinks it should be confined to the persons one house and not all his property. Cotten comments. (847) Assessment based on amount of land. Should be some limiting factor. Suggested dwelling unit limited to 5 acres.

895 - Cotten asked if there was a limit on the Senior Citizens property tax exemption. He didn't think there was. Dozier explained that there was a limit.

931 - Hackney-What is the price tag on this?

941 - Dozier-Sewer would be $400,000 in a lump sum but the State would pay in installments at $75,000 a year.

1004- Cotten talked about the residency requirements again. Dozier-Constituitional problem. Residency very broad. Different for different things. Cotten wants to get the A.G.'s opinion on resident.

1060 -Cotten asked for further comments from the committee. Davis didn't like the fact that there was no limitation on annual income or property value. Is this a bill to help the needy or the senior citizens? (1118) Dozier said the easiest way would be to place a limitation on the assessed value. HE GAVE THE figure of $100,000.

1151 -Hershberger moved to table the bill.
More reaearched needs to be done.

Meeting adjourned at 10:00. (1160)

TAPE #4
side 1
941-end

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
March 6, 1975

Meeting was called to order by Chairman Cotten at 9:00 for discussion of HB 227 & CSSB127. Present were: Rep. Cotten; Rep. Ose; Rep. Davis; Rep. Freeman; Danny Plotnick, Office on Aging and Bob Dozier, State Assessor; Barbara Englert Thomas, Staff; Andrea Guernsey, STaff

941-Plotnick started by saying that his office was in favor of the bill if it was in concurrence with Community & Regional Affairs. He read a letter from someone who had missed the deadline—HB 227 would take care of that problem.

978-Dozier was also in favor of the bill. He thinks it should be flexible but still should have a deadline to make the administration of it a little easier. He made the suggestion that late filers should have a penalty of some sort. He gave a run down of the calender and said the municipalities have the power to accept the application virtually any time of the year as it now reads in the bill. He would like to see a deadline.

1075-Rep. Ose asked why we had this every year. Dozier said the assessor had no way of knowing what the individual has been doing. Just a routine check up.

1101-Mr. Plotnick stated that the Office on Aging would have no objection to adding a deadline. Suggestion on line 27 after the word "him' add: provided that the application be received by X date.

1133-Ose, what is the first date that they can file? During any time, Dozier said.

1138-Freeman asked if the state reimburses and if the cut off date was a problem for the State. Dozier replied that yes the state did and no there was no problem. It wasn't any great problem and the cut off date was not absolutely necessary.

Cotten favors the bill but doesn't want it amended to provide for filing date. Ose made a motion to pass the bill out. All signed due pass.

CSSB 127

1271-Dozier said this bill adds to the senior citizens property tax exemption. There is a problem with the wording in a couple of places; doesn't say to whom amount of money will be paid, it should be specified- to the local governemtn or to the State?

1359-Freeman wanted to know where the money to reimburse comes from and what guarantee there is. Dozier said it was in the budget. This program hasn't been submitted. A separate BRU. Suggested wording: line 19, new sentence: "payment by the owner shall be made to the State to the extent of its reimbursement for revenue lost under this section."

1442-Dozier also said there was a conflict in the definition of resident.
1474-Cotten questioned about water and sewer assessment. Aren't required by federal law to hook up to water. Why distinction between water and sewer, should be for both.
Dozier also suggested there be a limit on the amount of land.
1550-Freeman-What is the fiscal note? $100,000.

Meeting adjourned end tape

X ref CSHB 65

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

JAY S. HAMMOND, Governor

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / *POUCH B–JUNEAU 99811*

March 6, 1975

The Honorable Samuel R. Cotten
Chairman
House Community & Regional Affairs
Committee
Pouch V
Juneau, AK 99811

Dear Representative Cotten:

For your information, enclosed are copies of two letters dated February 25, 1975 commenting on Sponser Substitute for House Bill No. 65 (SB 170) relating to farm and unimproved land deferred taxation, and Senate Bill No. 127 relating to deferred taxation for sewer and water special assessments on property owned by a senior citizen.

The Director of Property Assessment and Management Department, Pat McKee, Greater Anchorage Area Borough, has outlined the GAAB and Eagle River Chugiak Borough situation in relation to SS HB No.65 (SB 170) and some ramifications of the proposed legislation.

The GAAB Attorney, Gary Thurlow has made comment to Senator Roddy, Chairman, Senate Community & Regional Affairs Committee, in regard to SB 127 which may be pertinent; although, CS for SB 127 has substantially expanded the scope of the original bill.

Very truly yours,

S. Robert Dozier
State Assessor

SRD:nc

Enclosures

GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

MAR 06 1975

March 4, 1975

PROPERTY ASSESSMENT AND MANAGEMENT DEPARTMENT

Mr. S. Robert Dozier
State Assessor
Department of Community & Regional Affairs
Pouch B
Juneau, Alaska 99801

Dear Bob:

The main problem I see with Senate Bill 170 is not so much the farm use portion, but the undeveloped land portion under Section C. If you look at the Bill, Page 2, Third line, it refers back to farm use land; either they should talk about undeveloped land or farm use land, there is a difference. They also, on the next line down, did not indicate the rate of interest I am assuming it is the 5% rate referred to in the farm use land section.

Whereas land used for farming is actually producing, I feel that undeveloped land, under this Bill, would benefit speculators. It would also, in my opinion, add to inflation in that, at the time of sale, someone is going to have to pick up the back taxes and possibly the interest on those taxes. Either the seller is going to be forced to take a reduced value, or he will add the cost of taxes and interest to the property value at the time of sale. Land in this area is increasing in value at the rate of between 1% to 3% per month. This Bill would, in my opinion, increase this rate by actually adding to the value of those lands not placed under the protection of Senate Bill 170. There is only so much land left in the Anchorage area and, if a goodly portion of it is sheltered, the remainder will increase much more rapidly thereby placing a much heavier burden on the taxpayers who can not qualify for Senate Bill 170.

For instance, one of the appraisers in my office still has 130 acres of land left in his homestead. He is living on this tract of land, and at the present time it is worth approximately $1,000,000 or about $8,000 per acre. For farm use land, as the law now reads, we have been allowing a maximum of $750 per acre. This would give him an assessed value of $97,500 for his undeveloped land whereas extremely marginal land with a 10 to 15 foot peat overburden at market value is bringing $130,000 an acre. If a number of people were to take advantage of this Bill and, I'm sure they would, it would place the burden on the legislative body to increase the mill rates to make up the difference in support of a budget. An increased mill rate would affec

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the "little man" while the person holding large blocks of land would, even if temporarily, be paying on less than 10% of the value of his property. The homeowner and businessman would pick up the difference.

As an example, I took a tract of land containing approximately 2.4 acres and another containing slightly over 2.55 acres. We have many such tracts. If we assume that both of them were valued on the open market at 21¢ per square foot, this would give us a value on the 2.4 acre tract of $21,955 and $23,310 on the 2.55 acre tract. Again assume that both properties are being used for residential sites. By discounting the value of the buildings and just speaking to the land, at 18 mills the person owning the 2.4 acre tract would pay $395 tax on the land while his neighbor taking advantage of Senate Bill 170 would pay $41.95. This, in my opinion, is discrimination and should not be allowed. The Chugiak/Eagle River Borough has hundreds of such parcels, and it would be severely affected, especially in the first few years.

If inflation continues as it has in the past, a person who decides to convert his land to another use rather than leaving it in its native state would be paying the back taxes on a highly inflated dollar. Again, he would have the benefit over the next door neighbor who had to pay taxes as he went along on a current basis.

Another problem I see is that we have a new residential zoning that makes it mandatory to have five acre tracts for a single family residence. These properties would never be assessed at more than 10% of their full and true value and, by law, could not be used in any other way. This would give us a value of approximately $3,750 to the land while the person living on a normal single family residential lot is paying on a value of between $12,000 to $20,000. I fail to see the equity in this situation.

Another example comes to mind, which is somewhat different. Just outside the central area of the City of Anchorage lies a large 20 acre tract of land, zoned R-4. Next to this property is approximately 20 acres of B-3 zoned property. These properties for all practical purposes are still in their natural state and they have been zoned for many years and not used. If I read Senate Bill 170 correctly, they would also be included under Section C as undeveloped land. They are at this time prime for development, but the owner has chosen for reasons known only to him not to proceed to develop them.

I'm sure we have many millions of dollars worth of property

in this Borough that would fall under Senate Bill 170, and I know that the Chugiak/Eagle River Borough would be hurt even worse. The Bill may be fine for some areas in Alaska, but I think the more urbanized you get the more those people who can't qualify are going to be hurt. If we assume a one or two mill increase because of this type of Bill, it would be easier to pay that on 10% of your value rather than all of your value.

I would suggest it be permissive rather than mandatory.

Very truly yours,

Glenn M. McKee
Director

GMM:ma

cc: Mayor's Office

GREATER ANCHORAGE AREA BOROUGH
3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW
279-8686

February 25, 1975

Received

Senator Pat Rodey, Chairman
Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99801

FEB 28 1975

BOROUGH ASSESSOR

Re: Senate Bill No. 127 - An Act Related To Special Assessments

Dear Senator Rodey:

Greater Anchorage Area Borough assessment revenues would not be affected by Senate Bill No. 127 because of the reimbursement provisions of A.S. 29.53.020(E)(I) which Senate Bill No. 127 incorporates.

However, you may want to place some income and property valuation limitations on persons who can qualify under the act. There are currently several residents 65 years of age or over in the Greater Anchorage Area Borough who have properties on which they live, which properties are of a value in excess of $2,000,000. These persons are already exempted from real property taxation under A.S. 29.53.020 and the annual state subsidy for these persons in the Anchorage area runs as high as $5,000 per year per property owner.

If such properties are presently unsewered, and become sewered, a property could easily be worth many times its value in an unsewered state.

For example, if a 40 acre tract of ground, worth $400,000 in an unsewered state, upon which the owner has his permanent place of abode, is sewered and is zoned R-1, as many as 120 lots could be carved out of the property. This is three lots per acre. If each lot were sold at $20,000 each, which is a common price for a lot in the Anchorage area, and if the development cost for each lot were $10,000 each, the total net profit for the lots would be $800,000 ($2,400,000 in gross sales less $400,000 in land costs less $1,200,000 in development costs).

Very often the difference between large lot zoning and small lot zoning is the availability of municipal sewage systems. It is very common in the Anchorage area for property to triple and quadruple in

Copy to Bob Dos

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value because of the availability of municipal sewerage and because of a change in zoning from large lot to small lot zoning which municipal sewerage permits. For some years now one of the greatest opportunities for profit in the Anchorage area has been conversion of land from less intense use to more intense use.

To avoid use of Senate Bill No. 127 by those who are interested in holding or acquiring land for speculative purposes, I suggest a maximum gross income limitation of $15,000 per property owner plus an acreage limitation sufficient to just cover the area reasonably required for use by the resident's place of abode, say one-half acre.

As you know, assessments are totally different than taxes. An assessment for federal and state income tax purposes is regarded as a capital improvement to property, and the taxpayer cannot list it as a tax deduction. The theory is that the value of the owner's property is increased by an amount equal to or greater than the amount of the assessment.

To my knowledge, all recent sewer assessment districts in the Greater Anchorage Area Borough have been initiated by property owners. They have petitioned the local governing body for laterals on the basis that either their properties are being damaged because of lack of municipal sewers or that they could make better use of their properties with municipal sewerage. Typically, there will be twenty to forty property owners in a lateral improvement district, and typically it takes approximately one half of the property owners in a proposed district to satisfy the statutory requirements for initiating a petition (property owners owning one-half in value of the property in the proposed district must sign the petition). Sewer assessments for laterals are virtually always initiated at the neighborhood level. They are not imposed by the Assembly.

In the Anchorage area, once an area is in a special assessment district, it will be subject, not only to the lateral improvement district assessments, which generally run from 10 to 25 cents per square foot (for the first 150 feet behind the property line), but will also be subject to a trunk line assessment which currently runs at three cents per square foot (for the first 150 feet behind the property line).

I know that you and members of your committee are aware of the distinctions between taxes and assessments, but I thought that it

might be well if I wrote this letter to emphasize the opportunities to speculate with land at the state's expense if sewer assessments are subsidized by the state for a particular property owner.

An older property owner could easily make a profit in excess of several hundred thousand dollars purely on the basis of the state assuming the assessment costs for improvements benefiting his property. This opportunity for a profit would be denied to a person under 65.

Very truly yours,

Gary Thurlow

Gary Thurlow
Borough Attorney

GT/kj

Pat, d notice that CS for Senate Bill 127 is quite different than the bill as originally introduced. Even so, d thought you would be interested in some of the observations on the origina bill so d Gary will send this letter anyway.

Rt. 3, Box 3114
Juneau, Alaska 99801
April 14, 1975

House Community Regional
Affairs Committee
Pouch V
Juneau, Alaska 98111

Honorable Senator Sam Cotten, Chairman

Dear Senator Cotten:

It is my understanding that Senate Bill 127, Sewage and Water Bill, regarding Senior Citizens, is now in your committee.

To me, a long time resident and property owner in Alaska, also a widow and Senior Citizen, it is very important that this bill pass at this time.

Many of us who are Senior Citizens hope to be able to continue to live in the home we've worked hard for these many years, the place where we raised our children and the place we love - but with our meager fixed income it gets more difficult daily.

Please vote "DO PASS" when this bill comes up in committee ... I URGE QUICK ACTION.

Thank you very much.

Sincerely yours,

Mrs. Wilma Jenkins

Mrs. Wilma Jenkins

KENAI PENINSULA BOROUGH

Box 850 Phone 262-4441
SOLDOTNA, ALASKA 99669

February 26, 1975

STAN THOMPSON
MAYOR

Sen. Clem Tillion
Rep. Keith Specking
Rep. Hugh Malone
Rep. Leo Rhode

Re: Senate Bill 127 - Special Municipal Assessments

Gentlemen:

An excellent and badly needed bill.

My only suggestions would be to add to "occupied by a resident 65 years of age or over"--or "anyone permanently disabled as described under the Social Security terms", and add to sewer assessment also "water assessment".

Sincerely,

Stan Thompson

Stan Thompson
Borough Mayor

ST/tb

cc: Willard Bowman, Chairman, Rules Committee
Terry Gardiner, Chairman, Judiciary Committee
Susan Sullivan, Chairman, Health, Edu. & Soc. Services
Nels Anderson, Chairman, Resources Committee
William Parker, Chairman, State Affairs Committee
Bob Bradley, Chairman, Commerce Committee
Joseph McKinnon, Chairman, Labor & Management
Samuel Cotten, Chairman, Community & Reg. Affairs Comm.

GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW
279-8686

March 19, 1975

Pat Rodey, Chairman
Senate Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska 99801

Re: Committee Substitute for Senate Bill No. 127

Dear Pat:

Upon rereading Committee Substitute for Senate Bill No. 127 I see a major loophole that could be plugged by one minor amendment. This amendment would provide that if the owner obtains a loan upon his property or refinances it in an amount which is greater than the loan in effect at the time he obtained his exemption, he would lose his exemption.

As Committee Substitute for Senate Bill No. 127 is presently written I think there still is a clear opportunity for a person to use the bill to rip off the public taxpayers to the tune of several hundred thousand dollars. The basis for the rip off would be to obtain a loan upon a parcel that is greatly increased in value as opposed to selling a property which is greatly increased in value because of the availability of sewers.

In my last letter to you I indicated the opportunity for making a quick several hundred thousand dollar profit under Senate Bill No. 127 as originally introduced. I think that this opportunity still remains; it's just a little harder to do it under the revised Bill.

As you know, sometimes it is more advantageous to get money out of an appreciated property by refinancing it than it is to sell it outright and take the capital gain. If the property is refinanced there is no income tax to pay on the capital gain. For example, assume that an apartment house has been sold to a person over 65 years of age for $100,000, $25,000 of which is a cash down payment and $75,000 of which

was loaned with the apartment house as security for the loan. Because of demand, economic conditions, inflation, etc., the property becomes worth $150,000 in a few years. The person over 65 would have the choice, if he has to get some money out of the property, of either selling it and taking the $50,000 capital gain, upon which he has to pay income tax, or, he could refinance the property at, say, 75%-85% and get some $112,500 to $127,500 in cash which would be sufficient to recoup the original $25,000 investment and earn an additional $12,500 to $27,500.

Now, consider the case where a person over 65 has a property on which his residence is located, comprised of 40 acres and worth $10,000 an acre, for a total of $400,000. In the Anchorage area the availability of small lot zoning generally hinges upon the availability of sewerage. If the property owner can get the property sewered through a lateral improvement district and have the State of Alaska pick up his share of the assessments, he could very easily quadruple the value of his property by coupling the availability of sewage with new zoning to smaller residential lots. This happens over and over again in the Anchorage area. The result would be that a property formerly worth $10,000 an acre or $400,000 will, almost overnight, become worth $40,000 an acre for a total value of $1,600,000.

Under Committee Substitute for Senate Bill No. 127 the owner would have to repay the sewer assessment to the State if he should sell, and the sewer assessment would be an offset against the $1,200,000 profit on the property. However, to get around this, the property owner can be instrumental in bringing about the formation of a lateral improvement district which would benefit his property, obtain State contributions for the amount of sewer assessments allocable to his property, obtain the rezoning and the quadrupling of value, and then borrow an amount equal to, say, 50%-60% of the value of the appreciated property. He would borrow approximately $800,000 to $960,000 and would earn an immediate $400,000 to $560,000 profit, which profit would be made possible solely as a result of State financing of the sewer assessment.

For a period of several years I spent a great deal of time working on refinancing deals of just this kind which were intended to generate cash without tax liability. Pat McKee, Borough Assessor, could give you some specific examples of

property in the Anchorage area that would be suitable for this type of operation if the property were sold to a person over 65 years of age or if the property were presently owned by a person 65 years of age.

I think that any members of your committee who work with the banks or lending institutions would confirm the feasibility of making a quick profit in the manner outlined above.

You need an amendment to plug the loophole.

Sincerely yours,

GREATER ANCHORAGE AREA BOROUGH

Gary Thurlow

Gary Thurlow
Borough Attorney

GT/vjb

cc: Sam Cotten
Lee McAnerny
Pat McKee

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 10, 1975

FILE NO.

SUBJECT: CSSB 127

Hon. Sam Cotten, Chairman
House Community and Regional Affairs Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Chairman Cotten:

I do not believe that CSSB 127 would create an exemption from sewer and water assessments for senior citizens who reside in a home rule municipality. The bill provides for exemption from assessments "under this chapter", this chapter being Chapter 63 of Title 29 of the Alaska Statutes. Home rule municipalities do not derive their authority to act from statute, nor is their authority limited in any manner by Title 29 except by those parts of Title 29 which are made specifically applicable to home rule municipalities. Those sections of Title 29 which are specifically applicable to home rule municipalities are set forth in AS 29.13.100. You will note that no part of Chapter 63 appears in this home rule shopping list section.

Because Chapter 63 of Title 29 is not applicable to home rule municipalities, special assessments made by home rule municipalities would not, in most cases, be assessments "under this chapter". The effect of enactment of the current language would be to provide an exemption from the named special assessments only for those senior citizens who reside in general law municipalities. If it was intended that the benefits of the exemption accrue to any senior citizen without regard to the character of the municipality in which he resides, a fairly simple change to the language of the bill will accomplish that purpose. The phrase "under this chapter" appears in lines 12 and 13; if this phrase is changed to "by a home rule or general law municipality" in both places the Act would then accomplish its intended purpose. If the above suggested amendment, or one similar to it, is made, then a second section reading as follows should be added to the bill:

Section 2. AS 29.13.100 is amended by adding a new subsection to read:

Sec. 29.13.100(36). AS 29.63.065 (Special assessment exemptions).

The new section to the bill is required in order to add the proposed section AS 29.63.065 to the home rule shopping list.

There are several questions which you may want to consider relating to the recapture provision. This provision, which starts at about line 14, applies only to property which has been exempted under subsection (2). If it is intended that the recapture provision apply upon the sale or other conveyance of any property which has received an exemption under the proposed section, the recapture provision should be redrafted to make it applicable to the conveyance of any property receiving an exemption under this chapter upon its conveyance and also to any property which has been exempted under (2) upon its receipt of the water connection. Also, the present language of the recapture provision appears to make the repayment a personal liability of the owner rather than a liability of the land. The initial assessment is a liability on the land and not a personal liability of the owner. The bill speaks of the "person exempted" at about line 14 rather than the property exempted. The recapture provision also raises questions as to whom the obligation for repayment runs. At about line 18 the bill provides that "he shall pay the special assessment from which he was initially exempted." As a special assessment was levied by the municipality, was it intended that the seller pay the recaptured assessment to the municipality, which has been reimbursed by CRA for the exemption? Or is the seller obligated to repay CRA? Also, would it be desirable to create a lien running in favor of the state upon its reimbursement of the exemption to the municipality? Such a security device, however, may tend to shift the burden of repayment to a buyer.

The definition of "resident", which begins at about line 19, is probably unconstitutional as a denial of the equal protection of the law. It is also possible that it could be stricken as a violation of a citizen's right to travel under a recent line of U. S. Supreme Court cases.

If I can be of any assistance, please do not hesitate to call on me.

Very truly yours,

Gerald L. Sharp
City-Borough Attorney

GLS/plw

GREATER ANCHORAGE AREA BOROUGH
3500 EAST TUDOR ROAD
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW
279-8686

February 25, 1975

Senator Pat Rodey, Chairman
Community and Regional Affairs Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Re: Senate Bill No. 127 - An Act Related To Special Assessments

Dear Senator Rodey:

Greater Anchorage Area Borough assessment revenues would not be affected by Senate Bill No. 127 because of the reimbursement provisions of A.S. 29.53.020(E)(I) which Senate Bill No. 127 incorporates.

However, you may want to place some income and property valuation limitations on persons who can qualify under the act. There are currently several residents 65 years of age or over in the Greater Anchorage Area Borough who have properties on which they live, which properties are of a value in excess of $2,000,000. These persons are already exempted from real property taxation under A.S. 29.53.020 and the annual state subsidy for these persons in the Anchorage area runs as high as $5,000 per year per property owner.

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For example, if a 40 acre tract of ground, worth $400,000 in an unsewered state, upon which the owner has his permanent place of abode, is sewered and is zoned R-1, as many as 120 lots could be carved out of the property. This is three lots per acre. If each lot were sold at $20,000 each, which is a common price for a lot in the Anchorage area, and if the development cost for each lot were $10,000 each, the total net profit for the lots would be $800,000 ($2,400,000 in gross sales less $400,000 in land costs less $1,200,000 in development costs).

Very often the difference between large lot zoning and small lot zoning is the availability of municipal sewage systems. It is very common in the Anchorage area for property to triple and quadruple in

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value because of the availability of municipal sewerage and because of a change in zoning from large lot to small lot zoning which municipal sewerage permits. For some years now one of the greatest opportunities for profit in the Anchorage area has been conversion of land from less intense use to more intense use.

To avoid use of Senate Bill No. 127 by those who are interested in holding or acquiring land for speculative purposes, I suggest a maximum gross income limitation of $15,000 per property owner plus an acreage limitation sufficient to just cover the area reasonably required for use by the resident's place of abode, say one-half acre.

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To my knowledge, all recent sewer assessment districts in the Greater Anchorage Area Borough have been initiated by property owners. They have petitioned the local governing body for laterals on the basis that either their properties are being damaged because of lack of municipal sewers or that they could make better use of their properties with municipal sewerage. Typically, there will be twenty to forty property owners in a lateral improvement district, and typically it takes approximately one half of the property owners in a proposed district to satisfy the statutory requirements for initiating a petition (property owners owning one-half in value of the property in the proposed district must sign the petition). Sewer assessments for laterals are virtually always initiated at the neighborhood level. They are not imposed by the Assembly.

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might be well if I wrote this letter to emphasize the opportunities to speculate with land at the state's expense if sewer assessments are subsidized by the state for a particular property owner.

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Very truly yours,

Gary Thurlow

Gary Thurlow
Borough Attorney

GT/kj

Pat, I notice that CS for Senate Bill 127 is quite different than the bill as originally introduced. Even so, I thought you would be interested in some of the observations on the original bill so I will send this letter anyway. Gary

CSSB 127

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

Pouch H01, Juneau 99811

March 5, 1975

The Honorable Samuel R. Cotten
Chairman, House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Cotten:

Enclosed are this Department's position papers concerning HB 227 relating to senior citizen municipal tax exemption and CSSB 127 relating to municipal special water assessments.

Sincerely,

Frederick McGinnis

Frederick McGinnis
Deputy Commissioner

Enclosures

OFFICE ON AGING

POSITION REPORT
ON
House Bill #227

"An Act relating to the senior citizens municipal property tax exemption authorized under AS 29.53.020."

This act makes provision for a person 65 years or over to make application for exemption for that year if, in the opinion of the governing body of the municipality, there is good cause shown to waive the claimant's failure to make timely application for the exemption for that year and authorizing the assessor to accept the application as if timely filed.

If a claimant whose failure to file by January 15 of the assessment year has been waived and the exemption is approved, the amount of tax, penalty, or interest already paid for the assessment year with respect to the property exempted shall be refunded.

We are unable to reliably estimate the cost of this amendment. Such figures and a fiscal note could be prepared by the Department of Community and Regional Affairs, that state agency having authority and jurisdiction over implementation of this chapter.

This Office has received a letter from an apparently qualified senior citizen, who was unable to have his application for exemption to be received in time. (copy attached). If the act passes, it would provide an exemption for this person.

This Office supports the passage of this amendment, provided the Governors FY 76 Budget is not adversely affected.
Attachment - letter from Daniel Boone Reed.

Submitted By: M D Hardwick Coordinator Aging office — March 5, 1975 (Date)

Approved BY: Frederick McGinnis Deputy Commissioner — March 5, 1975 (Date)

over a period

Con | line 18-19 after succession; make land liable rather than the person, who also, at the time could own the land

possible limitations; use language as in senior citizen Prop. tax.

what of limits on annual gross income or property value

limits of assessed value.

HCS for CSSB127

3/18/75 - Conversation with Dozier.

1. Making the requirements & limitations of the senior citizen property tax exemption & this special assessment exemption the same would facilitate not only the administration by the department, but also the application by the eligible resident. There's no reason why they couldn't apply for both programs with one application - this would probably insure more use of the program by those it's aimed to serve.

2. Defining the amounts of land allowed for exemption would restrict some rip-offs and would also give teeth to the way the sr. citizen's property tax exemption is being enforced. Presently there are no guidelines set out by law.

3. Limiting the income, and checking tax statements to verify this, is going to add another layer of administration, which is something to consider in a $100,000 program.

Hearings

CSSB 127		Notified	Present	Testified
3/6/75	Comm. Williamson, H&SS 3030	X		
	(who will notify office of Atty Gen) Plotnik	X	X	X
	CRA, Dozier	X	X	X
	Municipal league	X		
	Lee Sharp, City Atty, CB Duncan 586-3300	X	(written testimony) X	X
	AML	X	X	X
	CRA, Bob Dozier	X	X	X
	Comm. Williamson, H&SS (Plotnik)	X		
3/18	Lee Sharp	X	X	
	M.L.	X		
	CRA, Bob Dozier	X	X	X
	Senator Ray	X		
~~3/21~~	Municipal League	~~X~~		
	CRA, Dozier	~~X~~		
3/24	Dozier, CRA	X		
	M.L.	X		
	Lee Sharp 6-3300	X		
	Senator Ray	X		
4/30	Dozier	~~X~~ X		
	M.L.	X		
—	Senator Ray	X		
	Lee Sharp (6-3300)	X		
	Vivian Lowndes 6-1572	X		

SB-138

"An Act relating to zoning in state parks."

COMMITTEE REPORT

3/14/75 HOUSE JUDICIARY

Mr. Speaker: Date 5 21

The Committee on C&RA has had SB 138 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(X) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam R Cotten	Do Pass	
Kathryn Ostrosky	" "	
Mike HERSHBERGER	" "	

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam R Cotten
Chairman

TAPE #14
side 1
388-822

House Committee on

COMMUNITY & REGIONAL AFFAIRS

M eting Minutes
May 21, 1975

Meeting was called to order at 9:15 to discuss SB 259am, SB 138, CSSB 90.

Rep. Cotten	Barbara Thomas, Staff
REp. Ostrosky	Andrea Guernsey, Staff
Rep. Hershberger	Senator Orsini
Rep. Freeman	Rep. Smith
	Bob LeResche, Fish & Game

SB 259am

Senator Orsini passed out a proposed Committee Substitute that would give the local government a year to act. The bill takes effect June 1, 1976. But he thinks the new Anchorage Borough Assembly will take action on it. Nobody had any objections to the substitute so it was adopted and the bill was reported out.

REPORT OUT

SB 138

Rep. Cotten suggests replacing section b with "before any such regulations are enforced they shall be submitted to and approved by the legislature "

AMENDMENT

PRIVATE LAND IN PARK

Rep. Freeman still wants to know if private land surrounded by a state park is within that park? Rep. Smith said that according to this bill that land would be within the park and subject to zoning.

Senator Orsini offered some different language for secion B, to the extent that if the legislature didn't act the regulations would take affect. Sam likes the first language better but agrees to change "are enforced" to "takes effect" for the sake of clarity.

REPORT OUT
COM. SUB.

Rep. Ostrosky moved to adopt the amendment and report the bill out. Without objection so moved.

CSSB 90

Oral still wants to know whether the equipment is sold or given. The "shall transfer" was changed to "may transfer" in the committee substitute.

REPORT OUT

The bill was reported out.

Meeting was adjourned at 9:50.

TAPE #13
side 1
415-1099

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 6, 1975

Meeting was called to order at 9:25 to discuss SB 138, SB 259am. Present:

Rep. Cotten
Rep. Hershberger
Rep. Ostrosky
Rep. Freeman
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff

Senator Rodey, Sponsor, SB 138
Senator Croft
Rep. Smith
Frank Jones, Director, Game Division
Kathy Jacobsen, Natural Resources

PRIVATE LANDS PART OF PARK?

Freeman wanted to know if the private land within the area were a part of the park or not? Croft said they were not. The language in the bills establishing Chugach and Kachemak excludes valid entries specifically. The A.G.'s office said that if SB 138 passes the courts will interpret this as an intention by the Legislature to provide zoning authority over lands,even though the language in the bill that established them exludes private lands from this.

ZONING?

Freeman's concern is the land inside municipal boundaries. Zoning should be regulated by the municipal governemtn and not by the State. Rep. Smith disagrees. A park is an area where the State has a large interest with only isolated private parts. It is logical that it be managed by the State.

STATUS OF EMMINENT DOMAIN IN PARKS

Chairman cotten asked if there was a prohibition against emminent domain in Chugach? Ted Smth gave a run down of all the parks created by Legislative Action:

Nancy Lake REc. Area: no restriction against em. D.. has been zoned by Mat-Su Borough;

Chena River REc. Area: prohibition against E.D. except for access. Dept. of Natural REsources can zone;

Captain Cook Rec. Area:no restriction against E.D. Kenai Penn. Borough hasn't exercised any zoning authority;

TAPE #13
side1
415=1099

SB 259am
5/6/75

FRANK JONES

Mr. Jones showed the Committee a map of the Potter Point refuge. Most of the land is below the bluffs in a marshy area which is used for ducks. It is possible that some development could be made on tne privatelands that wuld not be compatible. They are presently attempting to buy the 700 acres of private land involved. The purpose of the bill is to exclude any further incompatibel developemnt.

Meeting was adjourned at 10:00.

PAUL C. LOWE
BX102 E. LAKERIDGE
EAGLE RIVER, AK
99577

EAGLE RIVER AK
APR 16
PM
1975
99577

Samuel Adams Patriot

U.S.Postage 8¢

Rep. Sam Cotten
Pouch V
Juneau, Ak, 99801

Dear Mr. Cotten, 3-16-75

I am writing you to urge your support for several bills before the House. In particular, I believe HB 21 and SB 138 are in your CRA committee. I hope you will report these out favorably as soon as possible, as I feel both are very desirable legislation. In addition, HB 106 & 163 are in Judiciary, & I hope you will get them to the floor ASAP, too.

Finally, these bills are, I think, in Resources, & anything you could do to get them out & passed by the House at large would be appreciated:

HJR 13, HB 3, 29, 57, 232, 278.

Thanks.

Paul Chrome
Chugiak

Rainbow Valley
Indian, Alaska 99540
May 1, 1975

Rep. Sam Cotten
House of Representatives
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Rep. Cotten:

I understand House Bill 106 concerning zoning in state parks is currently before your committee. I understand the intent of this bill is to control growth so that it is compatible with the environment in the state park. I wholeheartedly support this bill if it does in fact limit growth.

However, the wording of the bill does not eliminate the possibility that the Dept. of Natural Resources could zone in favor of higher density populations. The wording gives the Dept. of Natural Resources leeway in either direction. Would it be possible to tighten the wording of this bill in some way?

We live in an area completely surrounded by Chugach State Park. It is a wonderful experience, and hopefully this bill would give more people the opportunity to experience this also.

Sincerely,

Elizabeth Holloway

HB 106
SB 138

March 8, 1975

Representative Samuel R. Cotten
House Judiciary Committee
Pouch V
Juneau, Alaska 99801

Dear Representative Cotten:

We are writing in regard to HB 106 which is before your committee along with the companion bill SB 138. The intent of the legislation is very good and we support the concept. There are however several questions as to the language. The statute creating the Chugach State Park, AS 41.20.210 has the unusual language "excluding valid entries" which may exclude these private lands from coverage under the bill which states "private property in state parks". Also, the working of the bill would not include coverage of state recreation areas, waysides, historic sites, etc. Would not it read better to say "within the exterior boundaries of an area in the state park system".?

Also, are we not headed for conflict with the boroughs if their authority to zone is not amended? Two agencies with the same authority may cause conflict which should be avoided by proper wording now.

Sincerely,

R. K. Alman
Richard K. Alman

Edith L. Alman
Edith L. Alman
1514 Marten Street
Anchorage, Alaska 99504

Zoning in State Parks.

An act to authorize zoning in state parks.

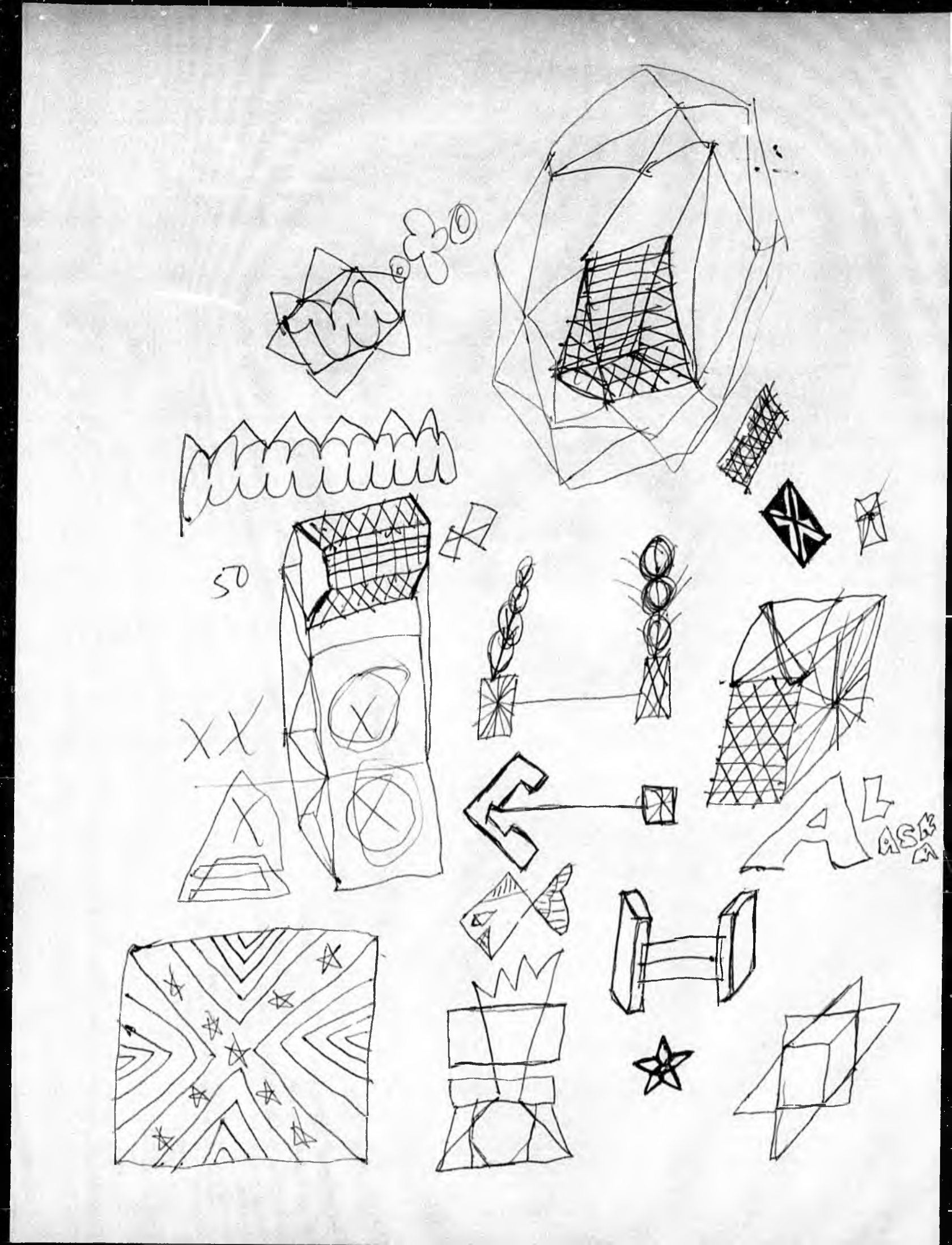
Where (a) a municipality has not exercised its zoning powers as to private land w/i the exterior boundaries of a state park or

(b) the commissioner or his delegate has determined that municipal zoning as to lands designated in (a) is incompatible w/ the purposes for which the park has been established, or is inconsistent w/ the objective of park preservation, or is otherwise inadequate to protect the natural and environmental values of the park,

the commissioner or his delegate shall either

(i) issue regulations to promote the policies for which the park was established or

(ii) require that any development be preceded by a permit, which shall be issued if such development is for a compatible use.


50
XX
ALASKA

MEMORANDUM State of Alaska

TO: Honorable William C. Fackler
Acting Commissioner
Dept. of Natural Resources

DATE: February 18, 1975

FILE NO: Em. Dam

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General
Dept. of Law

SUBJECT: Regulation of Private Land in State Parks and Recreation Areas

By: Rodger W. Pegues
Assistant Attorney General

The Director of the Division of Parks has requested an opinion on this subject. Rather than issuing a formal opinion, we are responding by this memorandum.

The authority of the Director to designate "incompatible uses" and establish rules and regulations governing them arises from AS 41.20.020(6) and AS 41.20.040. It is also contained, generally, in the legislation establishing or authorizing parks and recreation areas. E.g., AS 41.20.140; AS 41.20.180; AS 41.20.230; AS 41.20.310. While it may be argued that this authority is broad enough to regulate use of private lands within the boundaries of a state park or recreation area (i.e., so-called inholdings), our view is that it does not.

Each of the several statutes authorizing or establishing state parks and recreation areas refers expressly to "state-owned lands" or "state-owned land and water" and each also includes land acquired by the state in the future. See, e.g., AS 41.20.130-140. The purpose of each is set forth as "to restrict state-owned lands and waters" for use as a park or recreation area. [Cf, AS 41.20.130] While, as in the act establishing Chugach State Park, the legislature expressly reserved "the lands and waters . . . from all uses incompatible with their primary function as a state park . . . ." AS 41.20.210, those lands and waters are "state-owned", AS 41.20.200, 210, and "valid entries" within the park's boundaries are expressly excluded. AS 41.20.210. So too, in establsihing Kachemak Bay State Park, the legislature expressly excluded valid entries and leaseholds (both existing and applied for) from the park. AS 41.20.260(c).

Additionally, each of the several enabling statutes and the general park and recreation act, AS 41.20.010-047, provide for the acquisition of private land. And the act establishing Chugach State Park provides for modifying its boundaries where conflicts of land ownership are "unmanageable other than at unreasonable cost and expense to the state . . . ." AS 41.20.220. While these provisions are not dispositive of the issue, coupled with the express exclusions of valid entries and the reservation

only and expressly of state-owned land and waters, they create a strong inference that the language prohibiting incompatible uses or authorizing their regulation refers to state-owned land and not to inholdings.

Accordingly, th statutory scheme is to reserve and protect state-owned land and water within state parks from incompatible use but to exclude from the parks both private lands and lands owned by the state but subject to a valid entry. The regulatory power extends only to the state-owned lands and not to inholdings. Indeed, the exclusion of those lands from the parks suggests that they are not, in fact, within the park boundaries, e.g., AS 41.20.260(c), and that they are not properly to be denominated as inholdings.

We can appreciate your concern and regret our negative answer. You may wish to seek ameliorative legislation.

AMG:RWP:pg
Att.

5/6/75

SB 138

	Notified	Present	Testified
Natural Resources (Kathy Jacobson) (24:6)	X	X	
(ask if Div. of Lands or Div. of Parks wants to testify)			
C&RA (esp. Kevin Waring)	X		
Sen. Pat Rodeg	X	X	X
Sen Agency Cnslt	X	X	X

8

SB-207

"An Act relating to the requirements for run-off elections in municipal elections."

COMMITTEE REPORT

3/21/75 HOUSE JUDICIARY

Mr. Speaker: Date 3-28-75

The Committee on C&PA has had SB 207 am under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S).

(X) recommends it BE REPLACED WITH HCS FOR SB 207 (same title) AND THAT HCS FOR SB 207 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam Hall	Do pass	[illegible]
Thurman Bristol	Do pass	Lowell Lee
Fred Cowan		
Glenn Hackney		

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam R. Hall Chairman

TAPE # 7
side 2
495-1363

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

Meeting Minutes
March 28, 1975

Meeting was called to order at 9:00 for discussion of HB 265, 266 HB 223 and SB 207 am. Present:

Representaive Sam Cotten, Chairman
" Al Ose
" Larry DAvis
" Kathryn Ostrosky'
" Glenn Hackney
" Oral Freeman
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff'
Jean C. Muhou, City Clerk, Anchorage
Mary Coffery, Borough Clerk, GAAB
Judi Slajer, Borough Clerk, Ketchikan Borough
Donald E. Clocksin, Legal Services

HB 265, 266 (community assistance)

(495) First order of business of HB 265. Chairman Cotten read a letter from Commissioner McAnerney saying that only 1st and 2nd class cities were eligible for grants—Home Rule cities are not. This clears up Ose's problem of Anchorage maybe trying to use this program. Rep. Ostrosky moves to report bills out. Reps. Hackney and Freeman object. The Chairman calls for a show of votes to report out. Four voted to move out: Cotten, Davis, Ose and Ostrosky. Bills reported out with individual recommendations.

HB 223, SB 207am

(580) Next on the agenda were election bills. Ms. Slajer said they wanted the language of SB 255 in SB 207am. Hackney objects to taking up bills not in this committee (SB 255). Testimony was restricted to 207 and 223.
(712) Rep. Ostrosky notes technical error in spelling of the word "runoff". Word is hyphened in SB 207 and not in HB 223.
(725) Ms. Slajer in favor of concept in SB 207 but want to change the wording a little. SB 255 is same but better wording. REp. DAvis asked if it wasn't already in ordinance requiring run off for Mayor. Want to exempt all from run off except Mayor.
(767) Ostrosky asked if they needed a plurality vote? Yes, they do.

(775) Hackney-HB 223requires exemption be ratified by voters--essentail. Different from SB 207. (800) Coffery explains problem with GAAB. Two different sets of standards for same body. Hackney wants people to be able to vote. Coffery wants option by ordinance. Rather than voting on the question the people would vote on the people and if they weren't satisfied the council would hear about it. (885) Ose definitely opposed to ordinance. (898) Freeman wants to know what is wrong with council making ordinances? (925) Ms. Coffery said this position was endorsed by the Alaska Association of Municipal clerks which inlcudes 37 municipalities. (94?) Hackney asked what objections they had to the people voting on the question. Jean's response was that the people would voice their displeasure. Coffery explained the GAAB situation. She thinks run off is farce.

(1069) Cotten agrees with Hackney. Question would not cost extra money. Would be voted on at general election or regular or special election. (1103) Jean said the voters didn't vote in the first place to require run off elections. Ostrosky asked what the sentiment was to drop run offs. Ms. Coffery said the association has held the same positon for the last couple years. She has enough faith in governing body.

(1159) Ms. Slajr said that HB 223 does give some option.

(1175) Cotten-Home Rule cities exempt from whole thing. HOme rule already has option with Charter.

(1230) Cotten asks Hackney if adding " of any of its officials" on line 11 would clear things up. Hackney has no objection.

Ms. Slajer said that SB 255 that theremust be a run off for mayor and HB 223 would allow the people to vote on exempting any position so there will have to be a correlation sometine of that discrepancy.

(1265) Freeman suggests taking the language from HB 223 and placing it in SB 207 and let it be settled in free conference. Hackney has no objection. (1306) Freeman moves to report out a committee substitute for 207 which would delete paragraph B in 207 and replace it with para B in 223 with the addition of <u>any of its officials</u> on line 11.

Bill was reported out with committee substitute.

ENd 1363. Meeting adjourned at 10:00.

Sam - Notes on the election bills before the committee Fri: 3/28/75 BEX

HB 218 Eligibility requirements for elective municipal offices SB 209

The assembly ~~art~~ Council of a municipality may by ordinance establish residence requirements for candidates borough mayor, city councilman, city mayor. ~~—~~ The requirement cannot exceed 3 years.

This language already appears in AS 29.23.050, Qualifications for borough assemblymen.

Runoff Elections in Municipal Elections SB 207 am, HB 223

A municipality may exempt itself from the requirements of this section and provide for a plurality vote for election of officials.

HB 223 - The ordinance shall be ratified by a majority of the voters voting on the question at a general election or at a regular or special municipal election

SB 207 am - Exempts elections for the office of Mayor [There would have to be a run-off election if no candidate for Mayor got ~~at least 40%~~ of the votes cast.] The municipality (assembly/council) by ordinance require that he receive a majority

SB-209

"An Act relating to eligibility requirements for elective municipal offices."

COMMITTEE REPORT

3/11/75

HOUSE

Mr. Speaker: Date 4/22/76

The Committee on C&RA has had SB 209 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Oshoske DP

DP

	" "	
Jerry Hackney	" "	

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

TAPE #10
side 2
0-683

4/21/75

HB 290, 291	Chairman cotten asked for the consensus of the Committee on these two bills. The members wanted them left in Committee until next year.
HB 377	Freeman doesn't see any reason for the bill. The rest of the Committee concurs. DEAD.
SB 125	This is the same one as HB 172 passed out earlier. Hershberger suggests leaving this one in committee and letting HB 172 go through the stages. Let a representative have this one. REst of the members concur.
HB 293	The Chairman received a telegram from Kodiak who are opposed to this bill. Freeman said that the Anchorage city and borough are interested. Want to wait for more testimony on this one.
HB 259	Hackney wants to study for the rest of the session. Cotten said the sponsor doens't want to see it again. Dead for now.
HB 218 SB 209	Cotten said there was a constitutional problme with these bills. Dead for now.
HB 322, 359	Hackney wants rep. Specking to come.Also Chenoweth. These bills will be taken up tomorrow.
ADJOURN	Meeting was adjourned at 10:00.

ALASKA ASSOCIATION OF MUNICIPAL CLERKS
% Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska

TO: Senate and House State Affairs Committees, Senate and House Finance Committees, Senate and House Community and Regional Affairs Committees and Senate and House Judiciary Committees

DATE: March 27, 1975

SUBJ: AAMC POSITION ON ELECTION LEGISLATION

This is a position statement of the Alaska Association of Municipal Clerks on the following bills pertaining to elections and under consideration by the Ninth State Legislature.

HB 10 Increases the payment of election judges, clerks and counters from $3.50 per hour to $5.00 per hour.

Referral - Passed House.

POSITION: Opposed. This bill, if passed, would increase the cost of election boards by 33%. Average increase for local elections, statewide, would be $33,750.00 per election. In conjuction with HBs 199 and 204, which lengthen the hours that polling places are open on election day, the costs would be even greater. We consider this to be an astronomical increase in local election costs which communities would have to bear.

HB 53 Changes the State General Election to the "first" Tuesday of November in every even numbered year instead of the "first Tuesday after the first Monday". Changes the date of the State Primary from the "fourth Tuesday of August" to the "first" Tuesday of "October" of every even numbered year.

Referral - State Affairs; Finance

POSITION: Opposed. Passage would make State Primaries and local elections fall on the same day. One is partisan and one non-partisan. Implementation of the passed bill would mean two separate precinct boards, two sets of procedures and shuffling of voters from one board to the other and vice versa. The State Election Offices may find it very difficult to prepare for two major State elections only one month apart. Voters would be vividly faced with the differences between local and state election procedures.

By law, the Federal election is held the "first Tuesday after the first Monday" of November. With passage of this bill there would be occassion that a State General Election would be held a week previous to the Federal election.

HB 54 Changes the administration of state elections from the Lt. Governor to an Alaska Election Administration Commission.

Referrals: State Affairs and Finance Committees

POSITION: Opposed to the bill in its present form. We support the theory of removing the Lt. Governor from the direct line of fire in being responsible for the conduct of elections. We would propose a State Elections Commission under the Office of the Lt. Governor which would have the responsibility for the conduct of the elections.

The Commission should be composed of five members all of which have expertise in the conduct of elections. This Commission would consist of the Lt. Governor as Chairman; a representative of each major political party selected from a list of three persons submitted by each party; a representative of a political action group and a fifth member whose current responsibility includes the conduct of municipal elections.

HB 199 HB 204 Changes the time for opening and closing the polls from 8:00 a. m. - 8:00 p. m. to 7:00 a. m. - 9:00 p. m. and 6:30 a. m. - 7:30 p. m., respectively.

Referrals: State Affairs and Judiciary.

POSITION: Opposed. Based upon prior experience of polls opening at 7:00 a. m. and closing at 8:00 p. m., we have found 12 hours to be a sufficient amount of time for voting. Surveys taken during that period of time indicate that, at most, only two voters per precinct voted during that morning hour while precinct boards were being paid at full staff capacity. The extension of hours would greatly increase costs, without justification from voter turnout. The addition of hours in the evening to an already existing 14 or 16 hour day would decrease efficiency at a time when accuracy is most critical.

HB 207 Allows voter to register any time of the year, even at the time of voting and allows a voter to vote if qualified in the election district rather than "precinct".

Referrals: State Affairs and Finance

POSITION: Opposed. Those voters choosing to register and vote on election day will, in all cases, have to vote a questioned or challenged ballot since there is no way for a precinct election judge to determine at that time the clear and unquestioned qualification of the voter.

The increase in questioned and challenged ballots then directly affects the time between election and canvass, delaying canvass because of the increased amount of investigation required. The bill, if passed, would discourage making timely change of address as well as early registration and would render the registration rolls virtually useless for the purposes for which they are

presently utilized, i: e. checking of nominating petitions, candidate mail out, initiative and referendum petitions.

HB 214 Provides that when none of the required persons is available for witnessing an absentee ballot it can be done by a single attesting witness who is at least 18.

Referral: State Affairs and Judiciary

POSITION: Opposed. As we feel AS 15.20.150 as it exists provides sufficient flexibility to secure witnesses for purposes of absentee voting.

HB 217 Exempts municipal elections from State law governing election campaign contributions and expenditures.

Referral: State Affairs and Judiciary

POSITION: Endorse. Local government should not be required to conform to standards set for state government unless it is the desire of local government. Candidates for local office find the reporting to be a form of harrassment. The inquiries into local campaign contributions have been minimal.

HB 218 Provides that residency requirements not exceeding three years be set for borough and city mayors and councilmen.

Referrals - Community and Regional Affairs and State Affairs

POSITION: Endorse. Home Rule City may now prescribe additional residency requirements for Mayor by charter. Amendment would extend privilege for prescribing durational residency requirements to general law cities and boroughs for the offices of councilmen and mayor.

HB 219 Provides for registration officials to serve in each polling place during municipal, primary and general elections.

Referrals - State Affairs and Finance

POSITION: Endorse. The registrar would be right at the polling place to make a change of address, name, etc. This would enable the voter who is angry at the time of voting because he made a change of address and it did not make the list - or didn't make a change and is just angry at having to vote a questioned ballot - to have his anger somewhat lessened, if not totally, by having a registrar available at that time to make the necessary change. This would aid in making the registration rolls more accurate and be an added convenience to the voter.

HB 223 Provides that a municipality may provide for plurality vote for election of official by ordinance ratified by a majority of the voters thus exempting itself from the 40% run-off requirement.

Referrals - State Affairs

POSITION: Support. Present 40% run-off provision is discriminatory in the first place by exempting home-rule cities. Home-rule cities have representatives on Borough Assemblys which may be elected by standards different than are required for the other Assemblymen. Voter apathy is apparent when examining voting statistics for run-off elections. Many times a candidate has won a run-off election with less votes than received in the general election. This is difficulty in computing the 40% in multi-seat races. Statistics show that the 40% run-off has only infrequently changed the outcome of the regular election. The run-off election is often more costly than the general election - in Borough's having an areawide run-off and not sharing election costs with the cities as they do in general elections.

HB 233 Provides that a voter who has failed to obtain a transfer from one precinct or election district to another may vote a questioned ballot in the district where he resides on election day.

Referrals - State Affairs

POSITION: Oppose. Endorse instead HB 300.

HB 240 Provides a tax credit against Alaska Income Tax to a taxpayer who votes in a state or local election during the tax year.

Referrals - State Affairs and Finance

POSITION: Opposed. Voting is a right, not a commodity to be purchased for $10.00. Money has never proven to be a lasting incentive to sustain initiative.

HB 300 Clarifies voter's residency requirement.

Referrals - State Affairs and Finance

POSITION: Endorse. This bill will further clarify "residency requirements" for voting purposes by establishing criteria for judgements that have to be made at every election and affecting not only the voters, but candidates as well.

SENATE BILLS

SB 206 Provides that a voter who has failed to obtain a registration transfer shall vote a questioned ballot in his precinct of residence.

Referrals - State Affairs

POSITION: Opposed. Endorse instead HB 300.

SB 207 Permits a municipality to provide for plurality vote for election of officials by ordinance.

Referral - Community and Regional Affairs

POSITION: Opposed. Endorse instead SB 255.

SB 208 Provides for registration officials to serve in each polling place during municipal, primary and general elections.

Referrals - State Affairs

POSITION: Endorse. See HB 219.

SB 209 Provides that residency requirements not exceeding three years can be set for borough and city mayors and councilmen.

Referrals - Community and Regional Affairs

POSITION: Endorse. See HB 219.

SB 237 Changes time for opening polls from 8:00 a. m. to 6:30 a. m.

Referrals - State Affairs

POSITION: Opposed. See HB 199 and HB 204.

SB 255 Run-off Elections.

Referrals - Community and Regional Affairs.

POSITION: Opposed.

SB 269 Punch card voting.

Referrals - State Affairs

POSITION: Endorse. Existing statute does not deal efficiently with punch card voting.

SB 270 Municipal Election Date.

Referrals - Community and Regional Affairs

POSITION: Oppose.

These positions were developed from a statewide consensus of the thirty-seven members of the Alaska Association of Municipal Clerks, who serve with the municipalities as shown on the attached list.

Judi Slajer, President
Alaska Association of Municipal Clerks

Mary Coffey, Legislative Committee
Clerk, Greater Anchorage Area Borough

Jean Michou, Legislative Committee
Clerk, City of Anchorage

Alaska Association of Municipal Clerks

MEMBER MUNICIPALITIES

1975

City of Ambler
City of Anchorage
City of Angoon
City of Cordova
City of Craig
City of Delta Junction
City of Dillingham
Fairbanks North Star Borough
City of Fort Yukon
Greater Anchorage Area Borough
City of Haines
City of Homer
City of Hoonah
City and Borough of Juneau
City of Kenai
Kenai Peninsula Borough
City of Ketchikan
Ketchikan Gateway Borough
City of Kodiak
Kodiak Island Borough
City of Kotzebue
Matanuska-Susitna Borough
City of Nome
City of North Pole
City of Palmer
City of Petersburg
City of Seldovia
City of Seward
City and Borough of Sitka
City of Skagway
City of Soldotna
City of Unalaska
City of Valdez
City of Wales
City of Whittier
City of Wrangell
City of Yakutat

SB 209

		Notified	Present	Testified
3/28/75	Alt Municipal League	X	\	
	C & RA	X		
	Lt. Governor's Election Office	X		
	Mary Coffee, GAAB clerk	X		
	Ed Hildebrand, C & B Juneau	X		

SB.227

"An Act relating to sale or other disposition by an organized borough or agricultural land."

COMMITTEE REPORT

4/22/75

HOUSE

Mr. Speaker: Date 4-29

The Committee on C&RA has had CB 227 am

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(4) recommends it BE REPLACED WITH CS FOR SB 227 AM AND THAT CS FOR SB 227 AM DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam Cotta | [illegible] | _____

Thomas Kane | _____ | _____

[illegible] | _____ | _____

_____ | _____ | _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam Cotta Chairman

TAPE # 11
side 2
1409-end

TAPE #12
side 1
0-333

House Committee on

COMMUNITY & REGIONAL AFFAIRS

meeting Minutes
April 29, 1975

Meeting was called to order to discuss SB 227am. Present were:

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. DAvis	Andrea Guernsey, Staff
Rep. Ostrosky	Kevin Waring, Director, Community Planning
Rep. Freeman	Senator Kertulla, Sponsor
Rep. Ose	Mr. Honsinger, Division of Agriculture

PURPOSE OF BILL

Senator Kertulla told the committee the reason for the bill. This will help the assemblies from bending under the public pressure they might get to reclassify lands from agricultural to where they can subdivide. This will keep people from buying land at special agriculture prices and then subdividing and selling for a' profit.

TO PURCHASE AGRICULTURAL LAND

He said it is a very simple process presently to acquire agricultural land from the State. ONe merely asks the State to sell under an agricultural preference and then the land is kept for one year and the person may do whatever he wants with it after that.

PRICE DIFFERENCE

The difference in price is approx. 1/3. Under the State homestead program the purchaser only pays 1/10 of the amount bid and then must put the rest into improvemtns on the land.

THe Borough assembly presently makes the decision on what to classify the land (on the 10% of land they have chosen from the State).

20 YEARS

Ose asked why the 20 year figure? Kertulla had 55 years originally then put it down to 30 because that was the extent of mortgages. He had trouble in the Senate with such a high figure and 20 was a good compromise. Ose wants to change the figure to 50. After 20 years the owner may do what he wants.

KEVIN WARING	Kevin Waring objects to the dead hand on use of land for such a long time. He gave the example of Anchorage and Fairbanks 25 years ago. Is it wise to limit for so long. It also might cause the borough assembly to be reluctant to classify the land. Probably some good reason to abrogate will arise before the time is up in some cases
MR. HONSINGER	He mentioned an article in Time magazine he suggested the Committee read (April 21. He said the bill only adressess a small portion of land in Alaska- 50 million acres. Good agricultural land needs to be protected from development. He is on the Agriculture revolving loan fund and would like to see a 30 year figure used because this is the extent for long term agricuture loans.
AMENDMENT	There being no objection to Ose's motion for 50 years it was adopted. There was a motion to make a committee substitute and pass out.
REPORT OUT	So moved.
ADJOURN	Meeting was adjourned at 10:00/

4/29

SB 227 am	Notified	Present	Testified
Sen. Kerns	X		
Dept. of Natural Resources (Kathy Jacobsen 2419)	X		
Hansinger (ask Kathy)	X		
C&RA (Kevin & Jack)	X		
Municipal League	X		
division of agric			
Dozier	X		

SB.259

"An Act relating to zoning in Potter Point State Game Refuge.

COMMITTEE REPORT

HOUSE

4/15/75

Mr. Speaker: Date 5-21-75

The Committee on C&RA has had SB 259 am under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam R Otte	DO Pass	
Kathryn Cottrell	" "	
Mike Hershberger		

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam R Otte Chairman

TAPE #14
side 1
388-822

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 21, 1975

Meeting was called to order at 9:15 to discuss SB 259am, SB 138, CSSB 90.

Rep. Cotten	Barbara Thomas, Staff
REp. Ostrosky	Andrea Guernsey, Staff
Rep. Hershberger	Senator Orsini
Rep. Freeman	Rep. Smith
	Bob LeResche, Fish & Game

SB 259am

Senator Orsini passed out a proposed Committee Substitute that would give the local government a year to act. The bill takes effect June 1, 1976. But he thinks the new Anchorage Borough Assembly will take action on it. Nobody had any objections to the substitute so it was adopted and the bill

REPORT OUT

was reported out.

SB 138

Rep. Cotten suggests replacing section b with "before any such regulations are enforced they

AMENDMENT

shall be submitted to and approved by the legislature."

PRIVATE LAND IN PARK

Rep. Freeman still wants to know if private land surrounded by a state park is within that park? Rep. Smith said that according to this bill that land would be within the park and subject to zoning.

Senator Orsini offered some different language for secion B, to the extent that if the legislature didn't act the regulations would take affect. Sam likes the first language better but agrees to change "are enforced" to "takes effect" for the sake of clarity.

REPORT OUT COM. SUB.

Rep. Ostrosky moved to adopt the amendment and report the bill out. Without objection so moved.

CSSB 90

Oral still wants to know whether the equipment is sold or given. The "shall transfer" was changed to "may transfer" in the committee substitute.

REPORT OUT

The bill was reported out.

Meeting was adjourned at 9:50.

TAPE #13
side 2
0-768

House Committee on

community & regional affairs

Meeting Minutes
May 8, 1975

Meeting was called to order at 9:15 to discuss SB 209am again.

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Davis	ANdrea Guernsey, Staff
REp. Freeman	Senator Orsini, Sponsor
REp. Hackney	Senator Rodey
Rep. Hershberger	Rep. Smith
Rep. Ostrosky	Cathy Jacobsen, Dept. of Natural Resources
	Don Berry, Municipal League

SENATOR ORSINI — Senator started by saying that this bill originally covred zoning in all the 18 state game refugees. But 17 of these are conincidental with national wildlife refugees and there is already a handle

WHY AMENDED — on the use of the land so this bill was amended to cover the only solely State game refugee, Potter Point.

OTHER GAME REFUGEE — Cotten asked what abut the new ones being created? Orsini said this has been taken care of. A provision is written into the original bills.

MUNICIPAL PLANNING AND ZONING — REp. Freeman said his problem was a state authority usurping the planning and zoning powers of the municipality. Orsini replied that in this case the borough has the powers but doesn't want to use it in a state game refugee. So consequently this land is unzoned. Besides this state power is not unfettered. Freeman thinks the State should just buy the land instead of zoning.

APPROPRIATION — Smith explained that that is the intention of the State but there is a lack of money. Hershberger said the legislature has passed a measure appropriating $75,000 to be mathched with $225,00 of Pitney-Roberts Fedral money to buy some of this land. But this $300,000 will only buy 15 of the 38 parcels. The zoning is to cover the land until more money can be found.

Senator Orsini suggest s changing line 17, change "IN" to "surrounded by state land" which would take care of Freeman's problem of the State zoning private land. Oral said there wouldn't be any need for the bill then.

Meeting was adjourned until 3:00 when Mr. JOnes, Game Division, can come with a detailed map of private land.

TAPE #13
side 1
415-1099

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
May 6, 1975

Meeting was called to order at 9:25 to discuss SB 138, SB 259am. Present:

Rep. Cotten
Rep. Hershberger
Rep. Ostrosky
Rep. Freeman
Barbara Englert Thomas, Staff
Andrea Guernsey, Staff

Senator Rodey, Sponsor, SB 138
Senator Croft
Rep. Smith
Frank Jones, Director, Game Division
Kathy Jacobsen, Natural Resources

PRIVATE LANDS PART OF PARK?

Freeman wanted to know if the private land within the area were a part of the park or not? Croft said they were not. The language in the bills establishing Chugach and Kachemak excludes valid entries specifically. The A.G.'s office said that if SB 138 passes the courts will interpret this as an intention by the Legislature to provide zoning authority over lands,even though the language in the bill that established them exludes private lands from this.

ZONING?

Freeman's concern is the land inside municipal boundaries. Zoning should be regulated by the municipal governemtn and not by the State. Rep. Smith disagrees. A park is an area where the State has a large interest with only isolated private parts. It is logical that it be managed by the State.

STATUS OF EMMINENT DOMAIN IN PARKS

Chairman cotten asked if there was a prohibition against emminent domain in Chugach? Ted Smth gave a run down of all the parks created by Legislative Action:

Nancy Lake REc. Area: no restriction against em. D.. has been zoned by Mat-Su Borough;

Chena River REc. Area: prohibition against E.D. except for access. Dept. of Natural REsources can zone;

Captain Cook Rec. Area:no restriction against E.D. Kenai Penn. Borough hasn't exercised any zoning authority;

Battery Point: prohibition against E.D. Haines Borough has no zoning authority so none to exercise.

Chugach State Park:no prohibition against E.D. GAAB has not exercised zoning;

Kachemak Bay St. Park: no prohibition against E.D. Kenai Borough has not exercised zoning authority;

Denali St. Park: prohibition against E.D. Mat-Su has not exercised zoning;

Caines Head: E.D. prohibited. Kenai has not zoned.

BOROUGHS ZONING

Senator Rodey sees no reason for boroughs to zone state parks. Too much of a problem for them to exercise zoning. To avoid detail they classify as unrestricted or unzoned. Everything not zoned specifically is unrestricted.

Cotten asked if there were any other parks with private property within boundries where private land is classified differently? Rep. Smith said that every one of the eight parks mentioned have at least 1 parcel of private property. Only one has in fact been zoned (Nancy Lake in Mat-Su). Kachemak and Chugach are the only ones with language excluding private lands from park. The rest don't specifically exclude.

PROBLEMS N PARKS?

Have there been any problems arising in the parks, as far as development? Senator Croft said there was a problem in the southern portion of Chugach. There is a considerable amount of intent to develop, dividing land up into acre lots, etc.

COMPATIBLE USE

Rep. Hershberger thinks that compatible use is implicit in zoning and it is up to zoning authority to see concept is kept.

SB 259am

Senator Rodey explained the reasoning behind this bill. He said the difference between the original and the amended was because it was felt that other game refuges didn't have the problem potter point did because they were inherited from the federal gov't with no private holdings. The only problem at present is Potter Point. The State is attempting to buy all the lands that have been dedicated for park purposes but don't have enough money right now. There are still private lands inside the boundaries of the refuge and it is important to zone these to keep them consistent with the use of the refuge. Right now much of the land has been purchased for speculation by large corporations.

TAPE #13
side1
415=1099

SB 259am
5/6/75

FRANK JONES

Mr. Jones showed the Committee a map of the Potter Point refuge. Most of the land is below the bluffs in a marshy area which is used for ducks. It is possible that some development could be made on the privatelands that wuld not be compatible. They are presently attempting to buy the 700 acres of private land involved. The purpose of the bill is to exclude any further incompatibel developemnt.

Meeting was adjourned at 10:00.

Sam - I talked to Dick Hart at the GAAB Planning Department about SB 138 and SB 259 am. He said they would rather see the problem attacked through a resolution by the legislature urging the municipalities to zone the land or even mandating them to zone with the threat that if they don't the State will. This would allow the municipalities a little more time to get it done, but would put pressure on them to do it.

He said that 6-8 months ago the Assembly passed a new zoning ordinance that would cover a lot of this area, but that the Mayor vetoed it because the whole package set up some bad zoning patterns. At this point the land within Potter Point ~~Game~~ Refuge is unrestricted. In Chugach State Park portions have been zoned R-8 (one residence per 5 acre lot. South of Rabbit Creek most of the land is unrestricted. In the Eagle River-Chugiak area, most of the land is still unrestricted, because ~~the~~ of ~~district~~ the borough's being formed. He anticipates that most of the area will be ~~classified~~ zoned soon, possibly within the year. ~~He~~ I asked him about subdivisions and he said Swiss ~~Alps Platting in the Planning &~~ Alps subdivision is in Court. The Platting Board granted permission to subdivide into 1/4 acre lots and that decision was not appealed to the Assembly. After the time for appeal had run out, some property-owners below the proposed subdivision brought suit, saying that the lots were too small, the drainage wasn't good enough, nor were the roads, etc. Dick said it looks like the GAAB will lose the suit.

He said the feeling of the Assembly and the Planning & Zoning Commission seems to be that they support only low density development. There are other controls through the Dept. of Environmental Quality and the problem of access that most subdividers would have to overcome.

He may come testify Thurs. - he'll call back today. BEF

Introduced: 1/20/75
Referred: Community and Regional Affairs

IN THE SENATE BY ZIEGLER

SENATE BILL NO. 29

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act expressly authorizing dual officeholding by city managers as borough managers; and providing for an effective date."

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

* Section 1. AS 29.23.130 is amended by adding a new subsection to read:

(e) A borough adopting a manager plan may, by agreement with a city or otherwise, enter into a contract providing for the manager of a city located within the borough to serve also as borough manager. Appointment and service of the manager as borough manager shall be as otherwise provided for managers in secs. 130 - 150 of this chapter and in AS 29.23.450 - 29.23.470. Nothing in this subsection affects the authority of the assembly or council to provide for other dual officeholding if the dual offices held are compatible or otherwise to appoint officers and employees in accordance with law.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.010.-070(c).

005

02-001B (REV. 08-73)

MEMORANDUM State of Alaska

TO: Honorable William C. Fackler
Acting Commissioner
Dept. of Natural Resources

DATE: February 18, 1975

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General
Dept. of Law

SUBJECT: Regulation of Private Land in State Parks and Recreation Areas

By: Rodger W. Pegues
Assistant Attorney General

The Director of the Division of Parks has requested an opinion on this subject. Rather than issuing a formal opinion, we are responding by this memorandum.

The authority of the Director to designate "incompatible uses" and establish rules and regulations governing them arises from AS 41.20.020(6) and AS 41.20.040. It is also contained, generally, in the legislation establishing or authorizing parks and recreation areas. E.g., AS 41.20.140; AS 41.20.180; AS 41.20.230; AS 41.20.310. While it may be argued that this authority is broad enough to regulate use of private lands within the boundaries of a state park or recreation area (i.e., so-called inholdings), our view is that it does not.

Each of the several statutes authorizing or establishing state parks and recreation areas refers expressly to "state-owned lands" or "state-owned land and water" and each also includes land acquired by the state in the future. See, e.g., AS 41.20.130-140. The purpose of each is set forth as "to restrict state-owned lands and waters" for use as a park or recreation area. [Cf, AS 41.20.130] While, as in the act establishing Chugach State Park, the legislature expressly reserved "the lands and waters . . . from all uses incompatible with their primary function as a state park . . . ." AS 41.20.210, those lands and waters are "state-owned", AS 41.20.200, 210, and "valid entries" within the park's boundaries are expressly excluded. AS 41.20.210. So too, in establsihing Kachemak Bay State Park, the legislature expressly excluded valid entries and leaseholds (both existing and applied for) from the park. AS 41.20.260(c).

Additionally, each of the several enabling statutes and the general park and recreation act, AS 41.20.010-047, provide for the acquisition of private land. And the act establishing Chugach State Park provides for modifying its boundaries where conflicts of land ownership are "unmanageable other than at unreasonable cost and expense to the state . . . ." AS 41.20.220. While these provisions are not dispositive of the issue, coupled with the express exclusions of valid entries and the reservation

only and expressly of state-owned land and waters, they create a strong inference that the language prohibiting incompatible uses or authorizing their regulation refers to state-owned land and not to inholdings.

Accordingly, the statutory scheme is to reserve and protect state-owned land and water within state parks from incompatible use but to exclude from the parks both private lands and lands owned by the state but subject to a valid entry. The regulatory power extends only to the state-owned lands and not to inholdings. Indeed, the exclusion of those lands from the parks suggests that they are not, in fact, within the park boundaries, e.g., AS 41.20.260(c), and that they are not properly to be denominated as inholdings.

We can appreciate your concern and regret our negative answer. You may wish to seek amelioratory legislation.

AMG:RWP:pg
Att.

5/6/15 SB ~~259~~ (2416)

	Notified	Present	Testified
Kathy Jacobsen, Dept Nat'l Resources	X	X	
Kevin Waring, CS CA	X		
~~[illegible]~~			
Sen. Orsini	X		
Sen Croft	X	X	X
Dept. of Fish & Game	X	X	X
Sen. Kelley	X	X	X
Rep. Tai Smith	X	X	X

SB.358

"An Act relating to land to be conveyed to the state in trust for future cities under the Alaska Native Claims Settlement Act; and providing for an effective date."

4/24/75 # COMMITTEE REPORT JUDICIARY

HOUSE

Mr. Speaker: Date 4-28

The Committee on C&RA has had SB 358 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(✓) recommends it BE REPLACED WITH CS FOR SB358 AND THAT CS FOR SB358 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam Cotten, Do Pass
Kathryn Fleagle, Do Pass
Eugene Miller, Do Pass
Al Ose, Do Pass
Steve Hackney, " "

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam Cotten Chairman

TAPE #11
side 2
1065-1409

House Committee on

COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes
April 23, 1975

Meeting was called to order at 9:00 to discuss SB358 & HB 136.

Rep. Cotten
REp. Ostrosky'
Rep. DAvis
Rep. Freeman
REp. Hackney
Rep. Ose

Barbara Englert Thomas, Staff
Andrea Guernsey, Staff
Kevin Waring, Director, Community Planning

Rep. Hershberger-absent

Chairman Cotten said he was ready to pass out SB 358 if the rest of the members were agreed. The suggested amendments were gone over.

AMENDMENT "shall" Line 13 page 1: change "shall" to "shall be designated to".

AMENDMENT "interest" Ose wants "and interest" to be added on line 29 on page 1 and on line 7, page 2. To make things clearer.

SECTION B REp. DAvis doens't like lines 21, and 22. He says the land belongs to the Native corporations ..ned not to the village councils. Mr. Waring explained that this section covered after the land had been transfered to the State and if the State wanted to do anything else with it they had to get the concurrence of a local body. Regional Corporations are not used because they represent the private interests and not public.

PASS OUT Rep. Ostrosky moved to incorporate the amendments in a committee substitute and pass out. So moved. All members signed do pass.

- -

SB 125 (1342) Rep. Cotten said he received a request from the Municipal League to pass out SB 125, companion to HB 172 already passed out. It's an identical bill and the League would like to pass it out in the interest of time.

REPORT OUT Ose made a motion to pass out. So moved.

ADJOURN Meeting was adjourned at 9:40.)1409)

SB-529 AM

"An Act relating to property tax exemptions; and providing for an effective date."

COMMITTEE REPORT

HOUSE

4/1/76 FINANCE

Mr. Speaker: Date 4-27-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 529 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR SB 529-1 AND THAT CS FOR SB 529-1 DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam Cotten

Jim Rose

Jean Dankworth

Rudd

Kathryn Colburn

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam Cotten Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS

April 9, 1976

The meeting was called to order at 9:05 am by Chairman Cotten for discussion of SB 551, SB 529, HB's 656 and 657. Present were:

Rep. Cotten
Rep. Ose
Rep. Freeman
Rep. Kelley
Rep. Hackney
Rep. Davis
Rep. Ostrosky
Don Berry, Alaska Municipal League
Palmer Mc Carter, C&RA
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

0009 Chairman Cotten explained SB 551. Since Anchorage unified it didn't automatically come under the Social Security Act and apparently it appears that unless municipal employees are covered under Title II of the Social Security Act, they don't qualify for state PERS so the procedure is for them to have a vote on an individual basis to find out if they want to.

0058 Don Berry pointed out that on February 17th the House passed HB 569, 35-0 and this bill is identical to SB 551.

0079 Rep Freeman asked to vote the bill out.

0110 Palmer McCarter gave a run-down on SB 529. Sections 1 and 2 were in the Governors bill and basically they consider that part to be part of a clean up of existing language. There would be the possibility under Section 1 where a borough could apply under the state for monies that the state says could be exempted to certain individuals without actually having given the exemption to the person. That part is a clean-up. Also, Section 2 they consider a clean-up.

0145 Cotten asked McCarter if the problem was that they had a $10,000.00 exemption and so the state was paying the borough for revenue that they really hadn't lost.

McCarter said yes.

Cotten said that confused him.

McCarter explained this. There basically is really no objection to either Section 1 or 2. Those are amendments that were proposed by the state assessor. Section 3 additionally had some language in it that the state assessor felt should have been left in and McCarter suspects that the committee members do not have the original bill but he explained this part.

0368 McCarter discussed the bill with the committee and said that it would have helped to have Bob Dozier present.

0425 Rep. Ose stated that this exemption leaves it wide open for the food stampers and so forth and an honest farmer has a tough time. He stated examples of this in his area.

There was further discussion on the bill.

0540 Rep. Ose said that he would like to have some people come in and discuss the other end of this. Cotten said he have it Wednesday.

0544 Cotten then discussed HB 657, Planning, Platting and Zoning. Gene Hines testified on this. He said that there are some reservations about this bill. He listened to the people representing the Administration and he feels it has much more effect than what they testified to. This was first brought to their attention when they got a copy of unorganized borough zoning regulations put out by administration before the session started. He read portions of those regulations. The committee is to have copies of this letter and regulations. He felt that it should be stopped right now before a lot of money is spent if the committee doesn't approve of it.

Cotten said that it was a serious question.
He said that this should be resolved by the legislature and not by a single committee since it takes in quite a bit of scope. He will have a legal interpretation presented to the committee on this.

085? Cotten asked the committee what they wanted to do with HB 656. He told the committee what the bill was briefly about.

There was discussion on the bill. He asked if someone would like to make a motion to pass the bill out.

0940 Ostrosky said that she moved to pass the bill out

The meeting was adjourned at 10:00 am.

********** **********
* FROM PB2V TO PB2H *
********** **********

CUTTEN PRIME SPONSOR SUMMARY 09:42 4/26//6 PAGE 1 OF 4

BILL #	ABBREVIATED TITLE	CURRENT STATUS	DATE
HB 100	ORGANIZATION GRANTS TO CITY AND BOROUGH	IN (H) FINANCE	2/06//5
HB 101	APPROPRIATION TO DEPT C&RA; ANCH; EAGLE RIV	IN (H) C&RA	1/29//5
HB 109	SUPPL APPROPRIATION TO DEPT C&RA; EAGLE RIV	CHAPTER 0022 SLA /5	3/31//5
HB 110	SUPPL APPROPRIATION TO DEPT C&RA; EAGLE RIV	IN (H) C&RA	1/31//5
HB 204	TIME FOR OPENING AND CLOSING THE POLLS	IN (H) STATE AFF.	2/25//5
HB 466	FINANCIAL ASSIST TO OIL IMPACT AREAS	IN (H) FINANCE	5/01//5
HB 469	STATE PAYMENT TO CITY OR BOROUGH: ROAD MAIN	IN (H) C&RA	5/01//5
HB 501	APPROPRIATION TO DEPT H&SS; RELOCATE PRISON	IN (H) FINANCE	5/20//5
HB 648	PAYMENT OF WAGES IN THE STATE	IN (S) RULES	4/08//6
HB 687	STATE AID TO UNIFIED LOCAL GOVERNMENTS	PASSED (H)	4/23//6
HB //5	UNLAWFUL ABSENCE FROM CUSTODY OR CONFINEMEN	IN (S) JUDICIARY	4/12//6
HCR 67	RELATING TO CHUGIAK-EAGLE RIVER AREA	READ BY GOVERNOR	5/31//5
HJR 27	COST-OF-LIVING ALLOWANCE FOR FEDERAL EMPLOY	READ BY GOVERNOR	5/13//5
***	*** *** *** *** *** *** ***		

Section 3 of this bill provides for the filing of a lien contemporoneously with the payment of the reimbursement to the municipality. We believe that a lien will be largely self-executing in effect.

Section 3 also makes clear that the farm-property owner who eventually sells the property for a non-farm use after, for example, 50 years of farm use and farm assessment is liable to the State for only seven years of reimbursement -- not the full 50 years. This is presently implied in the third sentence of AS 29.53.035(a), and the amendment of the fourth sentence clarifies the point. Section 3 is made retroactive to January 1, 1975 to coincide with the first year of operation under ch. 90 SLA 1974's revision of the farm-use assessment provisions.

Sincerely,

Jay S. Hammond
Governor

SB-551

"An Act relating to participation by political subdivisions and public organizations in the Public Employees' Retirement System; and providing for an effective date."

COMMITTEE REPORT

HOUSE

2/12/76 FINANCE

Mr. Speaker: Date 4-7-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 551 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

[illegible]	[illegible]	
[illegible]	[illegible]	
[illegible]		

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[illegible] Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS

April 9, 1976

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Rep. Cotten
Rep. Ose
Rep. Freeman
Rep. Kelley
Rep. Hackney
Rep. Davis
Rep. Ostrosky
Don Berry, Alaska Municipal League
Palmer Mc Carter, C&RA
Barbara Englert Thomas, Staff
Vicci Hansen, Staff

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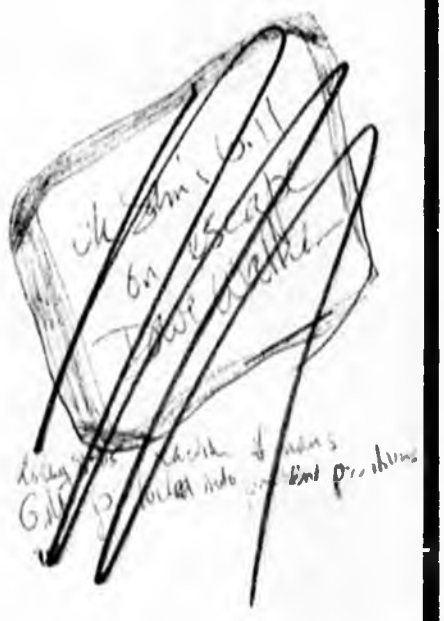
0940 Ostrosky said that she moved to pass the bill out

The meeting was adjourned at 10:00 am.

4/8/76 Peter Argetsinger - Arch. Municipality Legal Staff

§5551 — When Arch unified it became a new munic. Because of new federal law ~~employees of~~ new munic's aren't covered automatically by Social Security but the ~~[redacted]~~ employees have to vote to opt into the program & that's done on an individual basis. Even if a majority vote to pay into Social Security, those who don't won't be covered - individual choice.



SENATE
CALENDAR

EIGHT-EIGHTH DAY

Thursday, 10:00 a.m.
April 8, 1976

SENATE BILLS IN THIRD READING

SB 724 — Making corrective amendments in the Alaska Statutes

SECOND READING OF SENATE BILLS

SB 569 — Workmen's compensation rates for injured workers residing outside Alaska
L&M offered CS page 723

SB 629 — Enactment of Interstate Compact on Placement of Children
_____ effective date
HESS offered CS page page 569

SB 720 — Reacquisition of oil and gas leasehold interests in Kachemak Bay
_____ effective date
Finance offered CS page 723

CHAPLAIN: The Reverend Robert McNabb
United Methodist Church, Douglas

JAN 19 1976

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to participation by political subdivisions and public organizations in the Public Employees' Retirement System. The bill deletes provisions in two sections (AS 39.35.550 and 39.35.560) of the Public Employees' Retirement System (PERS) which presently require political subdivisions or public organizations desiring to participate in PERS to provide coverage for their employees under Title II of the federal Social Security Act, the Act providing for contributions under the Federal Insurance Contributions Act (FICA). The requirement is no longer needed and serves no public interest.

The requirement which would be deleted by this bill was originally imposed upon political subdivisions and public organizations in order to coordinate employee contributions to both FICA and PERS. Prior to 1968, employees participating in PERS contributed a fixed percentage of their earnings which was split between FICA and PERS. Ch. 143, SLA 1960. FICA contributions were deducted first, and the remainder went to PERS. In 1968, section 2, ch. 235, SLA 1968 altered the PERS and required a specified contributions by employees to PERS in addition to appropriate FICA contributions. The 1968 amendments thus eliminated the need for coordination between FICA and PERS contributions.

The requirements which would be deleted by this bill are not only unnecessary, but they also complicate participation in PERS. For example, after unification of the Anchorage borough and city governments, the Anchorage municipality as a new entity and employer no longer needs to maintain a FICA-contribution program. However, AS 39.35.550 as presently constituted requires such a contribution for participation in PERS. The bill would eliminate this prerequisite to PERS participation, and permit the municipality to freely choose FICA-participation. To require FICA-participation by the municipality would require it to conduct

referendum elections to determine whether FICA coverage was desired. 26 U.S.C. 3121. Voter disapproval of FICA participation would under present law prohibit the municipality from participating in PERS. This possibility is undesirable and would be eliminated by this bill.

Sincerely,

Jay S. Hammond
Governor

SB-683

An Act relating to municipal incorporation standards and procedures; eff. date.

COMMITTEE REPORT

HOUSE

4/15/76

Mr. Speaker: Date 5/24/76

The Committee on Community and Regional Affairs has had CSSB 683 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 12, 1976

Chairman Cotten called the meeting to order at 9:08 am for the committee to consider SB 740, SB 683 and SB 703. Present were:

Rep. Cotten
Rep. Ose
Rep. Ostrosky
Rep. Davis
Rep. Rudd
Rep. Hackney
Rep. Hershberger
Rep. Kelley
Rep. Freeman

S. Robert Dozier, State Assessor DCRA
Ray R. Smith, Haines Boro. Assessor
Samuel Coxson, Muni. of Anch.
Jack Chenoweth, Senate CRA Committee
Karen Morehouse, NOW, Fairbanks/Juneau
Palmer McCarter, DCRA
Barbara Eglert Thomas, Staff
Jo Putman, staff

Jack Chenoweth discussed SB 740 "An Act requiring certain information on real estate conveyance instruments." As it stands now 90% of the requests for recording come from lawyers and banks with no name or address of a new owner, causing a title search to find out who to send assessment notices, tax bills which usually ends up with the new owner paying a penalty. Rep. Kelley moved to add "mailing" before address on Line 14. The bill was passed out of committee and sent to House Judiciary.

Palmer McCarter discussed SB 683 "An Act relating to municipal incorporation standards and procedures." The Local Boundary Commission is in favor of this bill, standards are necessary and they urge adoption by legislation. This bill provides for a preliminary investigation by the Boundary Commission staff, before the entire Commission goes to a village that has applied to incorporate, to see if everything is in order and if everyone in the village is in favor of incorpration and all requirements are met. It would save time and money. No action was taken on the bill at this time.

Senate Bill 703 was brought up but no one on the committee was interested in moving it any further.

The meeting was adjourned about 10 am.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 19, 1976

Chairman Cotten called the meeting to order at 9:12 am to discuss SB 683, HCSSB 753, present were

Rep. Cotten	Palmer McCarter, DCRA
Rep. Ose	Bill Berrier, Legal Services, LAA
Rep. Rudd	Sam Granato, DSS/Dhss
Rep. Hackney	Eric Lee, DCRA
Rep. Freeman	Marshal Hubbard, Senate LAA
Rep. Ostrosky	Debbie Staack, Legislative Affairs
	Elaine Mitchell, kiny
	Harvey Pitts, DCRA
	Barbara Englert Thomas, Staff
	Jo Putman, Staff

Palmer McCarter discussed SB 683. The Boundary Commission would prefer to have the Legislature address the incorporation of municipalities as it has for boroughs. This bill provides for preliminary feasibility studies done by staff members who work with villagers to see if in fact they want to do all the things - budget, taxes - involved with incorporation. The staff would travel to the village instead of the entire Boundary Commission for the first contact. Rep. Rudd is concerned with vagueness of standards and discouragement to villages for incorporating.

HCSSB 753 as explained by Eric Lee: the concept is that any municipality by ordinance will ask for authority to license then the department will delegate authority to license day care centers and homes. A municipality may waive any regualtion or standard, once an ordinance is adopted. A Municipality notifies the department of passing an ordinance and what regulations have been adopted. This maintains status quo until a municipality passes an ordinance. Sam Granato explained it dispenses with any license for less than three unrelated children being cared for in the same home. The CS provides protection of children even though a municipality chooses not to handle licensing. This allows locals to determine their own regulations or stay with state regualtions.

Rep. Ose moved to pass HCSSB 753 out of committee.

Adjourned at 9:55 am

SB-703

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 12, 1976

Chairman Cotten called the meeting to order at 9:08 am for the committee to consider SB 740, SB 683 and SB 703. Present were:

Rep. Cotten	S. Robert Dozier, State Assessor DCRA
Rep. Ose	Ray R. Smith, Haines Boro. Assessor
Rep. Ostrosky	Samuel Coxson, Muni. of Anch.
Rep. Davis	Jack Chenoweth, Senate CRA Committee
Rep. Rudd	Karen Morehouse, NOW, Fairbanks/Juneau
Rep. Hackney	Palmer McCarter, DCRA
Rep. Hershberger	Barbara Eglert Thomas, Staff
Rep. Kelley	Jo Putman, staff
Rep. Freeman	

Jack Chenoweth discussed SB 740 "An Act requiring certain information on real estate conveyance instruments." As it stands now 90% of the requests for recording come from lawyers and banks with no name or address of a new owner, causing a title search to find out who to send assessment notices, tax bills which usually ends up with the new owner paying a penalty. Rep. Kelley moved to add "mailing" before address on Line 14. The bill was passed out of committee and sent to House Judiciary.

Palmer McCarter discussed SB 683 "An Act relating to municipal incorporation standards and procedures." The Local Boundary Commission is in favor of this bill, standards are necessary and they urge adoption by legislation. This bill provides for a preliminary investigation by the Boundary Commission staff, before the entire Commission goes to a village that has applied to incorporate, to see if everything is in order and if everyone in the village is in favor of incorpration and all requirements are met. It would save time and money. No action was taken on the bill at this time.

Senate Bill 703 was brought up but no one on the committee was interested in moving it any further.

The meeting was adjourned about 10 am.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

1976 APR 6 PM 5 16

02058 ANCHORGE AK 100/99 04-06 206P AST

PMS REP SAM COTTEN

13?6

JUN

HB 657

RECOMMEND THAT DEPT OF COMMUNITY & REGIONAL AFFAIRS BE PLATTING AUTHORITY INSTEAD OF DIVISION OF LANDS. SINCE THIS IS PRIMARILY A PLANNING BILL THAT DEALS WITH LANDS OUTSIDE ORGANIZED BOROUGHS THE DIVISION OF COMMUNITY PLANNING WOULD BE APPROPRIATE AGENCY. THRUST OF LANDS IN QUESTION ARE THOSE THAT HAVE BEEN SELECTED BY NATIVE VILLAGE CORPORATIONS AND THEY HAVE BEEN WORKING CLOSELY WITH COMMUNITY & REGIONAL AFFAIRS UNDER AS 44.47.150. WOULD FURTHER COMPLICATE DEVELOPMENT IF A VILLAGE HAD TO SATISFY TWO DIFFERENT AGENCIES.

DIVISION OF LANDS HAS A HISTORY OF MAKING PEOPLE NERVOUS OVER DIFFERENT ISSUES (COOK INLET TRADE ETC).

WILLIE GOODWIN JR RURAL CAP

CSSB:221

"An Act relating to exemptions from municipal property taxes."

COMMITTEE REPORT

5/1/76

HOUSE

Mr. Speaker: Date 5-3-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had CSSB 721 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Sam Hall — DO PASS

Fred Head — Talton Stiles

Ben Barkley

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Sam Hall — Chairman

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

May 5, 1976

Chairman Cotten called the meeting to order at 9:10 am to discuss CSSB 721. Present were:

Rep. Sam Cotten	Palmer McCarter, D C & R A
Rep. Al Ose	Don Berry, Alaska Municipal League
Rep. Oral Freeman	Senator Clem Tillion
Rep. Glen Hackney	Barbara Englert Thomas, Staff
Rep. Kathryn Ostrosky	Jo Putman, Staff
Rep. Ramona Kelly	

Senator Tillion explained CSSB 721, it effects Soldotna in the Kenai Borough only. The department supports CSSB 721 with no objection. Rep. Kelly moved to pass the Bill.

The meeting adjourned at 9:25 am.

SB-740

"An Act requiring certain information on real estate conveyance instruments."

COMMITTEE REPORT

4/21/76 HOUSE JUDICIARY

Mr. Speaker: Date _____

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 740 under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR _____ AND THAT CS FOR _____ DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

_____ _____ _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

AMENDMENT

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs Committee

To: _____ HOUSE BILL No. _____

SENATE BILL No. 740

PAGE: 1 LINE: 14

After "showing the name and" and before "address of"

INSERT: "mailing"

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 12, 1976

Chairman Cotten called the meeting to order at 9:08 am for the committee to consider SB 740, SB 683 and SB 703. Present were:

Rep. Cotten	S. Robert Dozier, State Assessor DCRA
Rep. Ose	Ray R. Smith, Haines Boro. Assessor
Rep. Ostrosky	Samuel Coxson, Muni. of Anch.
Rep. Davis	Jack Chenoweth, Senate CRA Committee
Rep. Rudd	Karen Morehouse, NOW, Fairbanks/Juneau
Rep. Hackney	Palmer McCarter, DCRA
Rep. Hershberger	Barbara Eglert Thomas, Staff
Rep. Kelley	Jo Putman, staff
Rep. Freeman	

Jack Chenoweth discussed SB 740 "An Act requiring certain information on real estate conveyance instruments." As it stands now 90% of the requests for recording come from lawyers and banks with no name or address of a new owner, causing a title search to find out who to send assessment notices, tax bills which usually ends up with the new owner paying a penalty. Rep. Kelley moved to add "mailing" before address on Line 14. The bill was passed out of committee and sent to House Judiciary.

Palmer McCarter discussed SB 683 "An Act relating to municipal incorporation standards and procedures." The Local Boundary Commission is in favor of this bill, standards are necessary and they urge adoption by legislation. This bill provides for a preliminary investigation by the Boundary Commission staff, before the entire Commission goes to a village that has applied to incorporate, to see if everything is in order and if everyone in the village is in favor of incorpration and all requirements are met. It would save time and money. No action was taken on the bill at this time.

Senate Bill 703 was brought up but no one on the committee was interested in moving it any further.

The meeting was adjourned about 10 am.

SB-253

"An Act relating to day care."

COMMITTEE REPORT

HOUSE

5/1/76

FINANCE

Mr. Speaker: Date 5-19-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 753

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

(✓) recommends it BE REPLACED WITH CS FOR SB 753 am (attached) AND THAT

HCS FOR SB 753 am DO PASS

( ) "and" recommends it BE REFERRED TO THE _____ COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[signature] Chairman

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 19, 1976

Chairman Cotten called the meeting to order at 9:12 am to discuss SB 683, HCSSB 753, present were:

Rep. Cotten
Rep. Ose
Rep. Rudd
Rep. Hackney
Rep. Freeman
Rep. Ostrosky

Palmer McCarter, DCRA
Bill Berrier, Legal Services, LAA
Sam Granato, DSS/Dhss
Eric Lee, DCRA
Marshal Hubbard, Senate LAA
Debbie Staack, Legislative Affairs
Elaine Mitchell, kiny
Harvey Pitts, DCRA
Barbara Englert Thomas, Staff
Jo Putman, Staff

Palmer McCarter discussed SB 683. The Boundary Commission would prefer to have the Legislature address the incorporation of municipalities as it has for boroughs. This bill provides for preliminary feasibility studies done by staff members who work with villagers to see if in fact they want to do all the things - budget, taxes - involved with incorporation. The staff would travel to the village instead of the entire Boundary Commission for the first contact. Rep. Rudd is concerned with vagueness of standards and discouragement to villages for incorporating.

HCSSB 753 as explained by Eric Lee: the concept is that any municipality by ordinance will ask for authority to license then the department will delegate authority to license day care centers and homes. A municipality may waive any regualtion or standard, once an ordinance is adopted. A Municipality notifies the department of passing an ordinance and what regulations have been adopted. This maintains status quo until a municipality passes an ordinance. Sam Granato explained it dispenses with any license for less than three unrelated children being cared for in the same home. The CS provides protection of children even though a municipality chooses not to handle licensing. This allows locals to determine their own regulations or stay with state regualtions.

Rep. Ose moved to pass HCSSB 753 out of committee.

Adjourned at 9:55 am

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 18, 1976

Chairman Cotten called the meeting to order at 9:04 am to discuss the CSSB 753. Present were:

Rep. Cotten
Rep. Davis
Rep. Kelley
Rep. Freeman
Rep. Rudd
Rep. Ostrosky

Billy G. Berrier, Legal Services, LAA
Don M. Berry, Ak. Municipal League
Patricia George, Private citizen
Violet Thetford, private citizen
Sam J. Granato, DSS/DHSS
Harvey Pitts, DCRA/DCS
Eric Lee, CRA/DCS
Marsha Hubbard, Senate Legis. Affairs
Debbie Staack, Legislative Affairs
Barbara Englert Thomas, Staff
Jo Putman, Staff

This committee substitute states if a municipality chooses to handle licensing the state delegates authority after the municipality passes an ordinance establishing regulations and standards. A municipality may chose not to take on licensing of day care centers, therefore the authority remains with the state. A municipality may do investigation and make recommendations to the department having input but not doing the actual licensing. Anchorage has a dual system where the state does licensing, but the municipality issues permits. Bill Berrier explained that this is just opposite to the usual way things work, this bill sets it up so an ordinance pre-empts a state statute. Eric Lee stated the CS maintains status quo for Anchorage and Juneau, he feels that second class cities, rural towns, will probably apply for this licensing.

[illegible] to move this bill out of committee.

Meeting adjourned at 9:55 am.

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 11, 1976

Chairman Cotten called the meeting to order at 9:10 am to continue hearing testimony on SB 753. Present were:

Rep. Cotten	Rosalee Walker, Dept. of Education
Rep. Ose	Susan Taylor, Bethel Social Services
Rep. Ostrosky	Candy Cottel, City of Whittier
Rep. Rudd	Phil Smith, Rural CAP
Rep. Davis	plus many of the same people
Rep. Hackney	that attended yesterday

Rosalee Walker submitted written testimony in favor of SB 753. If day care regulations are to work they must be simple enough to be understood by any one. SB 753 should mandate that communities write regs and provide for an effective date.

Sue Taylor is from Bethel where she works for the day care center. She testified in favor of SB 753. This bill would help the attitude of the people in rural areas where many homes taking children do not know licensing exists. Local control is more effective, someone on the local level would be enforcing them where no regulations are enforced now. The state can give technical assistance to local governments to set up regulations and enforcement. Regulations written at the local level would be understood by the local people. Rep. Ostrosky asked how she would see local involvement taking place. Sue stated she saw a committee of parents, staff, teachers and social workers, somewhat like Head Start.

Candy Cottel from Whittier testified in favor of SB 753. It allows locals to get involved. At times they cannot get in touch with HSS, they must go through channels. Her experience in Wasilla was to wait five months for a license, while a home meeting regulations remained vacant. Candy feels administrative paperwork would be eased by this bill. DHSS do not seem to be set up to help local communities therefore a change is necessary.

Phil Smith, Executive Director of Rural CAP testified in favor of SB 753 stating it is a logical extension of last years bill. Mr. Smith suggested a January 1 effective date to give time to conduct a study to assess impact on local governments. When writting regualtions input from state agencies would be appropriate. Proper and appropriate technical assistance would facilitate the transfer of authority to the local governments.

HOUSE COMMUNITY & REGIONAL AFFAIRS

May 10, 1976

The meeting was called to order at 9:15 am by Chairman Cotten to continue hearings on SB 753. Present were:

Rep. Cotten	Deborah Staack, Leg. Affairs
Rep. Freeman	Janis McCormick, Public Youth
Rep. Ose	Ronald Lind, Div. of Management and Budget
Rep. Ostrosky	Michael Orelove, Div. of Man. & Bud.
Rep. Hackney	Sam J. Granato, DSS/DHSS
Rep. Davis	Eric Lee, DCS/DCRA
	Sister Joseph Mary, St. Ann's Day Care
	Jackie Damon, interested party
	Pat J. Monroe, interested party
	Julie Neyhart, interested party
	Patricia George, private citizen
	Mary Gillian, Ad Hoc Parent Comm. on Daycare, Anchorage
	Marjorie Fields, Private Citizen
	Marsha Hubbard, Legis. Council

Chairman Cotten called upon Michael Orelove from the Division of Management and Budget to speak first.

Mr. Orelove discussed the federal Title XX funding stating the $200,000 to 300,000 for salary increases within the Dept. of Health and Social Services would be paid by Title XX with $100,000 match money coming from the General Fund.

0649 Mary Gillion, President of the Ad Hoc Parent Committee on Day Care in Anchorage submitted written testimoney stating that maintaining minimum standards statewide is essential for the protection of children. If this bill passes as written and if a community choses not to write regulations there will be no protection for children in that community.

1148
Margorie Fields testified as a private citizen. Mrs. Fields also submitted written testimony stating that she is against SB 753 and emphasis should be to protect children. High standards should be set and enforced. The Dept. of H & SS has been responsive and done a good job. The dept. sends out materials for use in day care centers and also assists centers meet regulations and maintain standards.

The meeting adjourned at 10 am.

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 7, 1976

Chairman Cotten called the meeting to order at 9 a.m. to hear testimony on SB 753. Present were:

Rep. Cotten	David Freer, DHSS
Rep. Rudd	Deborah Staach, Legislative Affairs
Rep. Ose	Marsha Hubbard, Senate HESS
Rep. Hackney	Clark Miller, Empire
	Rosalee T. Walker, Dept. of Ed.
	Betsey W. McGuire, Off. of Child Advocacy
	Sharen Wahto, private citizen
	Patricia George, private citizen
	Lynda Hagersieker, private citizen
	Karen Sheridan, private citizen
	Janet Bradley, Human Rights
	Susan R. Clark, L. of Women Voters
	Sam J. Granato, DSS/DHSS
	Lois M. Jund, DH & SS
	Samuel L. Coxson, Anch. Municipality
	Margaret Wolfe, Anch. Municipality
	Aletha Henri, Day care operator
	Sister Joseph Mary, St. Ann's Day Care
	Pat Denny, Catholic Community Service
	Dorothy Anderson, Bush Alaska citizen
	Jessie Dodson, Office of the Governor
	Mary Van Nimweger, Legislative Finance
	Eric Lee, DCS/DCRA
	Harvey Pitts, DCRA

Eric Lee and Harvey Pitts from the Department of Community and Regional Affairs support the bill, especially the concept of local flexibility provided by the bill. They urge the adoption of Chance's amendment as well. If the bill is passed without provision for an effective date it will become effective in 90 days, in this case the local governments can recognize the standing licenses. The elimination of state licensing is seen as bad, however, child protection laws, fire and sanitation regulations will still be in effect. Local governments are capable of handling the licensing. The Department of C & R A has staff to give assistance to local governments where needed. The boys are against mandating regulations.

Sam Coxson representing the Anchorage Municipality testified next. March 15, 1977 would be a good effective date for this bill, January 1, 1977 would be the minimum effective date because budget money within the Municipality has all been set, no money available in this years budget for such a program. The Municipality of Anchorage requests funds through Revenue Sharing or some other program. He urged postponement of passage of the bill to allow for more local input, this legislation is moving too fast for everyone to keep up.

Adjourned at 10 am until 3 pm.

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 6, 1976

Chairman Cotten called the meeting to order at 9:03 am to discuss and hear testimony on SB 753. Present were:

Rep. Cotten	F. Harvey Pitts, Dept. of C & RA
Rep. Ostrosky	Eric Lee, Dept. of C & RA
Rep. Freeman	Senator Genie Chance
Rep. Ose	Margaret Wolfe, NASW
Rep. Hackney	Samuel L. Coxson, Anchorage Mun.
Rep. Rudd	Lois M. Jund, DH & SS
Rep. Davis	Susan R. Clark, L. of Women Voters
	Patricia George, Private Citizen
	Sharon Wahto. Private Citizen
	Aletha Henri, Day Care Operator
	Don M Berry, Ak. Muni. League
	Deborah Staack, Leg. Affairs
	Sam J. Granato, DSS/DHSS
	Janet L. Bradley, Human Rights
	Rosalee T. Walker, Dept. of Education
	David Freer, DHSS
	Clark Miller, Alaska Empire
	Rep. Jim Duncan
	Senator Colletta

Senator Colletta explained the bill to the Committee. SB 753 removes the regulatory function over day care facilities from the State and gives it to the local authority thus providing immediate access by anyone concerned in case of an emergency. Colletta stated the Governor will increase state assistance to what is needed to cover any added costs. The sanitation and fire regulations will still be in effect and handled by the State. Good reports have been received from the day care program run by the Dept. of Community and Regional Affairs. The Dept. of Health and Social Services supports this bill; the commissioner testified before the Senate Committee in support of SB 753 with no objections.

Senator Genie Chance testified that all communities except Ketchikan have successful day care programs run with state subsidies. Social workers in the field, in Nome, Dillingham and Juneau, have been cracking down on private baby sitters thus this bill came about. The state subsidy is available only to licensed homes thus with this bill a municipality is forced into the licensing business. Senator Chance submitted an amendment that provides a mechanism for smooth transfer of the licensing authority. The municipality may by ordinance set up licensing so as not to lose the subsidy.

Margaret Wolfe of the National Association of Social Workers was next to testify, submitting written testimony. Margaret suggests regional

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

02 107 POM ANCHORAGE ALASKA 13 05-25 245P ADT 1976 MAY 25 PM 9 00

PMS REP SAMUEL COTTEN

4359

JUN

THANKS FOR LETTER REGARDING SENATE BILL 753 CHANGES

MENTIONED SEEM GOOD URGE PASSAGE

MARJORIE WOOSTER

ANCHORAGE COMMUNITY COLLEGE

of the UNIVERSITY of ALASKA
2533 PROVIDENCE AVENUE
ANCHORAGE, ALASKA 99504
TELEPHONE 279-6622

April 27, 1976

Mr. Sam Granato, Director
Division of Social Services
Pouch H
Juneau, Alaska 99801

Dear Mr. Granato:

I am writing to you as a parent of three pre-school children and as the coordinator of Anchorage Community College's Program to Train Paraprofessionals to Work with Pre-School Handicapped Children. In these roles, I am particularly aware of the need for close supervision of centers taking in children. The emotional growth of very young children is greatly affected by his environment.

Therefore, I strongly urge you to support:

1. State licensing of all day care programs, and

2. Adopt the Proposed Day Care Regulations as outlined by the Division of Social Services.

Thank you.

Sincerely,

Joyce O'Connor

Joyce O'Connor, Coordinator
Program to Train Paraprofessionals
to Work with Handicapped Children

JOC/smm

cc: State Representatives: Sam Cotton, Sue Sullivan, Bob Bradley, Ramona Kelly
Senators: Ed Willis, Brad Bradley
Senate Health & Social Services Committee
Division of Family & Children Services: Carolyn Touvinen, Sue Harper

PLEASE REPLY BY AIRMAIL

AMENDMENT #1

OFFERED IN THE HOUSE: BY: House Community & Regional Affairs Committee

To: HCS HOUSE BILL No. _____

SENATE BILL No. 753

PAGE: 1 LINE: 11

Line 11:

BETWEEN "powers" and "under"

INSERT: "relating to nurseries"

Line 15:

BETWEEN "waive" and "any"

INSERT: "or modify"

Line 17:

CHANGE "license" to "licensee"

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. House CS for SB 753
Title: "An Act Relating to Day Care & Providing for an effective Date
Requested by: House C & RA Date: May 18, 1976
Return Date Requested: May 19, 1976
Agency: DC&RA Program: Child Care Programs

DH&SS Program Services, Social Work

II. FISCAL DETAIL
Budget Request Unit(s) Affected: DC&RA/ Child Care Programs
DH&SS/ Program Services, Social Work

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	0/0	0/0	0/0	0/0	0/0
MAN MONTHS (P./T.)	/	0/0	0/0	0/0	0/0	0/0

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

See attached Budget Display. Fiscal Note assumes transfer of $129,800 in State General Funds from Department of Health and Social Services Budget to offset costs of AFDC children utilizing Day Care Services.

It is further assumed that no additional administrative costs will be required by the Department of Community and Regional Affairs providing the Governor's Budget request is approved.

IV. ATTACHMENTS

NOTE: In order to utilize the Title XX funds fo pay for Day C
Licensing functions and Day Care services in non-contract(CRA)
areas of the State, $195,306 in General Funds will remain
in DH&SS to provide match for available $585,608 in Title XX.

V. DATE: May 18, 1976 PREPARED BY:

Eric Lee — Sam Granato

Original: Legislative Finance
cc: Budget and Management Eric Lee, DCRA Sam Granato DHSS
Prime Sponsor (First Legislator Named)

H/S 50

SUMMARY OF NEEDS
FOR
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

To administer and provide payment for Day Care Subsidy Programs if the licensing function remains with the Department of Health and Social Services.

Community and Regional Affairs
Current Program

$1,200,000	FY 77	Governor's Budget Request
(987,310)	FY 77	Projected expenditures based on current experience.
$ 212,690	FY 77	Available funds

* * * * *

Health and Social Services
Current Program

$683,100	FY 77	Governor's Budget request for AFDC
(340,610)	FY 77	Day Care Services in Non-contract (CRA) areas; Title XX Federal Funds
$342,490	FY 77	Projected needs by C&RA for AFDC caseload (219 persons x 12 mo. x 130.32 per mo.)

* * * * *

Community and Regional Affairs
Needs Due to AFDC Caseload

$342,490	FY 77	Projected need for AFDC caseload
(212,690)	FY 77	Projected C&RA Available Funds
$129,800	FY 77	ADDITIONAL FUNDS NEEDED

* * * * *

Community and Regional Affairs
Funding of Needs for New AFDC Caseload

$129,800	FY 77	Additional Funds Needed by C&RA
129,800	FY 77	General Funds Available for transfer from H&SS Budget Request
$ -0-	FY 77	Total New Appropriation required

SUMMARY OF NEEDS
FOR
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO ADMINISTER AND PROVIDE PAYMENT FOR DAY CARE SUBSIDY PROGRAM
IF LICENSING FUNCTION REMAINS WITH
THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DAY CARE SUBSIDY PAYMENT

		Existing Program
$1,200,000	FY 77	Governor's Budget Request
(1,100,000)	FY 77	Projected Expenditure per Department of Community and Regional Affairs
$ 100,000	FY 77	Projected Lapse
		New AFDC Eligibles
$ 683,100	FY 77	Governor's budget request in Department of Health and Social Services
(166,810)	FY 77	Projected lapse for day care services in Department of Health and Social Services
$ 516,290	FY 77	Projected need for day care subsidy for AFDC recipients
(83,800)	FY 77	Day care monitoring positions in Department of Community and Regional Affairs
$ 432,490	FY 77	Total projected Department of Community and Regional Affairs need for day care subsidy
(100,000)	FY 77	Funds available in projected lapse in existing Community and Regional Affairs Program
$ 332,490	FY 77	Adjusted need for subsidies
(219,800)	FY 77	General funds available for transfer in Health and Social Services relating to day care subsidy
$ 112,690	FY 77	Total projected "new" funds necessary to administer day care program.

* * * * * * * * * * * * * *

ADMINISTRATION [1]

$126,100	FY 77	Projected Total Administrative Costs
(126,100)	FY 77	Governor's Budget Request
$ Ø	FY 77	New administration costs due to AFDC eligibles

* * * * * * * * * * * * * * *

NEW STATE FUND APPROPRIATION NECESSARY

$112,690	FY 77	Subsidy Program
Ø	FY 77	Administration
$112,690	FY 77	Total Necessary

1/ Budget assumes that licensing function will remain with Department of Health and Social Services

PROJECTED BUDGET FOR FY 77

FOR DAY CARE SERVICES IN DEPARTMENT OF HEALTH AND SOCIAL SERVICES

UNDER PRESENT SYSTEM [1, 2]

	Day Care Subsidies	Day Care Licensing Administration
Department of Health and Social Services	$683,100	$227,614
Total	$683,100	$227,614
No. of Positions	--	9
Man Months	--	108
FUNDING:		
Federal	$463,300	$122,308
General Fund Match	$154,400	$105,306
General Fund	$ 65,400	$ 0

1/ Only AFDC day care payments are included. WIN day care and Protective Services day care will continue to be provided by the Department of Health and Social Services

2/ Based on Governor's Request

SUMMARY OF FY 77 DAY CARE SUBSIDY IN
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
IF LICENSING FUNCTION REMAINS IN DEPARTMENT OF HEALTH AND SOCIAL SERVICES

	Day Care Subsidies	Administration	Position Strength	% Administration Costs for Delivery of Service
Current Subsidies				
Existing Program (Governor's Budget)	$1,200,000	$126,100	3	10.5%
AFDC Day Care				
Transfer of General Fund from Dept. of Health and Social Svcs.	$219,800	Ø	Ø	----
New "Appropriation" Required	$112,690	Ø	Ø	----
Total:	$1,532,490	$126,100	3	8.2%

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

M E M O R A N D U M

May 13, 1976

SUBJECT: SB 753

TO: Marsha Hubbard

FROM: Billy G. Berrier

You have asked whether when sections 8 and 9 of this bill are considered together all municipalities in the state incorporated under state law would have the power to licensed day care facilities. The answer, with the possible exceptions of third class boroughs, is yes.

Section 29.48.035 creates regulatory powers applicable to all municipalities so that all municipalities would have this power. First and second class boroughs are limited in the powers they may exercise by requirements that they assume powers. Section 9 of the bill however, specifically provides that licensing of day care facilities is at the option of the borough and is not subject to those restrictions on acquisition of additional borough powers.

If this bill were adopted, first and second class boroughs and first and second class cities could assume licensing of day care facilities simply on adoption of an ordinance.

BGB:bh

SB 753 Day Care 5/16

- Dept C&RA
- Dept H&SS
- Sen. Colletta
- Sen. Chance
- Sen. Ferguson
- Aletha Henri, Henri House & St Jude's Center
- Governor's Office - Sue Greene, Jesse Dodson, Fran Ulmer
- Susan Clark, LWV

REVISED 4-10

Day Care Program as of 3-31-76

Location	Date of Contract thru 6/30	total of Contract	(1) No. of Children subsidized	Billings to date	Billing As of
Anchorage	9-1	532,000	371	80,718	Prepaid 266,000
Anderson	11-1	9,600	10	1,105	MAR 31
Bethel	9-1	16,400	17	4,671	Jan 31
Fairbanks	11-15	130,000	39	11,941	Feb 29
Kodiak	10-1	25,200	6	1,093	Feb 29
Hoonah	12-1	10,000	2	117	Feb 29
Juneau	9-1	103,200	84	39,423	Feb 29
Petersburg	9-1	11,200	28	10,906	MAR 31
Wasilla	10-1	24,400	12	5,582	Feb 29
Copper Center	12-15	10,000	—	—	—
Nome	12-15	10,000	—	—	—
Totals		882,000	569	155,556	

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
Second Session - Ninth Legislature

I. REQUEST
Bill No. SB 753
Title: An Act relating to Day Care
Requested by: _____ Date: _____
Return Date Requested: _____
Agency: Health & Social Services Program: Social Services

II. FISCAL DETAIL
Budget Request Unit(s) Affected: Social Services & Program Services

A. EXPENDITURES: (Thousands of dollars)

	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES		(241.1)	0			
200	TRAVEL		(4.6)	0			
300	CONTRACTUAL		(688.1)	0			
400	COMMODITIES		(3.9)	0			
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		(910.7)	0			

B. FUNDING: (Thousands of dollars)

GENERAL FUND		(325.1)	0			
FEDERAL FUNDS		(585.6)	0			
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	(9) /	0 /	/	/	/
MAN MONTHS (P./T.)	/	(108)/	0 /	/	/	/

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

Enactment of this legislation would result in the deletion of 9 Child Care Specialist positions and related costs, as well as elimination of the purchase of day care service programs as follows:

	Social Service BRU	Program Service BRU
100	($214.1)	-
200	(4.6)	-
300	(5.0)	(683.1)
400	(3.9)	-
Total	($227.6)	($683.1)

IV. ATTACHMENTS

Funding is based upon the average percentage reflected in the Governor's Budget. Federal funds are a part of the ceiling available under Title XX of the Social Security Act.

V. DATE: 5/4 PREPARED BY: Sam U. Granato, Director, Social Services

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

H/S 50

The next question concerns how much usable floor space must be made availiable in a day care facility for each child according to existing law. ~~13 AAC 50.020 and 7 AAC 50.220~~ A standard establishing the required minimum amount of usable floor space for a day care facility caring for six or more people is established in 7AAC 50.220 (a)(8),and 7AAC 50.220 (b) incorporated the standard set out in the Uniform Building Code through 13 AAC 50.020 for day care facilities caring for less than 6 people, but if 7 AAC 50.220 is outside the scope of 47.10.240 and 47.10.250 with the deletion of licensing authority from DHESS, then only the standards prescribed by the Uniform Building Code, incorporated by reference through 13 AAC 50.220, shall apply. These standards are attached. It should be noted that these standards only apply to day care facilities caring for five or more children.

SENATE BILL NO. 753

Community and Regional Affairs Committee May 6, 1975

My name is Patricia George. I am a working mother with a child in a licensed day care home in Juneau. I am also an Early Childhood Specialist with the University of Alaska, Southeast. The past eight months I have been delivering an individualized training program on quality day care to licensed as well as un-licensed day care parents. I have had contact with fifty-five day care providers in the field of family day care as well as day care centers.

The statements I make today I make as a concerned citizen and not as a spokesman for the University.

I would like to read into the record nine written testimonies made by people personally involved in the profession of child care.

I have many questions and concerns about the proposed legislation. I would now like to raise a few of these.

1. Where does it state in Senate Bill 753 that day care licensing is to be provided by Community and Regional Affairs if the municipalities do not choose to administer the licensing? This is what was inferred in a newspaper report of the passage by the Senate of Bill 753 that appeared in the Alaska Empire on May 3, 1976.

2. Why is it assumed that the municipalities will be willing to accept authority for licensing when several have refused to accept administering of Day Care Assistance funds?

Valdez Council voted against accepting $9,600 in Day Care Assistance Program funds (Copper Basin News, Oct. 24, 1975). Two Southeast communities, Ketchikan and Sitka, voted against accepting any funds from Community and

Regional Affairs. Ketchikan Gateway Borough sued the state. They claimed that the law was unconstitutional, and they refused to administer a program over which they had no control (Ketchikan Daily News, Oct. 17, 1975).

Kodiak sub-contracted $25,200 of Day Care Assistance funds to a local Rur ALCAP office. This was done after the Kodial Island Borough quote, "decided last August that for financial reasons, day care services were not that important to the borough's social well-being," end quote (Kodiak Mirror, Dec. 24, 1975).

Fairbanks received only one proposal for the administration of the state funded day care assistance program. The Community Child Care Council (Four C's) bid $1,502 to administer the program. This was approximately $3,000 under the cost figure which the borough had suggested earlier for the administering of the $200,000 available to the Fairbanks area, (Fairbanks News Miner, Oct. 11, 1975). The Four C's bid was turned down by the borough due to a possible conflict of interest. The policy board of the Four C's is made up in part of representatives from child care programs. The borough felt it must insure that there is no connection between the monitoring of day care funds and actual delivery of day care services, (Fairbanks News Miner, Oct. 15,1975).

The city of Petersburg on the other hand, signed a sub-contract with the Petersburg Day Care Center for the administering of the $11,200 of Day Care Assistance funds (Nome Nugget, Sept. 12, 1975).

Does this mean that under Senate Bill No. 753 a municipality could sub-contract with a Day Care Center for administering the licensing of Day Care facilities? In other words, having the center license itself?

In Anchorage the municipality is paying for the salaries and administrative expenses of it's Day Care Assistance Program's two staff members, (Anchorage Daily Times, Mar. 11, 1976).

How many municipal budgets will be able or willing to support the staff required to do licensing?

3. I have studied the Position Paper by Director of Health and Social Services, Mr. Sam Granato, on Senate Bill 753 and I fully agree with his recommended amendments to this bill. I also agree that it makes sense to have the administering of the Day Care Assistance Program under only one department. I think, however, that it would make more sense to move the entire administrative responsibility of the Day Care Assistance Program to the Dept. of Health and Social Services as it is already is administering other assistance programs as well as handling the State Licensing of Day Care Facilities.

4. I attended the recent hearing held by Health and Social Services dealing with the proposed changes in Day Care Licensing Regulations. It was made clear that changes still need to be made in some of the regulations. It was also clear that there has been a great deal of confusion between the requirements for family day care and those for day care centers. I think that time is needed for consideration of the various points brought up at this hearing.

5. Another point that I would like you to consider is the fact that the Department of Health and Social Services, Division of Social Services has been responsive to the boroughs individual needs. In the recently presented Proposed Day Care Regulations, there was an entirely new section added, Section 7AAC 50.180 CODE REQUIREMENTS, MODIFICATIONS AND WAVERS. I feel the Divisions explanation of this new section is well worth reading at this time.

I would like to see this committee study all the possible ramifications of this bill, among those that come to mind, I think the following are especially important.

a. Loss of State and Federal money.

b. Loss of the St. Jude Center's Grant.

c. Loss of the supportive services now provided by SERO.

d. The possible loss of the proposed $57,000 Child Welfare Grant to the State. This renewal of the Child Welfare Grant in the past has been based to a large extent on the coordination and cooperation between the University of Alaska/Southeast and the Southeast Regional Office, Division of Social Services.

In conclusion, what are my recommendations? At the very least, consider further study of this proposed Bill over the next year. Have an extensive investigation of rural Alaska needs and desires conducted jointly by Health and Social Services and Community and Regional Affairs. Provide some structure for orderly change!

My greatest concern is for the quality of day care provided at both the center and the family day care levels. Please remember the rights of the child to be provided with and protected by quality day care.

Thank you for your consideration of these matters.

Patricia George

Patricia George
Junear, Alaska

5/5/76

Concerning day care in Alaska -

As a licensed day care mother, I feel that the State is performing an important service in regulating day care, protecting the young children against inadequate care. The thorough investigation of potential day care families is, I believe, a necessary procedure. It is a basis for those parents who have to leave their children, in choosing reliable people.

Therefore, I believe that the supervision by the State should not be abruptly terminated as proposed. It seems that this proposal will not benefit the children, who are after all the ones who stand to lose by it. I think we should all take more time to look at and improve the current and proposed

regulations and not make a snap decision to abolish all of the good things the State has accomplished thus far with day care.

Mrs. Lynn Szymanski
- Juneau, Alaska

5 May 76

Re: Senate Bill No. 753
"An act relating to day care."

As a licensed Day Care Mother, I urge you not to pass this bill. I fear that passage of Senate Bill No. 753 will lead to a decrease in the quality of day care services now available.

The criticism regarding the State's alleged inability to promulgate regulations fair to all Alabama is not a valid concern. The pending regulations proposed by the Department of Health & Social Services do, in my opinion, take into account the differing circumstances within Alabama's communities.

I believe it is in the best interest of our children to have a uniform standard of care. This can best be achieved only at the State level.

Susan M. Brown

For the attention of:
Chairman and Members of Community for Regional Affairs Committee
Concerning Senate Bill #753

Please consider and discuss these thoughts at todays hearing as they apply to Senate Bill #753:

Is it necessary to transfer responsibility of licensing from one agency to another? Why? Was this bill discussed with knowledgeable State and Borough Health and Social Service personnel before it was written?

If there is a definite benefit to transfer these responsibilities, there may not be need for concern. But, how many areas in Alaska would be able to absorb this responsibility without disrupting the centers and institutions programs? Can a transfer be made in an orderly and effective manner so as not to loose federal and state monies--which the public centers rely upon for servicing disadvantaged and low income families?

My first concern is for the welfare of children whose mothers must work to help support the family unit. I feel it is far more important to encourage gainful employment than to create a situation of possibly more welfare, especially when welfare is not wanted by these individuals.

The private babysitter may feel that obtaining a business license and special insurance is infringing upon their personal affairs. But if the requirements for certification by Health & Social Services are looked at calmly, it certainly is to the benefit of the babysitter and the working parent. For instance, a Tine test once a year, testing of the drinking water, very basic fire requirements are in effect protecting both parties. The requirements are not excessive. Perhaps it is a nuisance, but certainly not unworthy.

I became aware of these requirements in conjunction with the preschool setting that I conduct in our home. Admittedly I viewed the paperwork a bit grudgingly until I realized that the procedure was certainly more for my students and my own benefit. Incidentally, the personnel handling the procedure were pleasant, helpful and cooperative.

Please do not take hurried action that would jeopardize the welfare of many preschool, mentally retarded and underpriviledged children.

Thank you for this time.

Sincerely,

Lucile Olson

Lucile Olson
4207 Mendenhall Blvd
Juneau, Alaska 99803

May 5, 1976

RE: SENATE BILL NO.753

For the attention of the chairman and members of the Community and Regional Affairs Committee;

As a licensed Day Care Mother, I urge you not to pass this bill.

I fear that passage of Senate Bill No. 753 will lead to a decrease in the quality of day care services now available.

Virginia Drenski

Virginia Drenski

As I understand it, the federal assistance will be cut off for helping the mothers pay for their day care if this bill is passed. I think more time should be given to consider this measure. I help for some children that are being helped with the payment of 50% of the cost. I know if the mother has to pay all of the bill I will be getting checks that will become expensive. Please, I do not want it to be the one to get the short end. If this bill could be set aside for more consideration I think it should be done. Virginia Drenski

I am a day care mother who has just gone through final screening for a day care license. I feel it is important that I speak up about the Senate Bill # 753 that is presently before the legislature.

I am against removing day care licensing from state jurisdiction to municipal. Ideally it would be wonderful if we could trust all parents to find good day care for their children. However, we know that there are many parents who really don't care or cannot afford private day care so the state wisely made a law protecting these children by requiring licensing. The problem now is to find the best department to supervise such licensing. Quite frankly I don't believe the cities can handle this. Having licensing under state control automatically insures uniformity in large and small communities. As Bill #753 is written now, day care centers in small towns and villages are not supervised at all. These particular centers should be a priority on control as they are frequently the most poorly run.

After just dealing with the Department of Health and Social Services, I have no complaints as to their methods of licensing. Granted, some of their requirements did put me out some, but they made my home a safer day care and that is exactly what I would expect if I needed a day care for my Children.

Alaska day care laws are more lenient than many of those in the Lower 48. To listen to the cries of large day care centers concerning Child/adult ratios is to further lower our standards and make an already lucrative business more so by sacrificing individual child care for lower overhead costs. The state licensing standards are designed to weed out such centers and concentrate more fully on the Child.

These and other questions are on the long list of day care problems. They are certainly not going to be solved by shuffling them from one department to another. Pending state jurisdiction will only stir up another batch of problems by leaving many welfare Children without day care while City and state ~~State~~ haggle over who should supervise.

I am asking you to please consider leaving licensing under Health and Social Services or find another alternative to Bill # 453 before passing it.

Kathy Nichols
Juneau, Ak.

Rt. 4 Box 4350-18
Juneau, AK 99803
May 4, 1976

Community & Regional Affairs
Sam Cotten, Chairman
Juneau, Alaska 99801

Dear Sir:

I am writing in regard to Senate Bill 753. I feel this bill will not help the Day Care Situation in Alaska. As a Day Care mother who has lived in various parts of the state, I have seen the need for at least minimum standards of care, safety, and concern for both day Care homes and centers.

Therefore, I believe that these standards can best be set and maintained by the state.

Sincerely,
Mary D. Caye
Licensed Family Day Care Provider

For the attention of:

Chairman and Members of Community for Regional Affairs Committee

Concerning Senate Bill #753

As a licensed day care person in the municipality of Juneau I am against Senate bill #753 for the following reasons:

1) I feel that it is necessary to have adequate regulations for the licensing of day care persons. These are already provided for and enforced by the State Department of Health and Social Services and I don't feel that the city council would provide better services if they acted at all.

2) Of utmost importance is the need to provide quality dare care facilities for children and protect their rights to insure that abuse or neglect does not take place. This bill does nothing to insure that.

Sincerely,

Frances Stilp
Douglas, Alaska

Re: Senate Bill No. 753

Please take additional time to study fully the implications of this bill before acting on it. I believe the resulting loss of federal funds to our state and community would be severely felt.

The entire tone of the proposal appears to be a giant step backward for quality child care in Alaska.

Marjorie Fields
Marjorie Fields
Child Development Specialist
University of Alaska, Juneau

1624 Glacier Avenue
Juneau, Alaska 99801
May 7, 1976

Attention: Community and Regional Affairs Committee and Chairman

Re: Senate Bill No. 753

Chairman and Committee members,

Senate Bill No. 753 should be reviewed and delved into more deeply before anyone would consider voting it into existence. I consider the bill, as it now stands, detrimental to day care in Alaska.

Sincerely,
Denise M. Carroll
Humpty Dumpty Preschool

CENTER OPERATORS

Anita Rutledge
Dawn Faverty
Michelle Dicker
Ruth Mounts
Judy Carney
Valarie Todda
Mrs. Don Stakes

FAMILY DAY CARE HOMES

Mac Priesden
Trudy Green
Cathy Eggleston
Mary Huelsman
Ardis Mathews
Ursula Katik

MEMORANDUM
LEAGUE OF WOMEN VOTERS OF ALASKA

TO: Members of the House Community and Regional Affairs Committee, Sam Cotten, Chair
DATE: 6 May 1976
FROM: Susan R. Clark, Human Resources Lobbiest

SUBJECT: SB 753 (Relating to Day Care)

The League of Women Voters of Alaska strongly opposes the passage of SB 753 at this time. One major objection is the haste with which this particular bill has been wisked through the legislative process with what we believe to be blatant disregard for informed public input, comments from municipalities affected, or even input from experts in the field. We understand that the City of Anchorage did not even receive a copy of the bill until it had already passed the Senate.

The principles upon which the League was founded include the belief that democratic government requires that governmental bodies protect the citizen's right to know by giving adequate notice of proposed action. The importance of this principle to this particular bill is that SB 753 presents a major departure from the present system of Alaskan child care regulation. Such a radical departure should not be taken on lightly without thoughtful discussion and careful consideration and planning by citizens, by governments, by families and care providers affected. Public hearings should be automatic in cases where changes are as major as those brought about by this bill.

It is ironic that the Department of Health and Social Services has been under fire for over 3 years from the League and other groups because of outdated regulations in effect. And just when they get it all together and they have finally received needed public input, and have agreed to substantially revise the proposed regulations according to that public input, the legislature now seeks to negate that effort and expense (and incidentally without benefit of public hearings) just when completion is neared.

I do feel it is important to say here that our ire is primarily directed at the Senate's cursory handling of this bill; and at the same time I think it appropriate to commend this House Committee on Community and Regional Affairs for consistantly expending effort to assure that informed public input is received by committee members concerning bills before them. Adequate notice of proposed actions, open meetings, and accessible public records are all significant contributions that this committee is making toward the democratic process.

Concerning this bill, our point of disagreement is not specifically the proposed change of department from Health and Social Services to Community and Regional Affairs. Either department is equipped to handle the administration of day care. We believe, however, that certain statewide regulations and minimum standards are necessary, and even for facilities that do not receive public monies. We firmly beileve that local communities

should participate in the standards which govern them, but we also believe that there are basic levels of safety and care that are necessary for the protection of children. For example, we believe that tight child-staff ratios are essential in a full day care situation. Neither the bush caregiver nor the urban caregiver acting alone can adequately handle large numbers of children on a full day basis and still be able to give each of the young children the individual attention s/he needs. We are talking about what is normally a full 8 to 10 hour day of care for children of working parents, and care which must necessarily substitute for parental care for the major portion of a child's waking day.

When the League of Women Voters requested the introduction last session of the Community and Regional Affairs day care subsidy bill, we were particularly concerned about the lower income single parents who had no choice but to work and who were unable to afford nuturing care for their children. We offered the subsidy solution because we were not content with the possibility that children on the lower end of the socio-economic scale might be relegated to low cost facilities with standards so low that adequate care for the child could not be maintained. It is a fact that quality care does cost more than minimum care. And the League believes that no child is owed less than full nuturing care which we define to be that in which the caregiver is aware of and attempts to meet the individual needs of each child. Our belief in quality was strong enough that we urged the State to expend more than a million dollars to assure that Alaskans could purchase adequate child care. Minimum custodial care has been a fact of life in our country and state for too long. It is termed the "warehousing" of children. The League feels strongly that such custodial care, in which the physical safety of a child is the only consideration, is unacceptable whether or <u>not</u> State money is going into the program. Under this bill a municipality may choose not to develop any regulations or standards regarding day care.

We realize that current licensing problems particularly affect the bush areas. Today there are no licensed facilities anywhere in the unorganized borough because of currently enforced licensing standards (including sanitation and fire code regulations). In this bill the unorganized borough need <u>not</u> meet standards associated with quality, but they must still meet fire and sanitation codes which is the prime reason that they [redacted] have had problems being licensed up until now. They simply do not all have, for example, adequate screening or insulation of oil or wood burning stoves, or exit doors which are not less than 6½ feet high, or one-hour fire-resistive occupancy separation (fire wall) around laundries, storage rooms, furnace rooms or other hazardous areas. I believe a perusal of the fire code for day care centers and day care homes would be most enlightening to members of this committee. Fire code regulations and sanitation regulations have been no more appropriate to the locale than have been the past day care regulations. But in none would we advocate a complete doing away with appropriate minimum statewide standards.

Instead of doing away with all regulations concerning the health and well being of our children, perhaps Alaska ought to begin responding to the regional differences (which we are always pointing out to Federal officials) by specifically creating separate regulations for communities of

the unorganized borough, regulations that are aired in public hearings in the areas which are specifically affected. But doing away with all regulations because a few are inappropriate to the locale is unacceptable.

In closing we would like to point out that communities need time to gear up for the tremendous burden that this bill would thrust upon them. They need time for staff expansion and budget adjustment (most have already finalized their budgets for next year), and they especially need time for thoughtful consideration of how this bill would be implemented and what the ramifications would be. Fairbanks, especially, with its pipeline impact would certainly be hit hard by this bill, as would Juneau which is even now cutting back important staff positions because of tight funding. And I do not believe that the minimum expenditure of energy and funds required of communities to meet the CRA subsidy requirements in any way compares to the major responsibilities that communities would face with this bill.

Secondly, we believe that to what ever department day care falls, that department must develop at least some minimum statewide standards especially in terms of child-staff ratios, safe environments, and the provision of nutritional meals and snacks. To do otherwise would encourage the proliferation of poor care, profits at the expense of children's early childhood growth, and the relegation of much of child care back to the low status, low pay level from which we have all been trying to raise it.

We urge that this bill remain in committee (or perhaps be referred to members of the Legislative Council) to allow time for public hearings, the seeking of public input, and the application of forethought and research to the particulars of this bill so that we are not caught with too many afterthoughts that are too late for correction.

Day Care

STATEMENT OF POSITION: The League of Women Voters of Alaska supports day care for everyone who needs or wants it with priority given to those children whose need is greatest. The members of the League believe users should be primarily responsible for day care financing. Supplemental financial and regulatory responsibilities should be shared by all levels of government to insure that day care is of high quality and available to those who need it.

AMPLIFICATION: Day care objectives include providing enriching and varied experiences for children of parents who must or choose to work, of parents who are physically handicapped or who need emotional relief from childrearing. Day care might also provide social, emotional and developmental experiences which may be lacking in the home or provide protective service, emergency care or drop-in care. Parental involvement should be strongly encouraged in any day care situation.

Available care should go to those children whose need is greatest: children of parents who must work or who are physically or emotionally incapable of full time child care.

Parents' determination of whether to send their children or where to send them for day care should in all instances be voluntary. To provide a choice, different types of care should be available with an emphasis on center care and family home day care, but including in-home day care. Facilities are acceptable in any safe place, e.g., a storefront, public or private building, portable unit, or other location.

Nurturing care, that in which the caregiver is aware of and attempts to meet the individual needs of each child, is the minimum each child should receive on a full time or regular basis. Custodial care, meeting physical safety needs alone, is unacceptable for day care. Emphasis should be placed upon comprehensive care, i.e., care provided by a person educated, experienced and/or trained in dealing with the special needs of young children and able to meet those needs on an individual basis. Day care for the unstable or developmentally deprived child requires specially trained staff.

Essential in a full day care situation are a tight child-staff ratio and the provision of nutritional meals and snacks. Another important consideration is the availability of parent training and counseling.

Regulations and standards appropriate to the locale and involving health, nutrition, safety, space per child, and staff training should be adopted by state and local governments. Coordination of local, state and federal standards is essential. Regulatory licensing by the state for day care is necessary, but business licenses are not.

The League of Women Voters of Alaska believes there should be differentiation between day care and pre-elementary school programs. All programs dealing with pre-school age children should meet standards of early childhood growth principles. Specific requirements should be related to the number of hours per day a child is in attendance.

Users should have primary responsibility for day care financing based upon the ability of the parent to pay. However, governments should provide for partial subsidies of start-up costs, staff training costs, and child care costs figured on a percentage of the average cost per child.

Members suggest that local schools could be involved in providing space and training for day care needs. This might be in the form of summertime or after school use of facilities, parent education, and educating older children in the care of younger children.

Established 1976
League of Women Voters of Alaska

POSITION PAPER/Department of Health and Social Servic

POSITION PAPER

ON

SENATE BILL NO. 753

"An Act relating to day care."

The bill appears to provide for the following:

(1) deletes authority for licensing of nurseries (day care facilities) by the Department of Health and Social Services;
(2) provides authority for licensing of day care facilities by municipalities selecting to do so;
(3) provides authority for licensing of day care facilities by first and second class boroughs;
(4) provides that participants in the Work Incentive Program are not eligible for day care assistance benefits administered by the Department of Community and Regional Affairs;
(5) prohibits the Department of Health and Social Services from expending State or Federal funds for day care for families receiving Aid to Families with Dependent Children (AFDC) financial assistance who also are eligible for benefits provided through the day care assistance program of the Department of Community and Regional Affairs;
(6) Changes the definition of "day care facility" as referred to in the day care assistance program to include (a) a center or home located in a city or organized borough which is licensed by the governmental unit, and (b) unlicensed centers or homes located in the unorganized borough.
(7) Changes the definition of "child" to include all children below age 7 years and a child of any age eligible for AFDC assistance who is living with a family receiving AFDC benefits.

The regulation of day care facilities through licensing has been a recognized "preventive" child welfare service since the time of the Civil War. Like public health work, day care licensing looks to the future of avoiding predictable harm to children. Its purpose is to provide a floor of quality below which day care service cannot drop, assuring parents a basic kind of consumer protection service. Not all parents are either prepared or able to evaluate the areas of risk which might exist in a day care program in which their young children will be spending the majority of their waking hours, during the most vulnerable and impressionable years of their life. Because of the vulnerability of young children and the potential risk known to exist in inadequate day care programs, the Department strongly supports continuation of a day care licensing program within the State.

The historical placement of licensing responsibility at the

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The historical placement of licensing responsibility at the

POSITION PAPER/Department of Health and Social Servic

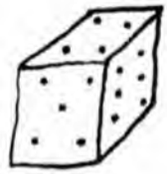
State level has primarily resulted from an adherence to the principle of equal protection under the law, equally applied throughout the State. Delegation of licensing authority from the State to local governmental units need not necessarily work counter to this principle, provided that there is consistent application of the law and that the protective purposes of licensing are preserved through the standards required for licensure.

The proposed bill fails to guarantee equal treatment or assurance that standards for licensure will provide adequate protection. It is recommended, therefore, that the bill be amended to (1) require local governments to establish and enforce a program of day care licensing, and (2) delineate those areas of protection, i.e., staffing requirements, facility safety requirements, etc., which must be included in local licensing standards.

In addition, it is recommended that the bill be amended to mandate the extension to children living in unorganized boroughs the protection offered by licensing.

The transfer from the Department of Health and Social Services to the Department of Community and Regional Affairs of responsibility for provision of day care services for children in AFDC recipient families is sound, in that it reduces the confusion for parents which results from having two different State agencies operate a day care program, and permits the orderly and planned development and improvement of day care services within the State. Although the Department of Health and Social Services is, in our view, the appropriate location for such administrative responsibility, the importance of consolidating the two programs into one supersedes this and we, thus, do not object to the transfer.

Several changes, however, are necessary in the bill in order to insure appropriate services to children requiring day care financed with State support. As indicated above, the establishment of a licensing program by local government should be made mandatory, rather than permissive, to ensure needed protection for all children. A second important reason for mandating a licensing program is to ensure the availability of day care services for those children requiring such service who may live in an area where the local governmental unit has elected not to establish a licensing program. The proposed amendment of A.S. 44.47.310 (1) would not permit the Department of Community and Regional Affairs to provide day care services for children in those areas where the city or organized borough failed to establish a licensing program. The proposed amendment would, however, permit children living in unorganized boroughs to receive benefits under the day care assistance program, even though the facility were not licensed.



We propose that this inequity be corrected.

From a fiscal standpoint, passage of the bill would necessitate:

(1) elimination of nine (9) child care licensing positions from the Division of Social Services, and
(2) elimination of the purchase of day care service program,

which would result in reduction of approximately $325,100 State funds, and loss of $585,600 Title XX, Social Security Act, funds.

Recommended By _____ 5/4/76
(Director) Sam J. Granato (Date)

Approved By Francis S. Williamson 5/4/76
(Commissioner) (Date)

Comments by Governor's Office:

By: _____ _____
(Date)

POSITION PAPER/Department of Health and Social Service

CATHOLIC COMMUNITY SERVICE

JUNEAU 99801
529 GOLD STREET
ROOM 233
586 - 2534

KETCHIKAN 99901
2725 4TH. STREET
225 - 6478

Mr. Sam Cotten, Chairman
Committee on Community Affairs
House of Representatives
Juneau, Alaska

Dear Mr. Cotten:

I wish to add my voice to those in distinct opposition to Senate Bill 753. Removing the licensing of day care centers and homes from the responsibility of the Department of Health and Social Services in essence removes the protection of the State from the most vulnerable of its citizens.

SB753 allows municipalities to take on licensing responsibility but offers no care for children in areas where the local government chooses not to take on this task nor does it protect children in areas where no local government is responsible. For years people who are concerned about day care have worked for better licensing regulations. Every state in the Union except one vest their licensing procedure in Health and Social Services Departments. These are people who know by experience and training about the day care field. It always take some tragedy to bring to public attention the need for licensing homes so that a basic minimum of care is given.

Our agency works with about 100 children in care from ages 5 months to 6 years. Good care demands that certain standards be maintained. We find the staff from the Department of Health and Social Services to be of the utmost help to us. They provide training, coordination and support.

I request that you do not pass SB 753.

Respectfully yours,

Patricia Denny

Representative Sam Cotten

Sam, I wonder about this as a possible compromise:

1) Transfer the AFDC day care program to the CRA program.

this would eliminate the very real problem with the Title XX regulations which we cannot meet in this state.

2) Leave the licensing responsibility with DSS as the child welfare agent of the state.

3) Mandate DSS to bring to the legislature in January 1977 a plan for delegation of the licensing authority to local municipalities beginning with those municipalities identified by CRA and DSS as having the most difficulties with licensing and the regulations. I presume from discussions with Eric Lee that this would be in rural Alaska

It appears that this would solve the immediate Title XX problem, and would force the development of local licensing delegation and standards while retaining State child protection responsibility.

Margaret Wolfe
P. O. Box 1572
Anchorage, Alaska 99510

home phone 272-7698
work 276-6751

Margaret Wolfe

LETTER
Bethel

Testimony of Susan Taylor, Administrative Director, Bethel Social Services, Inc.

It is my firm opinion that this so-called "public hearing" is not only meaningless, but it is also illegal. Meaningless because the state seems to get public input only because the feds demand it; illegal because there has been no publicity and notice of this local meeting. Mr. Price of the local Div. of Social Services office, sent me the proposed Day Care regs. on March 16 and advised me of this meeting. He did not tell me that the meeting is also to discuss Title XX. I have heard nothing about either Day Care or Title XX on any form of local media. Having organized two public hearings, I was under the impression that a two-week notification period was necessary. No one to whom I have spoken knows anything about this meeting, and copies of the State Plan under Title XX has not been reviewed by anyone outside of the Department of Health & Social Services, as far as I know.

Having not seen the Title XX plan, I will presume that it reads much the same as last year's plan. If this is the case, then I would like to state that the State should write into its plan some room for flexibility and for innovative programs. Basically, the State should condider alternatives for social services, since it is clear that they have not been too successful in meeting the needs of Alaskans in need. eg working with Community Groups, contracting out child protection, sharing responsibilities with private agencies, tapping many resources, etc

My general comments regarding the proposed Day Care regs. are all negative. The regulations seem to give the State of Alaska as much POWER as possible, but no responsibility. Throughout the regulations, little consideration is given to the actual providers of the service and to the parents or guardians of the children to be served. The regs. imply that both providers and parents do not care for the children, but that the State, in fact, does. There are many of us who know the reverse is true. Should we assume that parents do not care enough, or are far too ignorant, to choose a Center well? Is this why the State, on paper only, will make all Centers and Day Care homes, "quality places of care with only the highest standards?"

My specific comments are as follows:

7AAC 50.120 Statutory Authority: The State has deleted a section from the existing regs which speaks to the "encouragement in the development or establishment of Day Care facilities with high standards." Regardless of the fact that the new regs. seem to want to spell these out, there is, in fact, nothing in the new regs that indicate that the State wants to encourage the development of quality programs. The truth of the matter is that the State has almost always been a detriment to the establishment of programs, and with the new regulations, wants to increase its adversary role. Those of us who operate programs hear from the State only when it wants information for the feds. or when they think someone is wrong. There is little support or encouragement for service-oriented programs.

.130 Definitions- The definition for a Family Day Care Home is quite unclear. It is difficult for most people to comprehend. It should be changed to make sense to any or all who choose to read. My question is who will determine fux what ages a Home or Center will serve? Perhaps this should be a part of the regulations.

.150 Licensing Application Procedures- Part (b) states that "Upon receipt of a signed application, a licensing representative shall..." Since licensing representatives are either overworked or unresponsive, depending on your point of view, there should be a time period spelled out, so that programs do not suffer or not operate because some licensing representative does not care to travel.

.160 Annual Licensing Renewal Procedure- Part (a) (1) "Upon application... 60 days prior, and (2) "Upon satisfactory completion...:" and (3) "No later than ten days prior to the expiration, a written report...". My comments and questions on this section are: Does the Center or provider need to make such annual requests for relicensing? Or does the Division of Social Services do such automatically? If so much administration is theoretically done by the Division, and since they appear to be so interested in the programs, then the Division should be on top of the situation and the time frame. They should inform Centers and Homes of the fact that the time is near, and they should send out the appropriate forms to complete. In reference to (2) the mandatory field visit should be made by the Division at the Center's convenience. The Division should notify the Centers and Homes of the fact that expiration time is nearing, send out appropriate forms, and ask when it is a convenient time for the Center or Home for the field visit. For part (3), more time should be given rather than the ten days for the report for the Center to review. If the report is negative, and does not recommend relicensing, the Center should have adequate time to respond, either on an appeal basis, or time to correct deficiencies noted.

.170 Special Provisions- Part (a) gives freedom to the Division but nothing to the providers. A section should be included which speaks to a time that is mutually convenient to the Division and to the program.

.180 Code Requirements, Modifications, and Waivers - If programs must go through the Fire Marshall in regards to waivers on fire code, then to whom shall a Center or Home apply for waivers for sanitation? If it is to be the Division, then the Division should make its policy known to the sanitarians and Dhl. There are too many problems as is with fire marshals not communicating with program licensing people who don't communicate with the sanitarians, etc. The Centers and Homes get caught in the middle. It is my feeling that as the fire codes belong appropriately with the fire marshal, then likewise, all issues involving sanitation should remain with the Sanitarians with DEH.

.190 Administrative Requirements- Part (b) (8) speaks to adequate financial resources. Is the "cash reserve" defined as the potential or actual. How will licensing personnel at time of license review determine this? Are assets counted, or accounts receivable, or just cash in the bank? If a Center does not have "adequate financial resources," will the State assist in getting the Center there (as I believe the State should) or simply close the needed program down?

.200 Ensuring Care in Emergencies - Part (b) If having flashlights in Centers is going to be part of the law, then the State should provide them. It gets into a larger issue of the State presumingthat the actual providers are fairly ignorant (e.g., let them stumble in the dark) and that parents are basically uncaring as to whom is caring for their children.
Part (c) the chart on first aide, mentioned here, should be distributed by the Child Care Specialists or whomever, as they should have the time and the resources to discover what is available for Centers. Part (c) refers to First Aide training for a staff person. Again, this presupposes that the providers and the parents are uncaring, thoughtless, etc. If both providers and parents are comfortable with an existing situation in which no one has formalized training, then why should the State regulate otherwise? As it stands now, no one on my staff has such formalized training. However, I trust 75% of my staff to handle emergency care well and to know who and how to call for additional help. If such First Aide training is mandatory, then it should likewise be up to the State to: 1) pay for an individual to receive such training, including transportation costs if necessary , and 2) pay the cost to replace that person as staff at the Center during his/her absence. Section (i) should make specific reference to the State's Child Protection Law, so it will be read in depth by those who care, or are otherwise involved with children. In Part (j), the regs state that children left in care for 16 hours without parental contact should be reported to the local Division of Social Services. Just like the Child Protection Law, what happens to this reg. when a Center or a Home is unable to get in touch with the Division (they usually close before a Center does or often, no one is around but clerical staff)?

.210 Caregiver Qualifications - Part (1) refers to TB tests. In this, the "member of the family household" should also have tests. This should be deleted, as an employee should not be penalized if someone in the family refuses to comply. On part (2), the Division should supply Centers and Homes with ONE SIMPLE STANDARD FORM for such physicals. In Part (4) in which "each caregiver...shall furnish the names...," it does seem again like an intrusion by the State. If a local community board, made up partially of parents, runs a Center, why cannotthey hire an operator? If there is a need for references (and in some small towns and villages, there is no need), shouldn't this be up the local board to determine? What will be the outcome if the operator must send three names to the Division? What if the references do not meet with State approval? Do programs close? Are personnel fired? It seems that the State forgets that they, in fact, do NOT own and operate Centers; they simply pay for actual cost of care for a very few specific children.
In part (b) of this same section, the regs state that "each caregiver shall have the skill and competency necessary to contribute to a child's physical, intellectual, personal, and social development..." How will the State of Alaska determine this? What are the measurements? Are they objective, so as to avoid personality conflicts between people in the Division and the actual providers of service? In part (b) (2c) the training that is referred to here MUST, SHOULD and SHALL BE provided under the auspices of the State, especially as Title XX is concerned. If the state is intreested in improving care, then they should do something tangible to prove so. They speak often of training, but seem to confine ongoing training to their own employees, rather than to those program people.

.230 Program Requirements - Sections (1) through (9) should be simply deleted. All such program components should be determined by Centers, parents, and local Boards, on the assumption that they all care about children, and some of whom are as "professional" as Division employees. Beyond that, these regulations are meaningless, as they are basically unenforcable. Why make regulations that cannot be enforced, but only used against someone or used as a prevention to the establishment of programs? The new regs should be similar to the old regulations under section .240 (General Program) which states that Centers "shall provide a program of varied planned activities."

Part (9A) refers to the "quantity of materials and equipment." If the State can possibly determine that the quantity is insufficient (which would be extremely hard to prove in a short field visit by someone outside the program), then the State should also be responsible for helping to supply that Center with whatever is considered an adequate quantity. This can be done in a number of fashions. They can simply buy materials for Centers since the State seems to feel that it is actually providing the service of child care, when, in fact, it is simply buying it, or the "specialists" can pursue other monies for programs or they can collect an inventory of surplus items in Centers across the State and help to exchange information between Centers Statewide, etc.

In conclusion, I would like to state that I wonder when and if the State of Alaska will become supportive of programs operated by individuals or private agencies. Should not the role of child care specialists and licensing consultants and all those similar positions be to support, encourage, assist, constructively criticize Child Care programs? Why should the State pay lip service to programs? The State is too quick to want to assume a position of power but not one of responsibility. They want to make unenforceable regulations but do not seek to actually assisting Centers, training staff, initiating innovative programs, etc. These regulations vastly point out the fact that the State seems to think of itself as superior and all-knowing, distrustful of caregivers, operators, local boards, and parents. Such an attitude, and its accompanying regulations, will not improve the quality of care. It will only serve to decrease the number of services and alternatives available to the children of this State.

If the Division of Social Services has not heard, there has been a large movement by both the State and the Federal Government to de-centralize and to get things together on a community level. This should be true of Child Care programs as well. I believe that the State should have a few basic, simple guidelines to ensure the health, safety and well-being of children. But they should leave hiring, equipment, numbers, ages, program components, hours of operation, needs, etc. to those people actually running programs, along with community groups made up of parents, agencies, etc. Perhaps there should be regulations to that effect.

May 2, 1976
P. O. Box 1572
Anchorage, Alaska 99510

Representative Susan Sullivan
Chairperson, House HESS Committee
Alaska State House
Pouch V
Juneau, Alaska 99801

Dear Representative Sullivan:

I am extremely concerned about the bill to remove the State from the responsibility for licensing day care homes and centers. The enclosed copies of old Anchorage newspapers serve to confirm that this is not a new problem. Licensing is basically a child protection service, and the idea is to establish a floor of service below which no provider can fall and still be allowed to operate a day care program. I know that the new proposed revision of the State day care regulations does probably not meet that definition. There are several sections of that proposal which are ideal, and should be deleted from requirements as defined above.

On the other hand, child abuse or neglect--and that is really what we are discussing preventing when we discuss licensing--at the bottom line is that which the community defines as neglect or abuse. So within certain limits, communities should have the perogative to identify standards. Therefore the provision in the proposal for a waiver which will develop into types of amendments for parts of the State is a good provision.

I would strongly support a system whereby there were overall minimal State standards with contracts for enforcement with those municipalities who had developed the concern and the ability to meet those child protection needs. With such municipalities free to strengthen the regulations as local conditions warranted.

My concern is for those children in care in municipalities who do not care to enforce regulations and those in the parts of the State not covered by local governmental entities. Those children are entitled to child protection services also! The history in Alaska--as well as other states--is not very good in the whole field of child protection and licensing. For many reasons. To eliminate the state from the basic licensing and standard setting role would be a major defeat for childrens services in Alaska. Please do every thing you can to slow down this ill advised action until there can be a real dialogue about the affects of such action on a statewide basis. At the very least, the effective date should be moved to July 1977 to give municipalities an opportunity to plan to meet this major new responsibility.

In great concern,

Margaret Wolfe

(over)

Case Documentation on problem day care settings:

1) Family A had a disabled child. They were seriously neglecting this child, to the extent that court action was indicated. The Anchorage Health Dept. and the State Health Dept were able to arrange for special care for the child at the treatment center, only by personally transporting the child. The parents refused to care for the childs needs. However the mother was providing day care--of poor quality and in a filthy setting--and it was necessary for the State Division of Family and Children Services to force her to close. In the last few weeks we have received information that she was again wanting to care for children. Only the State licensing authority was able to avert the possibility of this neglecting abusive placement for children.

2) We received a complaint on family B. Upon receiving this complaint, I visited the home. There were twelve children in the attached, converted garage. This area had concrete flooring with a very small area rug. The room was cold. I had my parka on, and was chilly standing there. the oldest child was five, the youngest was three months. When I knocked on the door, the woman was sitting in her kitchen drinking hot coffee and reading the paper. The door between the garage and the rest of the house was closed, and the children were unattended. When we opened the door to the garage, the children were playing with about 5-6 scraps of toy cars and the canned goods from the storage area in the garage. The young infant was crying in that low hopeless keen that an unattended baby who has been left a long time will develop. This home was closed immediately since she was caring for more than six children and therefore would have been required to have a center license--there was no way she was meeting children's needs or could be licensed as a center. The family day care staff agreed with our assessment and the lady went into other employment.

3) Another complaint acted upon found at investigation that there were 20 children attended by a seventeen year old girl. 12 of the children were under two years old, and the infants were lying in the sink, on the table and on the floor. The attendant was simply unable to care for that many children, and so as you can imagine they and the place were dirty. Emotional needs not even recognized, much less met.

4) In the last six years there is one family which has caused us concern again and again. The woman once did a good job of foster care. But age, senility, and emotional disturbance made it necessary for the Department to revoke her license. So she went into day care. She had cribs stacked in a crowded apartment, dirty and unattended children, and fifteen infants with one elderly woman. It has been necessary for the State, then the Health Dept. and once the fire department to close this lady. She then reopens, parents use her, and we have to again react with authority to protect children. This lady even went to the newspapers, who did a real sob story about those hard hearted officials and this little old defenseless lady--nobody seemed to worry about the babies.

Susan, these are NOT unique stories. I have shared only a very few of the difficult settings where defenseless children find themselves a large percentage of their waking day. These are all Anchorage, not borrowed from another State, and all within the ### last several years--during the time when the community was well aware of the existence of health codes both State and local. In fact, family #2, number 2, was one with whom I had discussed licensing two years before they were reported. And they had informed us they decided not to go into child care. We get a really bad one about every three months. Marginal settings monthly.

My whole point is the question: If the State does not have licensing responsibility, who is going to protect children in these kinds of settings outside the Anchorage area? And the Anchorage code does not apply when fewer than six children are in care...so who would look out for the kind of family in number 1?

Licensing is a child protection function, and should be vested in the same agency which has the overall responsibility for other child protection services. IE, Division of Social Services. Only if other municipal or private agencies have demonstrated willingness and ability to manage should they be considered for contract for this service. It is important to know for instance when licensing a family, have they ever been involved in documented child abuse and/or neglect? Are they emotionally stable? Do they like and will they meet their responsibilities for child care? Many people are presently caring for children who should not be...but because of a lack of staff the DSS people have not gotten to them. It is only since October 1975 that there has been minimally adequate staff in Anchorage. To lose them now would be tragic.

I would give a great deal to be able to discuss this with you. But the rapidity with which this bill has progressed and other time committments make that unrealistic immediately. If you take this major action, children will be vulnerable all over the State.

I recognize that licensing ### is a difficult job. And just as in any other job, occasionally there will be individuals placed with that responsibility who should be transferred. But deal with THAT issue, don't remove protection from children.

You see I am trying to address all of the rumored reasons I have heard for this bill and the 19 to 1 support for passage in the ###### Senate. Which rumors include bad licensors, poor standards, angry with DSS so move it CRA etc. I can't understand the push despite all of the rumors I've heard. And cannot support DSS removal from the responsibility.

Thank you for anything you can do. Call me at home (272-7698) or office (276-6751) if I can answer any questions or be of assistance.

Regards,

Margaret

Tues 4/27

Sam:

Re: SB652 Relating to Licensing of care providers for children and adults

I talked to Marsha Hubbard and it looks as though SB652 is going to stay in EHESS & a new bill will be introduced providing for the following:

(1) all authority for day care licensing is removed from the Dept of H&SS; in fact, all requirements for day care licensing at the State level are removed

(2) authority for contracting for day care services, other than for protective purposes, is removed from the Dept H&SS

(3) within the organized boroughs, cities or the boroughs are given the authority to license day care facilities within their jurisdictions

(4) Within the unorganized borough centers must meet program standards set by the Dept. of C&RA - this is not licensing

(5) All centers must meet the building and fire codes of the local jurisdiction or the State

(6) Dept C&RA will provide day care assistance to those children currently covered by Dept H&SS (the children of working AFDC clients

The bill will be introduced tomorrow most likely - I could hold this for them & enclose the letter to explain the new bill or anything else you need

REPORTS OF STANDING COMMITTEES

The Resources Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 174 (relating to the taking of oil and gas royalty-in-kind; effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mr. Anderson, Chairman, and concurred in by Anderson, Swanson, Huntington, Osterback and Brown. Not concurring were Ellason and Rhode who have no recommendation. CSSB 174

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 174 was referred to the Finance Committee.

The Commerce Committee has had HOUSE CONCURRENT RESOLUTION NO. 117 (requesting a study of waterborne commerce and the regulation of maritime traffic in Alaska) under consideration and four of the members of the Committee report it back without recommendation. The report was signed by Mr. Bradley, Chairman. Kelley, Fischer, Freeman and Orion have no recommendation; Bradley recommends do pass. HCR 117

HOUSE CONCURRENT RESOLUTION NO. 117 was referred to the Rules Committee for placement on the calendar.

The Resources Committee has had HOUSE CONCURRENT RESOLUTION NO. 123 (coastal zone management) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 123: HCR 123

> Relating to a coastal zone management and policy and guideline study.

and that it do pass. The report was signed by Mr. Anderson, Chairman, and concurred in by Anderson, Swanson, Huntington, Osterback and Brown. Not concurring was Hershberger who has no recommendation.

HOUSE CONCURRENT RESOLUTION NO. 123 was referred to the Rules Committee for placement on the calendar.

The Commerce Committee has had HOUSE BILL NO. 792 (required benefits in individual, group, and blanket disability insurance policies) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 792: HB 792

> "An Act relating to required benefits in group, blanket disability, and hospital and medical service corporation insurance policies; and providing for an effective date."

and four of the members of the Committee recommend it do pass. The report was signed by Mr. Bradley, Chairman. Bradley, Rudd, Kelley and McKinnon recommend do pass; Freeman and Fischer have no recommendation.

Alaska Hubbard

4/26/76 SB 65

TELECRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1976 APR 22 AM 3 50

#

02003 NL ANCHORAGE AK 50 04-21 113PP AST

PMS REP SAM COTTON

JUN 3251

AS OWNERS AND DIRECTORS OF A LARGE DAY CARE CENTRE

WE URGE YOUR SUPPORT FOR THE ADOPTION OF SENATE BILL 652

SECTION 4 735020 AS WRITTEN

ELMER AND PAULINE KEE

3920 PETERKIN

ANCHORAGE AK 99504

TELEGRAM

Keith Weikel
Acting Administrator
Social and Rehabilitative Service
330 C Street, S.W.
Washington, D.C. 20201

Honorable Ted Stevens
U.S. Senate
Washington D.C. 20515

Honorable F. David Mathews
Secretary
Department of Health, Education and Welfare
330 Independence Avenue, S.W.
Washington, D.C. 20515

Honorable Don Young
U.S. House of Representatives
Washington, D.C. 20515

Honorable Mike Gravel
U.S. Senate
Washington, D.C. 20515

SUBJECT: Response - 45 CFR Part 250
Medical Assistance Program

WE ARE OPPOSED TO THE ADOPTION OF THE PROPOSED REGULATIONS (45 CFR Part 250) AFFECTING REIMBURSEMENT ON A REASONABLE COST-RELATED BASIS FOR SKILLED NURSING AND INTERMEDIATE CARE FACILITY SERVICES. THE STATE OF ALASKA IS FACING A SERIOUS CRISIS IN OUR NURSING HOME INDUSTRY. THE APPLICATION OF ANY FURTHER RESTRICTIONS WHICH ARE NOT RESPONSIVE TO THE NEEDS OF ALASKANS NOR TAKE INTO ACCOUNT THE SEVERE EFFECTS OF INFLATION; HIGH COSTS OF CONSTRUCTION, LABOR, AND MAINTENANCE; AND THE STAGE OF LONG TERM CARE FACILITY DEVELOPMENT PECULIAR TO ALASKA JEOPARDIZE THE ABILITY OF THE STATE TO PROVIDE ADEQUATE MEDICAL AND LONG TERM CARE TO OUR ELDERLY AND NEEDY.

WE URGENTLY REQUEST THAT THE REGULATIONS BE REDRAFTED TO PROVIDE RELIEF TO THE STATE OF ALASKA AND OTHER UNDERDEVELOPED AREAS OUTSIDE THE CONTINENTAL UNITED STATES SO THAT WE MAY CONTINUE TO PROVIDE QUALITY CARE TO OUR CITIZENS WITHIN THE CONFINES OF OUR OWN STATE.

SIGNED:

(over)

TELEGRAM

Keith Weikel
Acting Administrator
Social and Rehabilitative Service
330 C Street, S.W.
Washington, D.C. 20201

Honorable Ted Stevens
U.S. Senate
Washington D.C. 20515

Honorable F. David Mathews
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SIGNED:

(over)

SENATOR CHANCY CROFT, PRESIDENT OF THE SENATE

REPRESENTATIVE MIKE BRADNER, SPEAKER OF THE HOUSE

SENATOR JALMAR KERTTULA, SENATE MAJORITY LEADER

REPRESENTATIVE MIKE MILLER, HOUSE MAJORITY LEADER

SEN. GENIE CHANCE

SEN. FRANK FERGUSON

SEN. MIKE COLLETTA

SEN. JOHN HUBER

SEN. PETE MELAND

SEN. JOHN RADER

SEN. PAT RODEY

SEN. JOHN SACKETT

SEN. ED WILLIS

REP. BOB BRADLEY

REP. HELEN BEIRNE

REP. THELMA BUCHHOLDT

REP. SAM COTTEN

REP. JIM DUNCAN

REP. ORAL FREEMAN

REP. CLARK GRUENING

REP. RAMONA KELLEY

REP. ED NAUGHTON

REP. KATHRYN OSTROSKY

REP. BILL PARKER

REP. CHARLIE PARR

REP. SUSAN SULLIVAN

RESPONSES TO STAFF-CHILD RATIOS FOR CHILDREN CARED FOR BY THE TYPICAL WORKER (PERCENT)

Child Staff Ratios	0-6 mos.	6-24 mos.	2 yr. olds	3 yr. olds	4 yr. olds	5 yr. olds
1:0	12.4	11.2	5.0	0.4		0.4
1:1	15.3	2.1	0.4			
1:2	37.2	24.1	3.7	0.8	0.8	0.4
1:3	18.2	24.5	17.8	3.3		0.4
1:4	11.6	21.2	29.3	10.8	5.8	2.9
1:5	2.5	10.4	14.9	27.4	14.9	7.9
1:6	2.5	4.1	12.0	17.0	11.2	10.8
1:7			4.1	5.4	16.2	11.2
1:8	0.4	1.7	8.3	14.9	14.5	12.9
1:9				1.7	2.1	0.8
1:10 Alaska		0.4	2.9	10.0	16.6	20.3
1:11			0.4			
1:12		0.4	0.8	5.0	7.1	11.2
1:13					0.4	0.4
1:14			0.4	0.4	1.7	0.8
1:15				2.5	5.8	9.1
1:16				0.4	0.8	2.1
1:17						
1:18					0.4	0.4
1:19						
1:20 & over					1.7	7.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Mean	2.211	3.075	4.690	6.751	8.353	10.008
Median	2.100	3.017	4.289	5.927	7.571	9.668

RESPONSES TO STAFF-CHILD RATIOS FOR CHILDREN CARED FOR BY THE SUPERIOR WORKER (PERCENT)

0-6 mos.	6-24 mos.	2 yr. olds	3 yr. olds	4 yr. olds	5 yr. olds
12.0	10.8	4.6	0.8	0.4	0.4
9.5	0.8	0.4			
36.1	21.6	2.9	0.8	0.8	0.4
18.3	20.7	10.0	1.7		0.4
15.8	25.7	27.8	6.3	2.1	0.8
3.7	10.0	15.8	23.0	11.7	6.3
2.9	5.0	16.2	16.7	12.1	6.3
0.8	0.4	5.0	6.7	13.0	10.5
0.4	2.9	8.3	15.9	10.9	10.0
	0.4		0.8	2.1	0.8
0.4	0.8	6.2	14.2	23.0	25.5
					0.4
	0.8	2.1	5.4	7.1	10.9
			0.8	0.4	
		0.4	0.4	1.7	1.7
		0.4	5.0	7.5	12.1
			0.8	0.8	0.4
			0.4	0.4	
				0.8	1.3
				5.0	11.6
100.0	100.0	100.0	100.0	100.0	100.0
2.490	3.369	5.237	7.502	9.335	11.151
2.287	3.310	4.776	6.594	8.404	10.049

Denotes FIDCR Requirement

FYI

ANALYSIS OF STAFF-CHILD RATIO QUESTIONNAIRE

by Gloria Kilgore

The November, 1975 issue of VOICE included an article entitled "Staff-Child Ratios: An Opportunity to Re-examine." The article was about the controversy over the staff-child ratios mandated by the Federal Interagency Day Care Requirements (FIDCR).

An Appropriateness Study designed to look at some of the problems of the FIDCR has been mandated by Congress. The issue of appropriate staff-child ratios is a major area of investigation. The current FIDCR staff-child ratios which apply to family homes and day care centers funded by federal dollars are: 0-6 weeks — 1:1; 6-36 months — 1:4; 3 years— 1:5; 4-5 years — 1:7; 6-9 years — 1:15; 10-14 years — 1:20.

The questionnaire, which was printed in the November issue of VOICE and was distributed at the Annual Meeting, was developed as a mutual effort by HEW and DCCDCA staff to get an idea of how our readership feels about FIDCR staff-child ratios. To date, 296 responses have been received. We hope to receive more and solicit your response.

The following is a brief summary of the results of the questionnaire. In order to simplify matters, in most cases only the highest percentages in each category of responses to the questions are reported.

Individuals from 30 different states responded; the greatest number was received from North Carolina (16.8%), followed closely by Wisconsin (15.8%). Of the 296 responses to the questionnaire, 39.5% came from center administrators, 14.3% came from family day care operators, and 8.4% from day care parents.

Family Day Care Homes: Approximately 81% of the respondents indicated that the maximum number of children in a home should be between 4 and 6. Thirty-six percent of the respondents think that the staff-child ratio should be 1:5; 21.8% think it should be 1:4 and 22.6% thought it should be 1:6. The range of the responses includes ratios of 1:2 to 1:10, with 1.7% suggesting a ratio of 1:2 and 4.3% suggesting a ratio of 1:10.

Sixty-seven percent agreed with FIDCR in that in a group of children cared for in a family day care home, only two children may be under the age of two years, while 32.7% disagreed. Of those who disagreed with the present FIDCR requirements, the majority, 62.7%, recommended that the FIDCR allow day care operators to care for three children under the age of two years.

Sixty-five percent of the respondents think only the operator's preschool-age children should be included when calculating group size. Fourteen percent think that all the caregivers' children under age 14 should be counted in the calculation.

Day Care Centers: A majority, or 27.5%, of the respondents believe volunteers and paid staff who work directly with children should be counted when calculating the child-staff ratio for a day care center. Twenty-seven percent believe only the paid staff should be counted.

The accompanying tables reflect the percentages of responses to the questions of staff-child ratio for typical and superior child care workers in day care centers.

Generally, 75% of the respondents voted for a staff-child ratio in a range where the high is approximately twice the low. However, this range is typically 3 to 4 children per staff and generally more restrictive than one might expect from hearing the heated public debate on the subject.

It is also interesting that a majority of respondents voted for a lower ratio than FIDCR for children under 3 years, and higher than FIDCR for children 3 to 5 years of age.

It should also be noted that there is very little difference in the means for a typical and superior worker at the younger ages. The difference is about one child on the average for older preschool children.

Ms. Kilgore is an intern in the Office of Planning and Evaluation in the Dept. of HEW.

ALASKA STATE NUTRITION COMMITTEE

MEMBERS WHO CAN PROVIDE FURTHER INFORMATION ON SPECIFIC TOPICS

SUBJECT	CONTACT
FOOD RESOURCES	
- High freight rates - Shipping that competes with food for priority - CAB regulations limiting transportation of potentially hazardous products - Limited Support for Alaskan Agriculture - Food handling practices in home processing of local foods - Rural electrification	Edward D. Kern Marketing Specialist State of Alaska Dept. of Natural Resources Division of Agriculture P. O. Box 800 Palmer, Alaska 99645 Phone: 745-3236
EDUCATION	
- School lunch funding - Nutrition education in vocational education - Nutrition education for all ages	Marguerite Stetson Nutrition Program Coordinator Cooperative Extension Service University of Alaska Box 95151 Fairbanks, Alaska 99701 Phone: 479-7254 or 456-7831 1189 Nenana Street Fairbanks, Alaska 99701
- Day Care Legislation	Betsy Nobmann 3935 Apollo Drive Anchorage, Alaska 99504 Phone: 333-0262 (evenings & weekends)
- Nutrition education for all ages	Grace Billings 157 Noell Ave., Apt. 305 Juneau, Alaska 99801 Phone: 586-3692 (after 5:00 p.m.)
HEALTH	
- Proposed legislation establishing local health districts with delegated health services	Winston Osborn P. O. Box 1128 Juneau, Alaska 99802 Phone: 586-6128 (evenings & weekends)
- Withdrawal of recent legislative intent to deny eligibility of pregnant women for AFDC aid.	Winston Osborn and Margaret Crawford 808 Dixon Street Juneau, Alaska 99801 Phone: 586-6491 (evenings & weekends)

ALASKA STATE NUTRITION COMMITTEE

- HB 380 (establishment of registrars of vital statistics)	Mrs. Sonja Johanson Health Information Section Division of Public Health Pouch H-06C Juneau, Alaska 99811 Phone: 465-3110
- Establishment of a consulting dietitian position for the Pioneers' Homes.	Grace Billings
- Establishment of a full-time position for a consulting dietitian with the Section of Health Facilities Licensing and Certification, DHSS.	Mrs. Tor. Niesen 4111 W. 39th Court Anchorage, Alaska 99502 Phone: 349-2876 and Winston Osborn

POSITION PAPER: SB 753 PRESENTED BY ROSALEE T. WALKER

Nothing is born without a struggle; and any new idea or concept is always met with fear, delusion, misapprehension and sometimes, hysteria. SB 753 is indeed revolutionary for Alaska and the variety of responses that have been exhibited should certainly be expected. Recently in the field of Early Childhood development, Alaska has been quite innovative. Unfortunately, our innovations get very little state-wide publicity. Yet, as a result of national surveys and reports, other states frequently consult the Department of Education, seeking information regarding our Early Childhood projects - including day care. Nationally, there is great concern as to which agency could best handle the situation of day care licensing, so this problem is not unique to Alaska. The American Federation of Teachers are putting forth a major effort to place day care services in public schools. Several states are experimenting with many variations to use as alternatives to one agency control.

Local participation signifies local responsibility. With regard to the implementation of SB 753, every community, from the smallest to the largest, now have the necessary resources available to them for day care licensing. Believe it or not, the smaller communities are very sophisticated in their child development knowledge, as a result of Head Start Programs, Public Health Nurses and Health Service Aides. I

strongly contend that all communities can produce good regulations, enforce them with facility and perform the necessary activities at minimal costs (example: Anchorage).

There is no guarantee that quality control exists simply because that control is on the state level. If day care licenses are to be effective the regulations must be understandable to any citizen; they must be specific enough that any person knows what is to be done and why it has to be done; regulations must be enforceable, in that they are capable of measurement, and, comprehensive enough to offer the necessary protection. The diverse geographic, social and ethnic characteristics of our state prohibit the placement of this great responsibility on any one state agency. In an effort to serve the entire population of our peculiar state, an administrative agency usually finds itself burdened with reams of complex policies and procedures that result in many hours of ineffective behavior (not to mention the cost factor). Communities are clamoring to participate in any decisions that effect them on a local level (example: a modest proposal).

I tend to agree with Mr. Granato. SB 753 should mandate that the communities establish regulations. It is my firm belief that the communities are ready, willing and able to do the job.

A variety of agencies are currently prepared to offer technical assistance to local communities for the establishment of good regulations. These agencies include, but are not limited to -Department of Public Safety, Department of Education, Department of Health and Social Services, RurAL CAP, Community and Regional Affairs and the Office of Child Advocacy. Within these and other agencies throughout the state there exist a pool of highly trained and dedicated people who are capable of providing leadership and expertise necessary to design an effective licensing system. I also believe that the personnel who make up the local governmental units, together with the many non-governmental agencies, organizations, practitioners and concerned citizens are willing and able to provide an effective licensing system. I am convinced that by wise and prudent management and with careful planning communities do have the financial resources to accomplish the licensing task.

No single agency, at national or state level, is capable of meeting the medical, social, educational and development needs of all of Alaska's children and their families. No single state agency has the equipment, facilities or properly trained personnel to provide for the multiple needs of expectant mothers, new-born infants, toddlers, pre-school and school age children.

I would submit to you that we must give close attention to the problem of fragmented services in Alaska. They cannot be brought together into a comprehensive, coordinated whole on the state level. The task is too enormous, the needs are too diverse, and the historical independent nature of Alaskans in determining their own policies and programs are too strong.

I urge you to adopt SB 753 with consideration given to the effective date and mandatory regulations. Even though the concept is new to Alaska, it is not detrimental to our children. Parents are ultimately responsible for their children thus it appears logical that parents should be able to decide what they want for their children on a local basis.

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

12087 NL FAIRBANKS ALASKA 75 05-06 350P ADT

PMS DON BERRY EXECUTIVE DIR AML

0707

JUN 586-1325

REFERENCE SB 753 NOT OPPOSED TO DAY CARE SUBSIDY PROGRAM
BUT OPPOSED TO SB 753 ON GROUNDS THAT IT THRUSTS A STATE
FUNCTION ONTO LOCAL GOVERNMENT WITHOUT VOTE OF THE PEOPLE
ADDING SUPERVISION COSTS TO LOCAL GOVERNMENT EXPENSES
THE BILL APPEARS TO BE SOMEWHAT DECEPTIVE IN THAT THE LANGUAGE
INDICATES OPTIONAL EXERCISE WHEN IN FACT COMMUNITY AND REGIONAL
AFFAIRS CANNOT ENTER INTO A
CONTRACT WITH A DAY CARE FACILITY UNLESS A BOROUGH OR
CITY ASSUMES LICENSING RESPONSIBILITIES

JOHN A CARLSON BOROUGH MAYOR

#

1976 MAY 6 PM 8 55

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET • KETCHIKAN, ALASKA 99901

DATE May 7, 1976

TO Don Berry
Executive Director
Alaska Municipal League
204 N. Franklin St.
Juneau, Alaska

RE:

Dear Don:

This is to convey a message from Mayor Fader regarding your telegram of May 6 about our position on SB753 relating to Day Care to which he says, "NO".

Judi Slajer, Clerk

BY

TELEGRAM

:CA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

14003 KODIAK ALASKA 43 05-07 1111A ADT

1976 MAY 7 PM 1 36

PMS DON BERRY DIRECTOR ALASKA MUNICIPAL LEAGUE

204 NORTH FRANKLIN

JUN

KODIAK ISLAND BOROUGH STRONGLY OPPOSES SB753 ON DAY CARE.
PASSAGE OF THIS BILL WOULD PLACE AN ADDED BURDEN ON OUR LOCAL
TAXPAYERS AND SHOULD NOT BE PASSED AS WRITTEN. WE URGE THAT
YOU MAKE EVERY EFFORT TO STOP PASSAGE OF THIS BILL.

ROBERT B CRAIG MAYOR KODIAK ISLAND BOROUGH

02067 TDA PALMER AK 15 05-07 1005A ADT

PMS DON BERRY EXECUTIVE DIRECTOR ALASKA MUNICIPAL LEAGUE 5861325

204 NORTH FRANKLIN ST 0859

JUNEAU AK 99801

REASON SB753 MSB OPPOSES THE BILL. WE HAVE MANY HIGHER

PRIORITIES FOR LOCAL GOVERNMENT CONCERN

WESLEY M HOWE BOROUGH MANAGER

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: May 11, 1976

FILE NO.

SUBJECT: Senate Bill 753

Honorable Samuel R. Cotton
Chairman, House Community &
Regional Affairs Committee
State Capitol - Pouch V
Juneau, Alaska 99811

Dear Chairman Cotton:

At its last regular meeting, the Assembly of the City and Borough of Juneau considered the impact of Senate Bill 753 on the municipality and took a position in opposition to those provisions of the Bill which would require that municipalities license day care centers as a condition of the receipt of State day care center grants.

This is clearly the impact of the Bill if one accepts as true the popular conception that Federal day care center standards are unreasonably burdensome. This result occurs because under the Day Care Assistance Act (AS 44.47.250-44.47.310) the Department of Community and Regional Affairs is authorized to provide assistance only to "day care facilities" which are currently defined as a center or home licensed by the Department of Health and Social Services or recognized as such by the Federal government. The Bill proposes to redefine "day care facility" by substituting municipalities for the Department of Health and Social Services. Thus, under this Bill, a day care operation would not qualify for State assistance unless the municipality has licensed the facility. Municipalities will have little choice but to undertake day care licensing. In order to assure maximum State assistance to day care facilities, municipalities will be tempted to establish minimal or no standards for the issuance of licenses. As I read the Bill, a municipality could establish a day care licensing program requiring that every person who cares for the child of another person must obtain a license good for five years and costing $1.00. Once licensed, the home of such a person would qualify for State assistance.

If, on the other hand, the Legislature intends that certain State established minimum standards be met, then there is little reason to force municipalities to go through the charade of adopting as their own, standards established by the State. Why not leave licensing and

regulation in the hands of those who are responsible for setting the minimum standards with an option for municipalities to set more stringent requirements.

It appears that there is no licensing requirement under the Bill for day care facilities located in the unorganized borough.

If the Legislature does not intend that there be some minimal standards set, then what is the purpose of any licensing requirement at all? Why not just authorize the Department of Community and Regional Affairs to make payments to any facility which it recognizes as a day care facility? A slight compromise of this latter suggestion could be accomplished by adding the phrase "the department" between the words "by" and "the federal government" in line 1 on page 4 of the Bill. Such an amendment would allow the Department of Community and Regional Affairs to establish a definition (and minimum standards if necessary) for "day care facility" for the purpose of assistance. It would also allow a municipality to assume the licensing and regulatory function at its own option and not be forced into it in order to preserve the right of day care centers within its borders to continue to receive State assistance. I would be happy to discuss the Bill with you or the Committee if you believe I could contribute anything more.

Very truly yours,

Lee Sharp

Gerald L. Sharp
City-Borough Attorney

GLS/kh
cc: Vice Chairman Ostrosky
Members Freeman, Davis,
Hershberger, Hackney, Ose,
Rudd and Kelly
Don Berry, AML