1977-1978

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

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HB 85

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HB 193

HB 202 - UNORGANIZED BOROUGH TAXES

HB 202 - PUBLIC HEARINGS FILE

HB 213

HB 215

HB 219 - OUTER CONTINENTAL SHELF RESOURCES (FILE # 1)

HB 219 - OUTER CONTINENTAL SHELF RESOURCES (FILE #2)

HB 219 - HEARING NOTES AND CLEAN COPY

HB 219 - #1 AND #2 WORKING DRAFTS

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HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

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HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

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SCR 12

SJR 46

Comm.
Schedules

Alaska State Legislature

House

JUNEAU ALASKA

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of January 31, 1977.

Monday, January 31	HB 9 HB 75	Run-off elections Authorizing boroughs or cities to levy income taxes.
Tuesday, February 1	HB 31	Municipal power to tax the sale of alcoholic beverages.
Wednesday, Febraury 2	HB 87	Appropriations and grants from boroughs to service areas and cities.
Thursday, February 3	HB 85	Residential property exemption from real property tax.
Room 106-Assembly Bldg.	-	3:00 P.M. - Joint Meeting with Senate C&RA to consider the Local Boundary Commission's recommendations on annexations by the Cities of Palmer and Seward.
Friday, Febraury 4	HB 83	Procedures of the Local Boundary Commission.

The committee will meet at 9:00 a.m. each day in room 620 of the Court Building in Juneau (directly across the street from the State Capitol).

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of February 7, 1977.

Monday, February 7	HB 70	Municipal revenue sharing, and the Alaska Business License Act
Tuesday, February 8	HB 70	"
Wednesday, February 9	HB 70	"
Thursday, February 10	HB 70	"
Friday, February 11	HB 75	Authorizing boroughs or cities to levy income taxes.
	HB 31	Municipal power to tax the sale of alcoholic beverages.

The committee will meet at 9:00 a.m. each day in room 620 of the Court Building in Juneau (directly across the street from the State Capitol).

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of February 14, 1977.

Monday, February 14	HB 72	Creation of historical districts
Tuesday, February 15	HB 75	Authorizing boroughs or cities to levy income taxes.
	HB 31	Municipal power to tax the sale of alcoholic beverages.
Wednesday, February 16	HB 83	Procedures of the Local Boundary Commission
Thursday, February 17 (possible evening)	HB 85	Residential property exemption from real property tax
	HB 87	Appropriations and grants from boroughs to service areas and cities
Friday, February 18	OPEN (215) - Day Care Assistance Supp-App. 219 OCS IMPACT (permit to build)	

The committee will meet at 9:00 a.m. each day in room 620 of the Court Building in Juneau (directly across the street from the State Capitol).

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of February 21, 1977.

Monday, February 21	HB 110	Municipal planning and zoning powers
Tuesday, February 22	HB 190	Municipal air pollution control programs
Wednesday, February 23	HB 116	Classification of state land
Thursday, February 24	HB 147	Construction of public projects by state agencies
Friday, February 25	HB 133	Selection of state lands by municipalities.

awaiting input from admin.
awaiting word from Homer

The committee will meet at 9:00 a.m. each day in room 620 of the Court Building in Juneau (directly across the street from the State Capitol).

Monday

Guy VanDoren -
Kenai - Frances Bayner
Kenai
Clerk
262-4441
ext. 62

informed in adv.
of HB 82
with enough time to send
someone

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and REgional Affairs Committee will hold hearings on the following bills during the week of February 28, 1977.

Monday, February 28	HB 219	Permits and fees for construction facilities associated with Outer Continental Shelf.
Tuesday, March 1	HB 202	Tax on developed land in the unorganized borough.
Wednesday, March 2	HB 213	Creation of housing assistance office in C & R A Department.
Thursday, March 3	HB 232	Municipal sales taxes on intoxicating liquor.
Friday, March 4	HB 193	An Act relating to child care.

The committee will meet at 9:00 a.m. each day in room 620 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to me at Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of March 7, 1977.

Monday, March 7	HB 219	Permits and fees for construction facilities associated with the Outer Continental Shelf.
Tuesday, March 8	HB 219	"
Wednesday, March 9	HB 219	"
Thursday, March 10	HB 202	Tax on developed land in the unorganized borough.
Friday, March 11	HB 202	"

The committee will meet at 9:00 a.m. each day in room 620 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to me at Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of March 14, 1977.

Monday, March 14	HB 219	Permits and fees for construction facilities associated with the Outer Continental Shelf.
Tuesday, March 15	HB 219	"
Wednesday, March 16	HB 219	"
Thursday, March 17	HB 193	An Act relating to child care.
Friday, March 18	HB 256	An Act relating to raw fish tax.

The committee will meet at 9:00 a.m. each day in room 620 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to me at Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of March 21, 1977.

Monday, March 21	HB 219	Permits and fees for construction facilities associated with the Outer Continental Shelf.
Tuesday, March 22	HB 219	- no meeting" cancelled for budget
Wednesday, March 23	HB 342	Management of the coastal resources of the state. Lois - info from dept head
Thursday, March 24	~~HB 342~~	- 116 - 83 "
Thursday, Evening	~~HB 342~~	219 "
Friday, March 25	~~HB 342~~	219 "

The committee has had several changes of which we would like to advise you.

We have gained two new members, Nels Anderson (Dillingham) and Bill Miles (Anchorage). The continuing members of the committee are Tim Kelly, Chris Lethin, Al Ose, Randy Phillips, Sally Smith and Merle Snider.

The committee will now meet at 8:00 a.m. Monday, Wednesday and Friday, and at 9:00 a.m. Tuesday and Thursday.

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

123 Capitol -
State Affairs -

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of March 28, 1977.

Monday, March 28	HB 273	Third Class Boroughs
Tuesday, March 29	HB 219	Permits and fees for construction facilities associated with the Outer Continental Shelf.
Wednesday, March 30 8:00 a.m. Room 123	HB 219	"
Joint Hearing with Senate Natural Resources 3:00 p.m. Room 120	HB 342	Management of the coastal resources of the state.
Thursday, March 31	SB 47	Municipal property tax exemptions.
Friday, April 1	SB 126	Runoff Requirements in Municipal Elections

The committee will meet in room 123 of the Capitol Building in Juneau at 8:00 a.m. Monday, Wednesday and Friday, and at 9:00 a.m. Tuesday and Thursday.

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of April 4, 1977.

Monday, April 4	OPEN	
Tuesday, April 5	HB 313	Manager Plan of Municipal Government
Wednesday, April 6	HB 273	Third Class Boroughs
Thursday, April 7	HB 342	Management of the coastal resources of the state.
Friday, April 8	HB 342	"

The committee will meet in room 123A of the Capitol Building in Juneau at 8:00 a.m. Monday, Wednesday and Friday, and at 9:00 a.m. Tuesday and Thursday.

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of April 11, 1977.

Monday, April 11	NO MEETING	
Tuesday, April 12	HB 273	Third Class Boroughs
Wednesday, April 13	HB 342	Management of the coastal resources of the state.
Thursday, April 14	HB 342	"
Friday, April 15	HB 376	Property tax relief to home-owners and renters.

The committee will meet in room 123A of the Capitol Building in Juneau at 8:00 a.m. Monday, Wednesday and Friday, and at 9:00 a.m. Tuesday and Thursday.

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Diane Belsford -

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of April 18, 1977.

Monday, April 18	HB 342	Management of the coastal resources of the state.
Tuesday, April 19	~~HB 376~~ Cancelled	~~Property tax relief to homeowners and renters~~.
Wednesday, April 20	HB 377	Penalities for delinquent property taxes.
Thursday, April 21	HB 451	Regionalization of Community and Regional Affairs Department.
Friday, April 22	SB 37	Sale of tax-foreclosed real property.

HB 376 Prop. tax relief to homeowners & renters.

The committee will meet in room 123 A of the Capitol Building in Juneau at 8:00 a.m. Monday, Wednesday and Friday, and at 9:00 a.m. Tuesday and Thursday.

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of April 25, 1977.

Monday, April 25	HB 451	Regionalization of Community and Regional Affairs Department.
	SCR 12	Supplying Income Tax Forms.
	SB 37	Sale of tax foreclosed real property.
Tuesday, April 26	NO MEETING	
Wednesday, April 27	NO MEETING	
Thursday, April 28	NO MEETING	
Friday, April 29	OPEN	HB 133 - muni land selection

The committee will meet in room 123 A of the Capitol Building in Juneau at 8:00 a.m. Monday, Wednesday and Friday, and at 9:00 a.m. Tuesday and Thursday.

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of May 2, 1977.

Monday, May 2	HB 133	Selection of state land by municipalities.
Tuesday, May 3	SB 126	Runoff elections in municipal elections.
Wednesday, May 4	HB 75	Borough or city tax on net income.
Thursday, May 5	OPEN	
Friday, May 6	OPEN	

The committee will meet in room 123 A of the Capitol Building in Juneau at 8:00 a.m. Monday, Wednesday and Friday, and at 9:00 a.m. Tuesday and Thursday.

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

Alaska State Legislature

HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of January 16, 1978.

Monday, January 16	OPEN	
Tuesday, January 17	OPEN	
Wednesday, January 18	HB483	Revisions to the Municipal Code (AS 29).
Thursday, January 19	OPEN	
Friday, January 20	HB585	Local government study commission.

The committee will meet at 8:00 a.m. on Monday and Wednesday and at 9:00 a.m. on Tuesday, Thursday and Friday. Please call our office (465-4793) for the location of these committee meetings .

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to: Pouch V, Juneau, Alaska 99811.

Lisa Rudd, Chair

LR/gb

Dear Hugh -

I'm really sorry I forgot to get the schedule to you.

The committee moved out one major bill on 2/16 (revenue sharing). We have three other bills which I consider major, all by Pass:

HB 75 (municipal income tax)
HB 219 (permits for shore facilities)
HB 202 (property tax in the unorganized borough)

I do not expect to get HB 202 out of the committee in time for passage this year.

The schedule is as follows:

To move out of the committee the week of 2/21:

HB 215 (supplemental appropriation for day care assistance)
HB 190 (municipal air pollution control programs)
HB 110 (municipal planning and zoning powers)
HB 133 (land selection by municipalities)
HB 116 (state land classification)

To move out of the committee the week

of 2/28:

HB 219 (permits for shore facilities)
HB 75 (municipal income tax) If information we need is available by then.
HB 83 (procedures of Local Boundary Commission) We're waiting to get info from you on reasons for sections 2, 3 & 4
HB 147 (construction in municipalities by state agencies)

To move out of committee the week of 3/7:

HB 193 (child care in home rule municipalities)
HB 72 (historical districts)

Of course, this leaves no room for yet-to-be introduced legislation which may seem important. But we can "bump" some of the less important bills here if need be.

Thanks for your patience.

Lisa

P.S. I could garner only 2 votes to move HB 85 (residential property tax exemption) & disallowed a tabling motion by Kelly. Shall I persist? (The 2 votes were Rudd & Phillippis)

HB

9

IN THE HOUSE BY RHODE

HOUSE BILL NO. 9

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the requirements for runoff elections in municipal elections."

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

* Section 1. AS 29.28.040 is amended by adding a new subsection to read:

(b) A municipality may by ordinance vote at reg. election exempt itself from the requirements of this section and provide for plurality vote for election of officials.

auth exempt under this sec.

No ord. shall be effective until ~~date~~ the voters of the munic have approv. it & adopt. at a reg. munic. ele

Kenai Pen. Runoffs
'72 3500
'73 4000
'74 3500
'75 6000
'76 1600

this under $20,000 no election
" over 20,000 election

It was the third recent fatal diving accident at Kodiak.

Industry spokesman cites hopes, r

U.S. fishermen i

WASHINGTON (AP) — The government has shattered the hopes and ignored the needs of U.S. fishermen in drawing up plans for regulating fishing within the new 200-mile offshore zone, Congress was told today.

"We have taken a step backwards in the protection of our fisheries," said Paul T. Brayton, executive secretary of the Atlantic Offshore Fish & Lobster Association in testimony prepared for a Senate Commerce Committee hearing.

The committee is holding hearings on implementing the expanded offs
under a law p
Brayton tol
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gear of U.S.
penalties are
fishermen co
Brayton op
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fisheries affa
review of for
shortened.
He said th
order to insu
The State D
make it imp
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In other te
Glenn O. The
Coast Guard
reactivating
helicopters to

Mayor runoff election Feb. 8

Officials of the Kodiak Island Borough have called a special election Tuesday, Feb. 8, for a runoff between the two vote-getters in last week's borough mayor election.

According to the final count of votes, reached today in the official canvassing, Wayne Kotula and Dorothy "Dottie" Paulson must appear again on the ballot since none of the six in the race garnered the 40 per cent required by law.

Kotula came close, as he needed 348 out of a total vote of 871. Today after the 25 challenged ballots and 10 absentee ballots were counted, Kotula had 341 votes. Paulson was a distant second with 158.

Paulson, contacted immediately after the canvassing, said she had called borough officials to say "It was obvious he was the choice of the voters."

Yet, apparently, a concession by Paulson would require the candidate with the next highest count — Dan Ogg with 115 — to run against Kotula. Paulson's reaction to that opinion: "Well, I guess we'll have a rerun!"

She said, however, she thought it unnecessary to hold a runoff for an abbreviated term. She said she would rather the money be applied somewhere else. "My thought was just to save some money."

But as it is, Feb. 8 it will be Paulson versus Kotula.

Inside today...

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Kodiak Mirror 1-25-77

BOX 335

CITY OF HOMER

HOMER, ALASKA 99603

January 21, 1977

Mrs. Lisa Rudd
House of Representatives
Pouch V
Juneau, Alaska 99801

Subject: HB 9, Runoff Elections in Municipal Elections
Hearing Janaury 28

Dear Mrs. Rudd:

The City of Homer has continually supported the position that a municipality, through its elected body, should determine for iteself if a runoff electic is a necessary part of their election process.

Expe ience has shown that voter interest in a runoff election is extremely low, ranging between 10% or less turnout to 20% at the most. This is partly due to confusion created by a runoff election. The "runoff" election is quite different from a "primary" election. A primary election precedes the general election; the runoff follows it. The voter is accustomed to the general election being the deciding election. The runoff reverses this standard procedure.

The runoff election doubles the election expense.

A considerable hardship caused by the runoff election is the delay that results in organizing the Council. The runoff provision means that an entire month is lost. This is valuable time to the Councils that could be spent in running the business of the municipality rather than waiting for its final members.

AS 29.28.010 mandates that the City Council "shall prescribe the rules for conducting municipal elections..." The legislature should not then try to prescribe what should be included in the municipal election process.

The City of Homer encourages the passage of any bill which allows the municipalities, through their duly elected governing body, to provide for plurality elections for municipal office.

Very truly yours,

CITY OF HOMER

Larry C. Farnen
City Manager

LCF/cc

HB

31

On alcohol

Dear Editor:

I am a non - drinker, but perhaps I should change that. Recent proposals for increasing the taxes on alcoholic beverages inspire me to at least consider the above action — as a public service, you understand.

That is, if proper treatment of social ills such as alcoholism depends upon the availability of tax - monies generated by sale of booze (or whatever), then perhaps it becomes my duty as a citizen to help increase sales of the stuff (to generate more tax - revenue, to . . .).

Strange business indeed, eh?

Charles Konigsberg

P.S. Would we be wiser, perhaps, to orient our efforts more directly at helping to create the kind of Alaska in which alcoholic intake is not so important to so many people?

IN THE HOUSE BY DUNCAN

HOUSE BILL NO. 31

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal powers to tax the sale of alcoholic beverages."

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

* Section 1. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.416. SALES TAX LEVY ON ALCOHOLIC BEVERAGES. In addition to taxes authorized by sec. 415 of this chapter, a borough which provides a program for the treatment of alcoholics and intoxicated persons may tax the sale of alcoholic beverages. The rate of levy of the tax may not exceed that rate which will provide revenue from the tax in an amount equal to the total expenditure made by the borough during the previous fiscal year on alcohol treatment programs and facilities.

in addition to prop. tax + sales tax

Discuss relationship w/ HB 75

treatment-tax tie-in is limiting

limit tax rate?

McCarthy 3% sales tax limitation
Need to change? (Many munic. are now at maximum)
for gen. law municipalities

file w/ bill - LR file

January 26, 1977

To; Lisa

From: Judith

Re: HB 31 - Taxation on Alcoholic Beverages

Per our conversation of 1/26/77 I wanted to put into writing some of the problems that are being put forth in regards to Mr. Duncan's Bill. As you know, the Governor's office, in conjunction with a number of agencies including the Sate Office of Alcoholism, is in the process of preparing a packet of (6) bills deeling with alcohol and alcohol related problems. The following are some of the concerns regarding HB 31:

"borough" may tax the sale of alcoholic be erages seemingly excludes 1st and 2nd class cities.

"treatment" seemingly excludes monies for taxation being applied to handle all other alcohol related concerns.

Monies for treatment programs are to be based on the previous fiscal year - the concern as I understand it, is that this will not allow for any expansion beyond maintainence level of alcohol treatment programs.

Original sponsor: (((must be on all CS's)))

BY _____

IN THE HOUSE / SENATE

CS for HOUSE BILL NO. 31

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: " An Act relating to municipal powers to tax the sale of alcoholic beverages."

tax on retail sales?

law enforcement / health & welfare / corrections } alcohol related costs -

*1. - What if they collect too much?

"

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

* Section 1. AS 29.53 is amended by adding a new section to read:

Sec. 29.53.416. SALES TAX LEVY ON ALCOHOLIC BEVERAGES. In addition to taxes authorized by sec. 415 of this chapter, a home rule or general law borough which provides a program for the prevention and treatment of alcoholics and intoxicated persons may, by ordinance, tax the sale of alcoholic beverages. The *rate of levy of the tax may not *1. exceed that rate which *1. will provide revenue from the tax in an amount equal to the total expenditure made by the borough during the previous fiscal year on alcohol treatment programs and facilities. approp. by boro. - local contribution [The delete to require referendum requirements of sec. 420 of this chapter do not apply to a sales tax levied under this section.]

* Sec. 2. AS 29.13.100 is amended by adding a new paragraph to read:

(37) AS 29.53.416 -- Sales tax levy on alcoholic beverages.

* Sec. 3. 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

* round to nearest 1/2

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. Except as authorized by AS 29.53.416, no [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.

~~repeal last sentence by 04.15.070~~

DETAILED ANALYSIS OF PU

	STATEWIDE AND REGIONAL PROGRAMS	TOTAL PROJECT COST	STATE ALCOHOLISM AWARD	STATE AWARD FUNDING SOURCE: STATE GENERAL FUNDS	NIAAA FORMULA/ PIPELINE	TITLE IVA,VI XVI
SW	NCA-AR	736,158	79,478	64,576	-0-	14,902
	ANCADA (RURAL CAP)	72,793	5,000	-0-	5,000FG	-0-
*	ANCADA (MINI-GRANTS)	385,000	-0-	-0-	-0-	-0-
*	Univ. of AK-CAAS	189,769	-0-	-0-	-0-	-0-
*	AFN	67,500	-0-	-0-	-0-	-0-
*	AK NATIVE HEALTH BOARD	39,600	-0-	-0-	-0-	-0-
*	SOA-Prevention	25,000	-0-	-0-	-0-	-0-
*	SOA-Uniform Act	120,000	-0-	-0-	-0-	-0-
*	SOA-Formula Grant	200,000	-0-	-0-	-0-	-0-
*	SOA-Pipeline Grant	650,000	-0-	-0-	-0-	-0-
	AIMEA	200,000	200,000	-0-	200,000PL	-0-
	REGIONAL PROGRAMS					
I	Unalaska Council	136,020	226,800	26,800	-0-	-0-
II	BARROW Council	54,730	54,730	-0-	54,730PL	-0-
III	Bethel Council	132,214	93,500	93,500	-0-	-0-
*	Kasigluk Council	5,000	-0-	-0-	-0-	-0-
*	Kwigillingok Council	10,000	-0-	-0-	-0-	-0-
*	Nunapitchuk Council	10,000	-0-	-0-	-0-	-0-
IV	Norton Sound Health Cor	126,121	85,430	85,430	0-	-0-
V	Dillingham	31,505	22,100	-0-	22,100FG	-0-
VI	Seward	43,900	34,700	-0-	34,700PL/FG	-0-
	Valdez	65,260	65,260	-0-	65,260PL	-0-
VII	GAAB	1,474,610	877,466	567,470	109,438PL	144,896
*	Eklutna Council	10,000	-0-	-0-	-0-	-0-
VIII	Copper Center	55,000	55,000	-0-	55,000PL	-0-
IX	Kodiak Council	150,496	120,830	73,867	28,500FG	15,063
X	Maunaluk Inc.(Kotzebue)	52,700	36,981	31,403	-0-	5,578
XI	Fairbanks Native Assoc	1,072,440	314,383	217,650	-0-	72,550
	Galena	18,667	14,000	9,750	4,250FG	-0-
	Upper Tanana (Tok)	128,600	13,700	13,700	-0-	-0-
XII	Yakutat	18,500	13,875	13,875	-0-	-0-
	Juneau - ACA	280,305	55,200	-0-	55,200FG	-0-
	- Gastineau Man.	69,024	35,160	4,880	30,280FG	-0-
	Sitka	105,451	79,380	66,536	-0-	12,844
	Petersburg	36,093	27,070	-0-	27,070	-0-
	Wrangell	35,813	26,860	26,860	-0-	-0-
	Ketchikan	142,147	58,101	49,405	-0-	8,696
*	Mt. Edgecumbe High Scho.	62,300	-0-	-0-	-0-	-0-
*	Juneau AK Native Broth.	5,000	-0-	-0-	-0-	-0-
	TOTALS	7,044,109 6,194,109✓	2,395,004	1,345,702	691,578	247,529

✓Total does not include 650,000 S.O.A. PIPELINE and 200,000 S.O.A. FORMULA GRANTS since these monies are included in the "Total Project Cost" for the individual programs that received these monies, through a State Office of Alcoholism grant.

CODING NOTATIONS:

*NIAAA DIRECT GRANT

Table 2

LIC ALCOHOL EXPENDITURES, FY 1976

OTHER FEDERAL FUNDING SOURCES					MISC. FUNDING		
TOTAL OTHER FEDERAL INCOME	NIAAA DIRECT GRANTS	CONT. & REGIONAL AFFAIRS GRANT	OTHER FEDERAL GRANTS	3RD PARTY PAYMENTS (VA, BIA)	OTHER CASH LOCAL GOVT. PROJECT, INC.	IN-KIND CONTRI.	SERVICES & PURPOSES
656,680	656,680	-0-	-0-	-0-	-0-	-0-	3,4
54,219	54,219	-0-	-0-	-0-	-0-	13,574	6
385,000	385,000	-0-	-0-	-0-	-0-	-0-	6
189,769	189,769	-0-	-0-	-0-	-0-	-0-	1,2
67,500	67,500	-0-	-0-	-0-	-0-	-0-	3,4
39,600	39,600	-0-	-0-	-0-	-0-	-0-	1
25,000	25,000	-0-	-0-	-0-	-0-	-0-	3
120,000	120,000	-0-	-0-	-0-	-0-	-0-	1
200,000	200,000	-0-	-0-	-0-	-0-	-0-	to programs
650,000	650,000	-0-	-0-	-0-	-0-	-0-	to programs
-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,3,4
86,220	-0-	-0-	86,220 A	-0-	-0-	23,000	2,3,4,6 a,b
-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,5,6; a,c
950	-0-	-0-	950 B	-0-	32,364	5,400	2,3,6, a,b,c
5,000	5,000	-0-	-0-	-0-	-0-	-0-	6 Unspecific
10,000	10,000	-0-	-0-	-0-	-0-	-0-	6 Unspecific
10,000	110,000	-0-	-0-	-0-	-0-	-0-	6 Unspecific
-0-	-0-	-0-	-0-	-0-	-0-	40,691	1,2,3,5, b,a
-0-	-0-	-0-	-0-	-0-	-0-	9,405	3,6; a,c
-0-	-0-	-0-	-0-	-0-	2,000	7,200	6 Unspecific
-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,6, a,c
333,353	156,110	84,440	-0-	83,550	234,879	156,450	1,2,3,5,6 a-
10,000	10,000	-0-	-0-	-0-	-0-	-0-	6 Unspecific
-0-	-0-	-0-	-0-	-0-	-0-	-0-	6 a
-0-	-0-	-0-	-0-	-0-	29,166	500	2,3,5,6 a-e
-0-	-0-	-0-	-0-	-0-	-0-	15,719	6 a,c
657,000	235,000	404,000	18,000 C	-0-	59,050	42,007	1,2,3,5,6 ac
-0-	-0-	-0-	-0-	-0-	-0-	4,667	3,6 a,b,d
114,900	114,900	-0-	-0-	-0-	-0-	-0-	1,6 a
-0-	-0-	-0-	-0-	-0-	1,775	2,850	6 a,c
116,362	116,362	-0-	-0-	-0-	108,743	-0-	1,2,3,5,6 a,
16,464	-0-	-0-	-0-	16,464	9,000	8,400	6 e
-0-	-0-	-0-	-0-	-0-	2,000	24,071	6 a,c
-0-	-0-	-0-	-0-	-0-	4,023	5,000	3,5,6 a,c
-0-	-0-	-0-	-0-	-0-	5,103	3,850	6 a,b,c
40,120	40,120	-0-	-0-	-0-	25,290	18,636	3,6 a,c,d,e
62,300	62,300	-0-	-0-	-0-	-0-	-0-	4 Unspecifie
5,000	5,000						
						381,420	
3,855,437	3,152,560	497,693	105,170	100,014	412,258		

A. BEEP Grant
B. LEAA Grant
C. CETA Grant

1 - Research
2 - Training
3 - Prevention
4 - Info & Education
5 - Community Planning & Development

TOTAL $ EXPENDED: 6,194,109
NIAAA Direct to

HB

66

HB66

January 14, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and 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 community legal assistance fund (AS 44.47.200 - 44.47.230). This bill will permit the Department of Community and Regional Affairs, using funds from the community legal assistance fund, to contract directly with the Department of Law to provide direct legal assistance to eligible communities or regions in the limited areas of ordinance codification and statutory interpretation when that interpretation is not related to litigation in which the eligible community or region is a party.

The bill is designed to remedy a deficiency in the existing community legal assistance program. Existing statutes do not permit community legal assistance funds to be expended for general legal work such as ordinance codification and statutory interpretation. Review of the program during FY 1976 showed that most of the applications received requested this kind of assistance. As a result, only two applications (seeking legal costs for developing ordinances related to specific, unique situations) were approved. The amendments in this bill will permit community legal assistance funds to be used for the limited purposes of ordinance codification and statutory interpretation not related to litigation, the two areas of eligible communities' greatest need, while continuing to provide for retention of private attorneys to handle specific problems as originally contemplated.

STATE of ALASKA

MEMORANDUM

HB 66

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Palmer McCarter, Director
Local Government Assistance

DATE: August 10, 1976

FROM: David Jensen Dave
Local Government Specialist

SUBJECT: Proposal for amending 44.47.200

Throughout the past year we have administered the Community Legal Assistance Grant Program. The program somehow seems appropriate in concept but proves difficult in application to real situations.

As you know we have approved only two applications for legal assistance. Both applications were for legal costs in developing an ordinance or ordinances related to specific situations. Most inquiries for information on the program have been in the nature of requests for ordinance codification or code development. (See attached summary) We have held the view that general ordinance writing, code development and codification are functions common to all cities and hence general legal work. Clearly the grant fund does not allow for us to take any other viewpoint. If we were to grant funds for general ordinance work we would soon exhaust the funds available and serve only a handful of cities.

Since the majority of requests are for general ordinance development perhaps we should consider a means to accomodate the requests. As I mentioned earlier we cannot give grants to each city requesting ordinances without quickly exhausting the grant fund. Private attorneys are asking approximately $75.00 per hour.

I suggest that an attorney hired for the specific purpose of writing ordinances would be far more cost effective than contracting with private attorneys.

I envisage a program where we could hire an attorney (part-time or full-time) who could write ordinances as requested by cities. I believe there are sufficient funds to hire an attorney and still leave funds available for grants for "exceptional" circumstances.

I am attaching a proposed legislation that would, I believe, allow a change in the existing program to accomodate requests for ordinance writing at a cost the fund will bear.

DJ/ajr
Attachments (2)

RECEIVED
AUG 12 1976
DEPT OF COMMUNITY
AND REGIONAL AFF.AIRS

INQUIRIES

By Phone	Nature
Wasilla	General ordinances
Alaska Court System	General ordinances
By Correspondence	
Pelican	Codification of ordinances
Metlakatla	General ordinances
Whittier	Codification of ordinances
Kotlik	Hire an attorney to charge former council for misuse of funds
Shageluk	Study AVEC contract for legality
Akolmiut	Land dispute
Tununak	Land dispute - management of 2nd class city
Applications (rejected)	
Klawock	Develop zoning ordinances and tax ordinances
Kawerak	Study justice system in region and develop ordinances
Arctic Village	Negotiate transfer of BIA services to village
Applications ~~(pending)~~ approved	
Kodiak Area Community Development Corporation	Specific Ordinances for Kodiak area cities
Applications (approved)	
Anderson $5,000	Develop watershed ordinance
McGrath $5,000	Land transfer and ordinance development

approved
Kupreanof $5000 - Land title prob.

Article 6. Community Legal Assistance

Section
200. Community legal assistance fund
210. Eligibility
220. Grants
230. Regulations

Sec. 44.47.200. Community legal assistance fund. There is created in the Department of Community and Regional Affairs the community legal assistance fund. From legislative appropriations to the fund, the department may make grants to eligible communities and regions for the purpose of enabling them to obtain legal assistance. The department may hire an attorney on a permanent or part-time basis for the purpose of providing direct legal assistance to eligible communities and regions.

Sec. 44.47.210. Eligibility. First and second class cities and un-incorporated villages, and regional associations of those communities, may apply to the department for legal assistance under §200 of this chapter. Legal assistance shall be made only to those communities or regions that would otherwise be unable to obtain legal assistance. No regional or village corporation formed under the Alaska Native Claims Settlement Act (P.L. 92-203) is eligible for legal assistance under §200 of this chapter.

Sec. 44.47.220. Community Legal Assistance. Legal assistance made under §200 of this chapter shall be for a single legal project and not for the provision of general legal counsel. The department shall assure that any grant made is spent for necessary legal assistance and that appropriate accounting procedures are maintained. Grants may not exceed $20,000.00.

Sec. 44.47.230. Regulations. The department shall adopt regulations to carry out the purpose of §§200-220 of this chapter.

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
524 WEST SIXTH AVENUE, SUITE 204
ANCHORAGE, ALASKA 99501
TELEPHONE 272-9431

RECEIVED
AUG 16 1976
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

August 12, 1976

Honorable Lee McAnerney
Commissioner
Department of Community and Region Affairs
Pouch B
Juneau, Alaska 99801

Dear Commissioner McAnerney:

I have had several conversations with you and David Jensen concerning the Community Legal Assistance program. I would like to outline my thoughts concerning a possible change in the present legislation, which I believe, would make the program more responsive to village needs and provide for a better and more efficient use of the funds.

As it is presently established, the Community Legal Assistance Grant Fund enables first and second class cities and unincorporated villages a..d regional associations of those communities to apply to the Department of Community and Regional Affairs for grants to enable the community to obtain legal counsel for general legal assistance. One of the main objectives of this legislation was to make funds available to communities for legal counsel to assist them in the development of ordinances and assist them with establishment of viable local governments. As you know, this was a recommendation of the delegates to the Bush Justice Conference held in Minto, in 1974. The specific recommendation is as follows: "That the Department of Community and Regional Affairs should provide attorneys residing in regional villages and help them codify their customary and traditional laws."

Recent conversations with you and Dave Jensen indicate you have contemplated amending the program to enable the Department to hire at least one, and possibly two, attorneys to work on a permanent or part-time basis for the purpose of providing direct legal assistance to eligible communities and regions. We believe this would be a good thing and support your efforts so long as no substantive changes are made in the existing law.

Our reasons are twofold: First, representation of cities, the development of municipal ordinances and establishment of local governments is a highly specialized area of the law.

It requires a great deal of research and familiarity with municipal law, administrative law, and revenue sharing to do this. As the program is presently set up, successful grant applicants hire attorneys to do this work for them. There is no assurance that the attorneys they might hire have experience or expertise in the field, on intimate knowledge of the community. Should the Department have attorneys on staff with the responsibility for this, they could develop model ordinances based on their research and experience much easier and with less attorney time involved than attorneys lacking knowledge or background in this field. Attorneys working in your department would also have the advantage of being able to call on people in your department who have considerable experience working with rural communities, and a great deal of familiarity with their special needs. They would also be able to assist the staff attorneys in bridging the cultural and language gaps that occur when working with Native villages in Alaska.

The second reason for our support of your proposal is that although Alaska Legal Services has been asked many times to perform this legal work for villages, and we recognize the great need of the communities for this help, we are unable to do so because of potential conflict situations. Our Board has established that our priorities for providing legal assistance are to low income individuals, and although we frequently do provide assistance to groups which meet our income guidelines, the Board has determined that it could pose conflict situations should we become the attorney of record for villages and small rural cities.

For these reasons I believe it would be an improvement of the current program for your department to have attorneys on staff who have the capability and responsibility for providing this assistance. It would be a much more efficient method for providing this much-needed assistance and I believe more communities would be served as a result. One problem with the present grant program is that many communities who need this help are unaware of the program, and even if they are aware, there are no people in the community sufficiently skilled to make the application. The change you propose could help bridge that gap also.

Alaska Legal Services supports this program, and if we can do anything to assist you with its implementation, please let me know. If we can provide further information, please contact me.

Sincerely,

ALASKA LEGAL SERVICES CORPORATION

Lorette Goodell

Lorette Goodell
Executive Director

LG/lag

cc: David Jensen

HB

70

Lisa's Marked

Copy

Introduced: 1/19/77
Referred: Community & Regional Affairs and Finance

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE BILL NO. 70

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to municipal revenue sharing, and the Alaska Business License Act; and providing for an effective date."

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

* Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 17. MUNICIPAL REVENUE SHARING.

Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a) This chapter may not be construed so as to create a debt of the state.

(b) The special municipal services account is established. Funds to carry out the provisions of this chapter may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of each local government's or other recipient's share authorized under this chapter, ~~such funds as are~~ available shall be distributed ~~pro rata~~ among eligible local governments and other recipients.

(c) Money in the special municipal services account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this chapter reverts to the general fund.

Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A municipality proposing to provide administrative services or a service provided for in sec. 30(a)(1) of this chapter may, in lieu of obtaining revenue sharing money as provided in this chapter, obtain instead a minimum grant of $25,000.

(b) The department shall issue regulations regarding procedures and time limits for making an election under this section.

Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) If a municipality elects not to receive the grant provided for under sec. 20 of this chapter, the amount of revenue sharing for which it is eligible shall be calculated: as a result of B X P where

(1) B is the base revenue sharing amount of $1 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)	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)	airport	5 units
(I)	solid waste disposal	2 units
(J)	ambulance	2 units
(K)	air pollution	2 units

(2) P is the population of the municipality rounded up to the nearest 100.

(b) If a municipality provides one or more of the services in (a)(1) of this section under contract to a defined area outside the boundaries of the municipality the revenue sharing amount for those services shall be increased by the service units for that service or services times the population of the area served rounded up to the nearest 100.

(c) If a municipality contains areas having different rates of

taxation, the entitlement shall be calculated for areawide services and for each area ~~separately~~ and totaled ~~to reach~~ the entitlement of the municipality. Revenue sharing money ~~for which the entitlement is~~ based upon areawide services may be used for areawide purposes only. ~~and~~ Revenue sharing money ~~for which the entitlement is~~ based upon service area services may be used for that service area only.

gone to the hospital lapse into the state general fund; payments to the municipality shall be transferred to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(C) a hospital may not receive payment under both (A) and (B) of this paragraph;

(3) $1,000 per bed to an organized borough or city outside an organized borough in which a health facility is operated for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or $4,000 per health facility as the local government may determine;

(4) funds received by a municipality under (1) or (3) of this subsection shall be used for expenses of health services or operation and maintenance of facilities as the municipality determines.

(b) If construction of a hospital or health facility began before January 1, 1976, and state matching aid for construction approved under AS 18 for payment to a municipality or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the municipality 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 or other facility sponsor has received an amount which, combined with state matching money for construction of the facility approved under AS 18, equals 25 per cent of the total project cost. No funds received for construction shall be used for any other purpose.

(c) In this section

(1) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general hospital; the term excludes facilities operated or wholly supported by the state or the federal government;

(2) "health facility" means public health centers, maternity homes and community mental health centers, facilities for the mentally or physically handicapped, nursing homes and convalescent centers which are licensed, when required, by the state under AS 18.20.010 - 18.20.130 and are owned or operated or both by a local government or by a nonprofit corporation or other nonprofit sponsor; the term excludes facilities operated or wholly supported by the state or the federal government.

Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES. (a) The state shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or a city a sum for protection purposes equal to $7.50 per capita for the population served by the department, ~~as~~ determined by the state fire marshal using the latest figures of the United States Bureau of the Census or other reliable data. ~~(b) Grants shall be made on the same basis of this section, a state shall pay $7.50 per capita for the prop. p roose~~ to facilitate the organization of volunteer fire departments in an area not in an organized borough or a city, upon application ~~of~~ the proposed fire protection group to the department and approval of applications according to standards of organization and service prescribed by regulations promulgated by the department.

Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State payments to a ~~municipality or to a hospital or volunteer fire department located outside a municipality under this chapter~~ shall reflect an area cost-of-living differential. Amounts distributed shall be based upon the sum of the grants due each ~~municipality or each hospital or volunteer fire department located outside a municipality~~ multiplied by the

appropriate area cost-of-living differential. The area cost-of-living differential for each ~~municipality or each hospital or volunteer fire department located outside a municipality~~ recipient shall be determined annually by election district under the provisions of AS 39.27.030; however, the area cost-of-living differential to be applied shall not result in an amount to be distributed less than the base allocation.

(b) The election districts used in (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

Sec. 43.17.070. FINANCIAL REPORTS. No final payment may be distributed to a municipality under this chapter unless ~~the~~ that municipality ~~has first submitted~~ submits to the dept. a financial report ~~to the department~~ for each of the two fiscal years immediately preceding the fiscal year in which funds are to be distributed, and a budget ~~for the municipality's fiscal~~ (keep) year in which funds are to be distributed. The department may, by regulation, prescribe procedures and filing dates for submitting financial reports and for obtaining all information required to determine the municipality's tax effort.

Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census, Department of Labor estimates or other population data which ~~in the judgment of the department, is reliable~~ that dept. judges as reliable. However, a municipality may not receive state shared revenue based on the population residing on that portion of a military reservation annexed to a city or borough after January 1, 1973, except as provided in this section. If a military reservation is located within a city or borough, ~~the~~ that city or borough is limited ~~in its entitlement to state shared revenue~~ the state shared revenue it receives, based on the population residing on the reserva-

tion, as follows: 50 per cent of the amount paid per capita for police protection ~~under this chapter~~; 25 per cent of the amount paid per capita for parks and recreation ~~under this chapter~~; 50 per cent of the amount paid per capita for mass transit ~~under this chapter~~; 50 per cent of the amount paid per capita for water pollution ~~under this chapter~~; and 50 per cent of the amount paid per capita for air pollution ~~under this chapter:~~

Sec. 43.17.090. ADDITIONAL LIMIT. In addition to the limitations on expenditure of funds contained in sec. 40 of this chapter:

(1) 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;

(2) if a city within an organized borough provides police protection services, the borough may not qualify for aid under sec. 30(a)(1)(A) of this chapter unless

(A) 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 with the state or

(B) the borough assumes and exercises power to provide police protection services on an areawide basis in the manner provided by law.

Sec. 43.17.100. 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 per 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. 43.17.110. 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 report 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.

Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a municipality under this chapter may be expended for any public purpose for which the municipality has power to expend funds except as provided in sec. 40 of this chapter.

Sec. 43.17.130. UNIFICATION, MERGER OR CONSOLIDATION OF MUNICIPALITIES. If a borough and the cities within the borough merge,

consolidate or unify in accordance with AS 29.68, the amount of revenue sharing to which the successor municipality is entitled shall be computed for the first year ~~and each year thereafter~~ as if the merger, consolidation or unification had not occurred, and the successor municipality shall receive ~~in~~ less than the amount so computed.

Sec. 43.17.140. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "municipality" for revenue sharing purposes means a city, borough or unified municipality incorporated under the laws of the State of Alaska except a second class city incorporated after the effective date of this Act and lying within an organized borough.

(3) Recipient" means a munic, hosp, health fac, or volunteer fire dept located outside a municipality.

* Sec. 2. AS 43.18.010 - 43.18.045 are repealed.

* Sec. 3. Other provisions of this Act notwithstanding, a municipality which would receive less money under the provisions of this Act than it was entitled to receive in fiscal year 1976 under the provisions of AS 43.18 repealed by this Act shall continue to receive an amount equal to that authorized for fiscal year 1976 under the former provisions of AS 43.18, in accordance with those provisions.

* Sec. 4. AS 43.70.010 is repealed.

* Sec. 5. AS 43.70.030(a) is amended to read:

(a) The license fee for each business is $25 [PLUS A SUM EQUAL TO ONE-HALF OF ONE PER CENT OF THE GROSS RECEIPTS IN EXCESS OF $20,000 FROM THE BUSINESS DURING THE YEAR FOR WHICH THE LICENSE IS ISSUED, EXCEPT THAT ALL GROSS VOLUME IN EXCESS OF $100,000 A YEAR IS TAXED AT THE RATE OF ONE-QUARTER OF ONE PER CENT. THE ANNUAL LICENSE FEE PAID BY A PROFESSIONAL PERSON TO HIS PROFESSIONAL BOARD SHALL BE CREDITED AGAINST THE INITIAL FEE REQUIRED UNDER THIS CHAPTER].

* Sec. 6. AS 43.70.030(c) is amended to read:

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally [AND GROSS VOLUME OF BUSINESS OF THOSE OFFICES INCLUDES ALL ORDERS TAKEN AT THEM WHETHER DELIVERY OF THE MERCHANDISE IS MADE THROUGH THE OFFICES OR NOT].

* Sec. 7. AS 43.70.030(d) is amended to read:

(d) The initial fee of $25 applies to all of the provisions of this section, and shall accompany the application. The balance under sec. 30(b) of this chapter is due and payable on December 31st of each year and shall be paid before the first day of March following, except that the department may extend the time until the 30th of the following April upon application showing that the extension is necessary to enable the applicant to ascertain the amount of license money due. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury.

* Sec. 8. AS 43.70.040 is amended to read:

Sec. 43.70.040. REVIEW AND DETERMINATION OF LICENSE TAX. As soon as practicable after the final payment of the tax under sec. 30(b) of this chapter, the department shall examine the return and determine the correct amount of the tax and, if an error is found, shall notify the taxpayer of the error and examine the taxpayer's records as authorized in AS 43.05.040, and take other proper steps to determine the amount due.

* Sec. 9. AS 43.70.110(2) is repealed.

* Sec. 10. AS 43.17 is amended by adding a new section to read:

Sec. 43.17.140. ADDITIONAL GRANTS TO REPLACE LOST REVENUE. In addition to all other revenue sharing with municipalities, a munici-

pality is entitled to and shall receive each year an amount equal to the amount of money it was entitled to receive under AS 43.70.080 for the year 1978.

* Sec. 11. Sections 1, 2, 3 and 4 of this Act take effect July 1, 1977. Sections 5, 6, 7, 8, 9, and 10 of this Act take effect January 1, 1980.

December 8, 1975

Senator Genie Chance
310 "K" Street
Suite 701
Anchorage, Alaska 99501

Dear Senator Chance:

I am pleased to enclose with this letter two pieces of proposed legislation which represent the recommendations of this interim committee in the area of shared revenues with municipalities. The proposed legislation is the product of a number of meetings of the committee in the months since the adjournment of the legislature plus two public hearings. One of these public hearings was held in conjunction with the October convention of the Alaska Federation of Natives, in order to receive bush community viewpoints. The other hearing was held in conjunction with the October conference of the Alaska Municipal League. In addition, suggestions and constructive criticism were requested by mail and received from a wide variety of cities and communities throughout the State of Alaska.

It was considered crucial, since revenue sharing has been created solely for the purpose of assisting municipalities in the funding of needed local services, that the final product of the committee take maximum note of the views and suggestions of the various municipalities across the state. The enclosed bill represents what the committee considers to be the most beneficial and most feasible of those suggestions.

Perhaps some review might be in order concerning the need for revision of the current shared revenue program. Although the program in concept currently enjoys the unanimous and enthusiastic support of every municipality in the state, the following were considered deficiencies which new legislation could correct.

REPRESENTATIVE
MIKE MILLER
ALASKA STATE LEGISLATURE
P.O. Box 1494
JUNEAU, ALASKA 99802
HOME PHONE 586-3067
LEGISLATIVE PHONE 465-3739

HOUSE MAJORITY LEADER
VICE CHAIRMAN, LEGISLATIVE COUNCIL
VICE CHAIRMAN, STATE AFFAIRS COMMITTEE
MEMBER, RULES COMMITTEE
MEMBER, COMMITTEE ON COMMITTEES

First, it was felt that a "foundation" approach might be useful in the field of revenue sharing--"foundation" approach meaning a formula with a foundation amount similar in concept to that utilized in the school foundation statutes. The beauty of such an approach is that whenever a legislature wishes to raise the foundation amount (to recognize increases in the cost of doing business) it is necessary merely to amend one word in the statutes. Absent the foundation approach it is necessary, whenever you wish to recognize the increase in the cost of doing business, to go into the statutes and revise the per capita dollar figure for each of the various categories in which shared revenue assistance is given to municipalities. This is both cumbersome and, in practice, inequitible. Some categories tend to get raised, others do not and the system can easily get out of balance.

It was felt, too, that the amount of shared revenues being designated for small communities was much too small. It was recognized that the present purely per capita approach just did not offer the very small communities enough money to assist in any meaningful way in meeting the obligations of local government. It was recognized that whether a second class city had 25 residents, or 75 residents, or 125 residents there was nonetheless an irreducible minimum cost of doing business, and that that minimum was just as great for very small villages as it was for medium sized second class cities. It was, therefore, considered desirable that a minimum grant base be established for these communities and it was further considered desirable that the base amount agreed upon be as generous as possible in order that the benefits of government on the local level be economically feasible for the communities.

Another deficiency in the current statutes was the lack of the requirement for standards and criteria by which the Department of Community and Regional Affairs could determine whether communities were actually entitled to shared revenues in the various categories under which they were seeking aid. This deficiency has long been recognized by the Department of Community and Regional Affairs and has been recognized additionally by the Legislative Budget and Audit staff. This is not to say that the shared revenue monies alloted to the communities should be required to be spent in the categories designated--far from it. It was and still is the consensus of the committee and of the municipalities that local discretion should continue in the spending of shared revenue receipts. It was felt, however, that in order to receive shared revenue monies in, for example the fire department category it should be demonstrated that the community can meet minimum standards in that category.

> Finally, there was a question projected by some communities as to whether the use of categories in sharing state revenues was even appropriate. It was thought perhaps more appropriate simply to allocate available dollars to the municipalities and let each local government establish its own pricrities without regard to existing municipal services.

In order to correct these deficiencies the committee drafted three alternate pieces of legislation for consideration by the committee and the municipalities of Alaska. With considerable--and greatly appreciated--assistance from the University of Alaska/Anchorage, we were able to develop extensive data showing the practical results (i.e., the dollars to be received) for each community in the state under the various alternatives. We developed similar data based on proposed legislation already in the house (legislation which, incidently, had been previously endorsed by the Alaska Municipal League) and also on a simple per capita allocation of funds to municipalities. Four of these five total alternative were specifically noncategorical in approach. All of the alternatives and all of the data were presented to delegates of the Alaska Federation of Natives Convention and delegates to the Alaska Municipal League Conference. In addition, this material was mailed to virtually every municipality, large and small, in the state with requests for evaluations and suggestions.

I think it would be fair tc say that prior to the hearings and mialings there was a strong feeling among the larger communities, in partiuclar, that revenue sharing should be based on tax effort. The feeling was that those who tax themselves the most should receive the most additional state aid. This was the principle thrust of the existing proposed legislation which the Alaska Municipal League had previously endorsed. The committee recognized this concept in two of the alternatives they proposed, but built in additional factors including the availability of tax resources plus tax effort in relation to those resources. Interestingly, when all the facts--in the form of state-wide computerized readouts--were laid before the communities a very noticable modification of opinion became apparent during the hearings and in countless conversations afterward. Committee memebers noted a discernible reluctance on the part of communities, large and small, to terminate the categorical approach. What was needed, several elected officials indicated, was a bill which more or less continued the "tried and true" categorical approach, in the present revenue sharing system but which <u>also</u> incorporated the "foundation approach".

Basically, then, this is the bill which the interim subcommittee has proposed:

First, the bill does create a municipal "foundation approach" to revenue sharing. It does so by allocating varying numbers of units to various categories of municipal services and then multiplying those units times population, and then multiplying this product times a "foundation" base figure. For this bill the committee established a foundation base at $1.00. In future years if the cost of doing business goes up, for instance 11%, the legislature may, if it chooses, raise the foundation amount by simply changing the figure $1.00 to $1.11.

In establishing categories and establishing unit values within each category, the committee did indeed stick by the "tried and true" categories of past years. Police protection, for instance, which in previous years earned communities shared revenue at the rate of $12.00 per capita will earn units within the foundation formula at the rate of 12 units. Fire protection is 7.5 units (as opposed to $7.50 per capita under the present system). Additional ingredients include air or water pollution control (2 units), land use planning (2 units), parks and recreation (5 units). Two important changes have been made in the categorical designations. Under present law a community can receive $5.00 per capita for operating either a small boat harbor/ port or for operating mass transit or for operating an airport. In the proposed bill 5 units can be accumulated in <u>each</u> of these categories. The second important difference is the addition of solid waste disposal as a new category, which in the proposed bill will be valued at 2 units.

The proposed legislation establishes a $25,000 minimum grant for municipalities whose low per capita standing would otherwise earn them only small amounts of revenue. The committee felt the $25,000 figure was a generous but nonetheless fair amount. It was interesting to note that at neither public hearing was there any critism of this amount. At one meeting of the committee, a single individual did observe that he thought the figure was pretty high for the very smallest communities. He did not, however, seek to have the committee change the amount.

Additional features of the bill include the following:

Special start-up grants have been established in various categories for municipalities who do not currently offer such services as police protection, fire protection, air

and water pollution control, land use planning, parks and recreation, small boat harbors/ports, air ports or mass transit systems. The Department of Community and Regional Affairs is specifically charged with creating minimum standards of service in the various categories for which municipalities can receive revenue sharing. Revenue sharing for hospitals remains virtually the same as under current law except that responsibility for administering this section is transferred to the Department of Health and Social Services. Additionally, in the area of health, a paragraph specifies that no hospital or health facility shall be eligible for revenue sharing unless the facility has received a Certificate of Need from a municipality or the state. This paragraph anticipates that "Certificate of Need" legislation will be passed in this session of the legislature. Another interim committee is studying the whole broad area of health facilities so this section may undergo substantial modification when that interim committee completes its deliberations. Shared revenues for road maintenance remains virtually the same as current law. A very important feature of the new legislation is that if a new second class city is created in an organized borough after passage of this law, the city would not be eligible for the $25,000 minimum grant. This feature is designed to preclude small gatherings of 25 people or more from incorporating simply to take advantage of the $25,000 revenue sharing opportunity. Finally, a very important feature of the proposed legislation is the clause which guarantees each municipality that it will not receive less money than it is receiving under the current statutes.

There, of course, are many additional features to the legislation, but this summary covers most of the major changes.

As noted earlier, the committee is submitting two bills for introduction and for consideration by the legislature. One is quite large and comprehensive and is described in the report above. The other bill consists of only one paragraph and this paragraph constitutes one of the many provisions of the larger bill.

The provision, drafted at the request of the Department of Community and Regional Affairs, simply mandates that the department create minimum standards and criteria to qualify municipalities for grants in each category of shared revenue. If the major bill should run into difficulties and if passage does not seem assured, then it is recommended that the legislature consider and enact the oneparagraph small piece of "clean-up" legislation.

The fiscal impact of the legislation will be to raise the state shared revenue allocation from a current level of about $15 million to a level of approximately $20 million--if the bill is fully funded. The raise, of course, comes from creating the $25,000 minimum grants to small cities, from creating a new category (solid waste) and from separating the now-combined port/harbor-airport-mass transit category into three separate categories.

This report would not be complete without making special acknowledgement of the work of the several individuals and agencies. The committee is extremely appreciative of the hours of work, both during committee sessions and out of session, by Dr. Garth Jones and P. J. Hill, both of the University of Alaska/Anchorage. The vast volume of computerized data that both Dr. Jones and Mr. Hill provided was crucial in the final deliberations and directions of the committee.

Similarly, we would like to give a special thanks to Mr. Rich Wilson and Mr. Sam Coxson, both of the City of Anchorage who helped in obtaining and analyzing the data, and who attended most of the sessions and hearings of the committee and contributed greatly to the deliberations. We are indebted as well to the Alaska Federation of Natives who made time available for us during the annual AFN convention in Anchorage, and the Alaska Municipal League who similarly made time available during its annual conference in that same city. The League, as well, was most helpful to the committee in circularizing its membership and alerting municipalities of Alaska to the work of the committee. Finally, I would like to acknowledge the fine work of the staff of the Legislative Affairs Agency, and Bill Berrier in particular, plus the membership of the interim committee. Interest was lively, suggestions were broad and imaginative and attitudes were positive throughout the course of the committee's deliberations. It has been a pleasure to chair this committee and of course all of us on the committee stand ready to answer any questions which you or other members of the legislature might have concerning the recommended legislation. Thank you for your own fine support of the committee.

Sincerely,

Mike Miller, Chairman, Interim
Committee on Shared Revenues
with Municipalities

MM:smh

Enclosures

02 0018

STATE
of ALASKA

MEMORANDUM

TO: Judith Pinero
Staff Representative for
Rep. Rudd
Room 620, Court Building

DATE : January 21, 1977

FROM: Mike McCormick
Chief, Audit Services
Audit Division

SUBJECT: House Bill No. 70

You have inquired as to the dollar impact of House Bill 70. The bill has not been referred to the Audit Division for an assessment of the fiscal impact. As soon as it is we will issue the usual statement. In the meantime, the following will give an indication of the impact.

As I understand it, the Bill would abolish the gross receipts tax aspect of AS 43.70 but keep the $25.00 business license requirement. The following figures would be used to project the future impact:

Total revenue for fiscal year ending June 30, 1976 from AS 43.70		$ 19,077,400
No. of licenses issued	30,286	
Less estimated number of no fee license (professional)	606	
Estimated number of taxable licenses issued	29,680	
X $25.00 fee		742,000
Approximate revenues from gross receipts portion AS 43.70 for fiscal year ending June 30, 1976		$ 18,335,400

Estimated revenue from business license and gross receipts For:

1977	20,430,000
1978	17,422,500

It should be noted that the impact for the revenue loss will be 60 per cent at the local level and 40 per cent at the State level due to the revenue sharing aspects of the law.

I believe these figures will give you a feel for the fiscal impact. I did not want to hold your request for the detailed analysis which the Department will issue.

Please contact me at 465-2321 if there are any further questions.

MMcC:mh

copy for my files -
na

To Lisa
+ C+F A

CITY OF FAIRBANKS

410 CUSHMAN ST.
FAIRBANKS, ALASKA 99701

March 1, 1977

Representative Larry Carpenter
Chairman, Interior Caucus
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Larry:

I am writing with regard to HB 70 and HB 135.

In HB 70 there are some new catagories - some we can support, some we can not. The only one we can support is the ambulance. As you all know, the city is the only ambulance service into town and, therefore, we operate it area-wide, with the exception of the University of Alaska. This source of income will at least help the city taxpayer with some of those costs.

I object to the breaking out of the ports and the small boat harbors. Those are revenue producing programs and should be self-sustaining. I feel adding them as separate catagories is going to dilute the total amount appropriated. As you know, revenue sharing only received 90% funding last year and, if the funding level goes up considering previous catagories, we will receive less than last year.

We are in full support of HB 135. We feel that, if the total amount cannot be had, at least 50% should be gotten this year and the balance next.

Best regards,

James W. Rolle
Councilman

JWR:mac

cc: Senator John Butrovich
Senator Glenn Hackney
Senator John Huber
Senator John Sackett
Representative Don Bennett
Representative Fred Brown
Representative Steve Cowper
Representative Charlie Parr
Representati e Sally Smith
Representative Red Swanson

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 January 21, 1977

SUBJECT: HB 70, relating to the municipal revenue sharing program.

TO: Representative Lisa Rudd

FROM: John B. Chenoweth
Legislative Counsel

At your request, I have reviewed HB 70 with reference to the current program of state aid to local governments (AS 43.18.010 - 43.18.045) and offer these comments.

The origin of HB 70 is HB 474 (1976 session) and the several committee substitutes offered by the House Community and Regional Affairs Committee and Finance Committee. HB 474 was the product of work undertaken by an interim committee. The activities of the interim committee and the reasons underlying many provisions of the bill now before your committee for consideration are summarized in the attached letter from Representative Mike Miller, chairman of the interim committee, to Senator Genie Chance, chairman of the Legislative Council.

* * *

Section 1. In lieu of AS 43.18, section 1 amends the revenue sharing program by adding a new chapter, designated AS 43.17.

Sec. 10 of the bill generally follows AS 43.18.020 of the current program in establishing the municipal services account as the source of payments to recipients under the program and by authorizing pro-ration of funds in the event of an appropriation shortfall and reversion to the general fund amounts appropriated in the event of excess.

Sec. 20 of the bill is new language authorizing an optional minimum grant to municipalities. A municipality may elect to receive a grant of $25,000 under chis section instead of the basic grant conditioned on provision of services as provided in the following section. Sec. 20 is, of course, of benefit to small cities.

Sec. 30 of the bill replaces much of current AS 43.18.010 and is the heart of the program revision. The present program provides shared revenues to local governments (and others) generally on the basis of dollars per capita for the number of residents of the local government or service area on the basis of service provided. This section of the bill would authorize payments on the basis of units per capita for the services provided, with the unit count then being multiplied by a predetermined dollar amount to ascertain the dollar total of the entitlement. Consistent with the interim committee's intention that there be, in the revised program, a mechanism which, if amended, would allow for general adjustment of entitlements in all categories, the unit per capita approach tied to a determined dollar value would permit subsequent adjustment of the program not by amendment of specific categories (as in the present program) but by simple amendment of the one figure. In other words, when the dollar amount is altered at any subsequent date, the change would be applicable to all entitlement categories set forth in (a)(1) of this section.

Within (a)(1), the following categories do not appear in the current program and are additions to the program in this bill:

(I) Solid waste disposal	2 units
(J) Ambulance	2 units

Additionally, where the current program provides assistance for pollution control -- air or water, but not separately for each -- this bill establishes each as a separate category:

(C) Water pollution control	2 units
(K) Air pollution control	2 units

Again, where, in the current program, there is a "general" transportation category providing assistance for any one of the following services, but no additional assistance for a second and subsequent service provided, this bill creates three separate categories and provides separate unit credit for each:

(F) Small boat harbor and ports	5 units
(G) Mass transit	5 units
(H) Airport	5 units

The remaining categories of the bill -- police protection, fire protection, land use planning and parks and recreation -- are comparable to like categories in the existing program.

Note that, in sec. 30(a)(2) of the bill, it is no longer to be required that the exact population of the municipality serve as the basis of computation of per capita entitlements under the program, but that the population of the municipality rounded upward to the nearest hundred should be used. There is no rounding provision specified in the current program.

Subsection 30(b) of the bill authorizes payments on the basis of services provided by a municipality to persons residing outside the boundaries of the municipalities. This is especially significant in the case of cities in the unorganized borough where certain services may reach beyond corporate limits. In order to receive additional unit count credit for persons residing outside the municipality, an applicant would have to demonstrate provision of services under contract within a defined area. The provision is applicable to each of the eleven categories of entitlement set forth in sec. 30(a)(1). The current program does not require evidence of a contract for service, but authorizes payments for persons outside municipalities only in the category of fire protection [AS 43.18.010(a)(2)(B)].

Subsection (c) of the bill authorizes payments for services which are provided on a less-than-areawide (that is, non-areawide) basis within the municipality, where service areas or differential tax zones have been established. It restricts the use of funds received by category to areawide and non-areawide use, respectively, depending upon the nature and extent of the particular service which generated the payment.

Sec. 40(a) of the bill is taken wholesale from existing AS 43.18.010(h)(1) - (4), as enacted in the 1976 session (sec. 2, Ch. 268, SLA 1976). Distinction is made between hospitals which are operated and supported by a local government and those which are within the boundaries of a local government but which are not owned and operated by the municipality, with financial assistance directed to each.

Sec. 40(b) of the bill, relating to assistance for hospital construction, changes in one marked respect the language of the current program found in AS 43.18.010(j). Where the current provision authorizes assistance for hospitals and health facilities construction of which started after January 1, 1968, the provision of the bill would extend support for construction only to facilities the construction of which had started before January 1, 1976.

The definitions of 'hospital' and 'health facility' of sec. 40(c) of the bill derive from comparable definition in the current program, found in AS 43.18.010(i)(1) and (2).

Sec. 50 of the bill, extending assistance on a dollar per capita (rather than per unit) basis to volunteer fire departments of the unorganized borough derives from current AS 43.18.010(a)(2)(B). Please note that the authority for the promulgation of regulations setting qualifying standards for organization and service of new volunteer fire departments is shifted, in the bill, from the fire marshal to the department of community and regional affairs.

Sec. 60 of the bill authorizes payment of area cost-of-service differentials. It is taken from AS 43.18.012 of the current program with minor changes of wording to assure that recipients in all sections -- minimum grants, basic grants, hospitals and health facilities, volunteer fire departments, and road maintenance -- enjoy the benefits of the differential.

Sec. 70 of the bill adds new language that does not appear per se in the current program. The section, as drafted, was intended to provide a means by which the department could ascertain local tax effort through the submission of necessary reports. Tax effort, however, is not the basis by which the amount of shared revenue assistance is determined in the bill. Because other statutory provisions [AS 29.23.560(a)(2) and (b) and AS 29.48.220] currently require the preparation and submission of certain kinds of reports by local governments as a condition of receipt of shared revenues, and because a budget serves as a useful check for the department in determining whether a local government is actually providing the service, retention of the concept of sec. 70 -- if not the specific language -- may prove beneficial.

Sec. 80 of the bill is a combination of AS 43.18.010(c) and (k) of the current program, with two amendments: in the bill, at page 7, lines 3 and 4, "50 percent of the amount paid per capita for mass transit under this chapter" replaces "50 per cent of the amount paid per capita for transportation facilities and services under (a) (6) of this section" in current law; the final clause of the section (lines 4 - 7) making provision for assistance for water and air pollution appears as entirely new language in the bill.

Sec. 90(1) of the bill, setting additional limitation on the expenditure of funds for non-areawide services in boroughs, follows, in principle, current AS 43.18.010(e). Sec. 90(2) of the bill, addressing police protection services, is carried forward verbatim from current AS 43.18.010(g)

Sec. 100 of the bill carries forward from the current statutes the provisions for shared revenue assistance in the category of road maintenance, retaining the same rate for "regular" road maintenance ($1500 per mile) and for maintenance of so-called "ice roads" or seasonal roads maintained across frozen waterways ($900 per mile). The language of the bill is taken verbatim from current AS 43.18.010(b).

Sec. 110 of the bill likewise derives from current law (AS 43.18.040). The 1976 legislature added the language appearing in the second sentence of the section, having reference to minimum service standards. The minimum standards provision is significant in light of the fact that HB 70 does not carry forward from present law any other statutory provisions defining minimum services standards relating to police protection [AS 43.18.010(a)(1)], fire protection [AS 43.18.010(a)(2)(A pollution control [AS 43.18.010(a)(3)], or land use planning [AS 43.18.010(a)(4)]. Rather, in the absence of these statutory definitions of minimum qualifying services, the department would be required to make the determination by regulation. The department has adopted such standards as required by current AS 43.18.040: see 19 AAC 30.020.

Sec. 120 of the bill permits expenditure of funds received under this program by a municipality for a public purpose for which the municipality otherwise enjoys authority to expend funds. In other words, except in the instance of health facilities and hospitals (sec. 40 of the bill), funds received on account of provision of a particular service need not be expended for that particular service. This section follows, in principle, similar provisions of the current program [AS 43.18.010(b) and AS 43.18.010(h)(4)].

Sec. 130 of the bill, comparable to AS 43.18.045 added by the 1976 legislature, assures that, in the event of unification, consolidation, or merger of local governments, the successor local government receives at least the amount of shared revenues under the program to which the merged or unified municipalities would have been individually entitled.

Sec. 140 of the bill includes two definitions applicable to the program. Note especially the exceptional language involving second class cities in organized boroughs: as I read the language, the effect of the definition precludes such newly-incorporated cities from participating in the revenue sharing program.

Section 2. This section repeals the existing revenue sharing program.

Section 3. This section appears to be intended to serve as a "hold harmless" provision, guaranteeing by way of a minimum payment to local governments at least that amount which the local government was entitled to receive on the basis of the FY 1976 program, as administered under AS 43.18 repealed in sec. 2 of this act.

The remaining sections relate to amendment of the Alaska business license tax provisions and are beyond the scope of the memorandum.

* * *

I would direct attention to several provisions of the current program which are not carried over into this bill. One of those -- the removal of standards of service for certain categories -- has already been mentioned. Others include, notably, the removal of any reference to legislative purpose or intent [AS 43.18.030(a)] and the requirement that local governments advise taxpayers of the value of the assistance provided by this and another program expressed in terms of millage rate [AS 43.18.030(b)]. Also lost is the provision of current AS 43.18.010(h)(5) which requires the certification of the commissioner of health and social services prior to disbursement of funds for health facility and hospital purposes.

* * *

I trust this provides an initial overview of the similarities and differences between the bill and the existing program. Please contact me should you want additional work performed.

JBC:hjd

Attachment

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 70
Title Municipal Revenue Sharing and the Alaska Business License Act
Requested by House Finance Date 2/9/77

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Local Government Assistance
Budget Request Unit(s) Affected Municipal Services Revenue Sharing Program

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		8,579.8				
TOTAL		8,579.8				

FUNDING (Thousands of Dollars)

GENERAL FUND		8,579.8				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

STATE OF ALASKA
DEPARTMENT OF REVENUE
JAY S. HAMMOND, GOVERNOR
STATE OFFICE BUILDING / POUCH SA – JUNEAU 99811

February 2, 1977

The Honorable Lisa Rudd
Chairwoman
House Community and Regional
Affairs Committee
Alaska State Legislature
Room 620 - Court Building
Juneau, Alaska

Re: House Bill No. 70

Dear Representative Rudd:

House Bill No. 70, an Act relating to municipal revenue sharing and the Alaska Business License Act was introduced in the House on January 19, 1977 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue concerning the proposed legislation.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Steve Cowper
Chairman
House Finance Committee
Alaska State Legislature
Juneau, Alaska

P. A. Wall, Director
Administrative Services Division
Department of Revenue
Juneau, Alaska

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 70 Act Relating to
Title Municipal Revenue Sharing & Alaska Business License Act
Requested by House Community & Regional Affairs Comm. Date January 20, 1977

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
Budget Request Unit(s) Affected Administration & Support

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No additional cost is associated with this Act.

IV. DATE January 30, 1977 PREPARED BY P. A. Wall
AGENCY Revenue
PHONE 465-2313

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

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

change effective date

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 70 Act Relating to
Title Municipal Revenue Sharing and the Alaska Business License Act
Requested by House Community & Regional Affairs Comm. Date January 20, 1977

Pospored.

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Community Development
Budget Request Unit(s) Affected Shared Taxes

presently it is a system to raise taxes for raising local taxes

EXPENDITURES (Thousands of Dollars)

	FY76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES							
200 TRAVEL							
300 CONTRACTUAL							
400 COMMODITIES							
500 EQUIPMENT							
600 LAND & STRUCTURES							
700 GRANTS, CLAIMS, ETC.		10,000.0	8,500.0	8,200.0	8,500.0	8,500.0	8,500.0
TOTAL							

more gross receipts in 1977 → 80%-85% get shared, 15% are reported in G. Fund

FUNDING (Thousands of Dollars)

GENERAL FUND	10,000.0	8,500.0	8,200.0	8,500.0	8,500.0	8,500.0
FEDERAL FUNDS						
OTHER (Specify)						
						1976

50% does not shared

contact M. Wall

Total indiv. tax 32% directly to pipeline

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The effective date of July 1, 1977 for Section 4 should be changed to January 1, 1980 as Section 4 relates to Sections 5-10.

HB 70 locks us in to 1978 — so 1978 January 1st not shared

If the effective date of January 1, 1980 is realized, Gross Receipts revenues will not continue after 12/31/79. The continued revenue sharing provision of this act will require an additional authorization of $4,250,000 from the General Fund for FY 80 and $8,500,000 each FY thereafter. The Tax on Banks ($1,800,000 in 1975) will continue to be shared under the Act.

$9,000,000 of Annual Gross Receipts income to the General Fund (income not shared) will be eliminated.

8,500 could be reported

IV. DATE January 30, 1977 PREPARED BY P. A. Wall
AGENCY Revenue
PHONE 465-2313

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

33-001 (Rev. 10/76)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 70 Act Relating to Municipal
Title Revenue Sharing and the Alaska Business License Act.
Requested by House Community & Regional Affairs Committe Date January 20, 1977

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
Budget Request Unit(s) Affected Audit

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
The effective date of July 1, 1977 for Section 4 should be changed to January 1, 1980 as Section 4 relates to Sections 5-10. The Statute reference on page 10, lines 27 & 28 should be AS 43.18.090. Recommend that on page 10, line 9, after the word "payable" that the remainder of the sentence be deleted and the following inserted, "at the same time and under the same conditions as the federal tax."

A cost decrease will occur when the total Gross Receipts tax impact ends. This will not occur for at least a year after the tax is abolished as final returns must be received, audited and shared. Decrease will consist of 1 position, forms and postage costs.

IV. DATE January 30, 1977 PREPARED BY P. A. Fall
AGENCY Revenue
PHONE 465-2313

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

33-001 (Rev. 10/76)

02-001B

STATE
of ALASKA

MEMORANDUM

TO: Judith Pinero
Staff Representative for
Rep. Rudd
Room 620, Court Building

DATE : January 21, 1977

FROM: Mike McCormick mc
Chief, Audit Services
Audit Division

SUBJECT: House Bill No. 70

You have inquired as to the dollar impact of House Bill 70. The bill has not been referred to the Audit Division for an assessment of the fiscal impact. As soon as it is we will issue the usual statement. In the meantime, the following will give an indication of the impact.

As I understand it, the Bill would abolish the gross receipts tax aspect of AS 43.70 but keep the $25.00 business license requirement. The following figures would be used to project the future impact:

Total revenue for fiscal year ending June 30, 1976 from AS 43.70		$ 19,077,400
No. of licenses issued	30,286	
Less estimated number of no fee license (professional)	606	
Estimated number of taxable licenses issued	29,680	
X $25.00 fee		742,000
Approximate revenues from gross receipts portion AS 43.70 for fiscal year ending June 30, 1976		$ 18,335,400

Estimated revenue from business license and gross receipts For:

1977	20,430,000
1978	17,422,500

It should be noted that the impact for the revenue loss will be 60 per cent at the local level and 40 per cent at the State level due to the revenue sharing aspects of the law.

I believe these figures will give you a feel for the fiscal impact. I did not want to hold your request for the detailed analysis which the Department will issue.

Please contact me at 465-2321 if there are any further questions.

MMcC:mh

JANUARY 21, 1977

TO: LISA

FROM: JUDITH

RE: Revenue Sharing / Alaska Business License Act

Contacted Department of Revenue, Mike McCormick, Division of Audit and he can give us an estimated loss of revenue based on 1976 intake from licenses. Because that could be done fairly rapidly I requested that, and told him that the more difficult forecast to 1980 would probably still be needed in order to get the best picture. After we take a look at what he submits based on 1976, I informed him that I would get back to him the first of next week - 1/24.

December 8, 1975

Senator Genie Chance
310 "K" Street
Suite 701
Anchorage, Alaska 99501

Dear Senator Chance:

I am pleased to enclose with this letter two pieces of proposed legislation which represent the recommendations of this interim committee in the area of shared revenues with municipalities. The proposed legislation is the product of a number of meetings of the committee in the months since the adjournment of the legislature plus two public hearings. One of these public hearings was held in conjunction with the October convention of the Alaska Federation of Natives, in order to receive bush community viewpoints. The other hearing was held in conjunction with the October conference of the Alaska Municipal League. In addition, suggestions and constructive criticism were requested by mail and received from a wide variety of cities and communities throughout the State of Alaska.

It was considered crucial, since revenue sharing has been created solely for the purpose of assisting municipalities in the funding of needed local services, that the final product of the committee take maximum note of the views and suggestions of the various municipalities across the state. The enclosed bill represents what the committee considers to be the most beneficial and most feasible of those suggestions.

Perhaps some review might be in order concerning the need for revision of the current shared revenue program. Although the program in concept currently enjoys the unanimous and enthusiastic support of every municipality in the state, the following were considered deficiencies which new legislation could correct.

REPRESENTATIVE
MIKE MILLER
ALASKA STATE LEGISLATURE
P.O. BOX 1494
JUNEAU, ALASKA 99802
HOME PHONE 586-3067
LEGISLATIVE PHONE 465-3739

HOUSE MAJORITY LEADER
VICE CHAIRMAN, LEGISLATIVE COUNCIL
VICE CHAIRMAN, STATE AFFAIRS COMMITTEE
MEMBER, RULES COMMITTEE
MEMBER, COMMITTEE ON COMMITTEES

First, it was felt that a "foundation" approach might be useful in the field of revenue sharing--"foundation" approac meaning a formula with a foundation amount similar in concep to that utilized in the school foundation statutes. The beauty of such an approach is that whenever a legislature wishes to raise the foundation amount (to recognize increase in the cost of doing business) it is necessary merely to amend one word in the statutes. Absent the foundation approach it is necessary, whenever you wish to recognize the increase in the cost of doing business, to go into the statutes and revise the per capita dollar figure for each of the various categories in which shared revenue assistance is given to municipalities. This is both cumbersome and, in practice, inequitible. Some categories tend to get raised, others do not and the system can easily get out of balance.

It was felt, too, that the amount of shared revenues being designated for small communities was much too small. It was recognized that the present purely per capita approach just did not offer the very small communities enough money to assist in any meaningful way in meeting the obligations of local government. It was recognized that whether a second class city had 25 residents, or 75 residents, or 125 residents there was nonetheless an irreducible minimum cost of doing business, and that that minimum was just as great for very small villages as it was for medium sized second class cities. It was, therefore, considered desirable that a minimum grant base be established for these communities and it was further considered desirable that the base amount agreed upon be as generous as possible in order that the benefits of government on the local level be economically feasible for the communities.

Another deficiency in the current statutes was the lack of the requirement for standards and criteria by which the Department of Community and Regional Affairs could determine whether communities were actually entitled to shared revenues in the various categories under which they were seeking aid. This deficiency has long been recognized by the Department of Community and Regional Affairs and has been recognized additionally by the Legislative Budget and Audit staff. This is not to say that the shared revenue monies alloted to the communities should be required to be spent in the categories designated--far from it. It was and still is the consensus of the committee and of the municipalities that local discretion should continue in the spending of shared revenue receipts. It was felt, however, that in order to receive shared revenue monies in, for example the fire department category it should be demonstrated that the community can meet minimum standards in that category.

> Finally, there was a question projected by some communities as to whether the use of categories in sharing state revenues was even appropriate. It was thought perhaps more appropriate simply to allocate available dollars to the municipalities and let each local government establish its own priorities without regard to existing municipal services.

In order to correct these deficiencies the committee drafted three alternate pieces of legislation for consideration by the committee and the municipalities of Alaska. With considerable--and greatly appreciated--assistance from the University of Alaska/Anchorage, we were able to develop extensive data showing the practical results (i.e., the dollars to be received) for each community in the state under the various alternatives. We developed similar data based on proposed legislation already in the house (legislation which, incidently, had been previously endorsed by the Alaska Municipal League) and also on a simple per capita allocation of funds to municipalities. Four of these five total alternative were specifically noncategorical in approach. All of the alternatives and all of the data were presented to delegates of the Alaska Federation of Natives Convention and delegates to the Alaska Municipal League Conference. In addition, this material was mailed to virtually every municipality, large and small, in the state with requests for evaluations and suggestions.

I think it would be fair to say that prior to the hearings and mialings there was a strong feeling among the larger communities, in partiuclar, that revenue sharing should be based on tax effort. The feeling was that those who tax themselves the most should receive the most additional state aid. This was the principle thrust of the existing proposed legislation which the Alaska Municipal League had previously endorsed. The committee recognized this concept in two of the alternatives they proposed, but built in additional factors including the availability of tax resources plus tax effort in relation to those resources. Interestingly, when all the facts--in the form of state-wide computerized readouts--were laid before the communities a very noticable modification of opinion became apparent during the hearings and in countless conversations afterward. Committee memebers noted a discernible reluctance on the part of communities, large and small, to terminate the categorical approach. What was needed, several elected officials indicated, was a bill which more or less continued the "tried and true" categorical approach, in the present revenue sharing system but which also incorporated the "foundation approach".

Basically, then, this is the bill which the interim subcommittee has proposed:

First, the bill does create a municipal "foundation approach" to revenue sharing. It does so by allocating varying numbers of units to various categories of municipal services and then multiplying those units times population, and then multiplying this product times a "foundation" base figure. For this bill the committee established a foundation base at $1.00. In future years if the cost of doing business goes up, for instance 11%, the legislature may, if it chooses, raise the foundation amount by simply changing the figure $1.00 to $1.11.

In establishing categories and establishing unit values within each category, the committee did indeed stick by the "tried and true" categories of past years. Police protection, for instance, which in previous years earned communities shared revenue at the rate of $12.00 per capita will earn units within the foundation formula at the rate of 12 units. Fire protection is 7.5 units (as opposed to $7.50 per capita under the present system). Additional ingredients include air or water pollution control (2 units), land use planning (2 units). parks and recreation (5 units). Two important changes have been made in the categorical designations. Under present law a community can receive $5.00 per capita for operating either a small boat harbor/ port or for operating mass transit or for operating an airport. In the proposed bill 5 units can be accumulated in <u>each</u> of these categories. The second important difference is the addition of solid waste disposal as a new category, which in the proposed bill will be valued at 2 units.

The proposed legislation establishes a $25,000 minimum grant for municipalities whose low per capita standing would otherwise earn them only small amounts of revenue. The committee felt the $25,000 figure was a generous but nonetheless fair amount. It was interesting to note that at neither public hearing was there any critism of this amount. At one meeting of the committee, a single individual did observe that he thought the figure was pretty high for the very smallest communities. He did not, however, seek to have the committee change the amount.

Additional features of the bill include the following:

Special start-up grants have been established in various categories for municipalities who do not currently offer such services as police protection, fire protection, air

and water pollution control, land use planning, parks and recreation, small boat harbors/ports, air ports or mass transit systems. The Department of Community and Regional Affairs is specifically charged with creating minimum standards of service in the various categories for which municipalities can receive revenue sharing. Revenue sharing for hospitals remains virtually the same as under current law except that responsibility for administering this section is transferred to the Department of Health and Social Services. Additionally, in the area of health, a paragraph specifies that no hospital or health facility shall be eligible for revenue sharing unless the facility has received a Certificate of Need from a municipality or the state. This paragraph anticipates that "Certificate of Need" legislation will be passed in this session of the legislature. Another interim committee is studying the whole broad area of health facilities so this section may undergo substantial modification when that interim committee completes its deliberations. Shared revenues for road maintenance remains virtually the same as current law. A very important feature of the new legislation is that if a new second class city is created in an organized borough after passage of this law, the city would not be eligible for the $25,000 minimum grant. This feature is designed to preclude small gatherings of 25 people or more from incorporating simply to take advantage of the $25,000 revenue sharing opportunity. Finally, a very important feature of the proposed legislation is the clause which guarantees each municipality that it will not receive less money than it is receiving under the current statutes.

There, of course, are many additional features to the legislation, but this summary covers most of the major changes.

As noted earlier, the committee is submitting two bills for introduction and for consideration by the legislature. One is quite large and comprehensive and is described in the report above. The other bill consists of only one paragraph and this paragraph constitutes one of the many provisions of the larger bill.

The provision, drafted at the request of the Department of Community and Regional Affairs, simply mandates that the department create minimum standards and criteria to qualify municipalities for grants in each category of shared revenue. If the major bill should run into difficulties and if passage does not seem assured, then it is recommended that the legislature consider and enact the oneparagraph small piece of "clean-up" legislation.

The fiscal impact of the legislation will be to raise the state shared revenue allocation from a current level of about $15 million to a level of approximately $20 million--if the bill is fully funded. The raise, of course, comes from creating the $25,000 minimum grants to small cities, from creating a new category (solid waste) and from separating the now-combined port/harbor-airport-mass transit category into three separate categories.

This report would not be complete without making special acknowledgement of the work of the several individuals and agencies. The committee is extremely appreciative of the hours of work, both during committee sessions and out of session, by Dr. Garth Jones and P. J. Hill, both of the University of Alaska/Anchorage. The vast volume of computerized data that both Dr. Jones and Mr. Hill provided was crucial in the final deliberations and directions of the committee.

Similarly, we would like to give a special thanks to Mr. Rich Wilson and Mr. Sam Coxson, both of the City of Anchorage who helped in obtaining and analyzing the data, and who attended most of the sessions and hearings of the committee and contributed greatly to the deliberations. We are indebted as well to the Alaska Federation of Natives who made time available for us during the annual AFN convention in Anchorage, and the Alaska Municipal League who similarly made time available during its annual conference in that same city. The League, as well, was most helpful to the committee in circularizing its membership and alerting municipalities of Alaska to the work of the committee. Finally, I would like to acknowledge the fine work of the staff of the Legislative Affairs Agency, and Bill Berrier in particular, plus the membership of the interim committee. Interest was lively, suggestions were broad and imaginative and attitudes were positive throughout the course of the committee's deliberations. It has been a pleasure to chair this committee and of course all of us on the committee stand ready to answer any questions which you or other members of the legislature might have concerning the recommended legislation. Thank you for your own fine support of the committee.

Sincerely,

Mike Miller, Chairman, Interim
Committee on Shared Revenues
with Municipalities

MM:smb

Enclosures

Revenue Sharing - HB 70

extension revision of current RS -
25 mil as opposed to 17 mil. -
- Mike Miller Purpose
a) Was shared revenue performing useful function?
b) Under current RS program one would have to make incremental (minut.) adjustments to account for cost of living increases.
c) need to establish a formula - foundation - converting categorical approach to formula which sets up units (see p. 2) ($1 x population)

block grants with no restriction - Lethin - what are restrictions? Miller's response pg 6. details only restrictions. Also pointed out section allowing smaller communities (2nd class gov't) to
Trying to provide incentive (ie 2 units)

Illuminate what changes were the result of prior

* [Breakdown grants & observations have gone -] Lethin

Levy and Computation of license fee-

(a) by maintaining $55 flat fee is additional fees based on ~~a~~ one-half of one % of the gross receipts in excess of $20,000 (exception all gross volume in excess of $100,000 a yr. is taxed at rate of 1/4 of 1% : What impact will this have upon effect JAN. 1, 1980?

license for privilege of taking orders through mail order

(c) is it not ~~those~~ conceivable then that gross volume may not be included if delivery is made elsewhere - any way of knowing impact

(d) under sec. 30(b) of this chapter

43.70.040. Review and Determination of License TAX

43.70.110. Repeal of definition "gross receipts"

Note: All money collected by the department (licensing) shall be deposited in the general fund. Dept. of Revenue shall refund to each org. borough and each city of any class 60% of the money collected in the local gov't.

Mick McCormick - (1-21) 11:05

- revenue loss would be based on 1976 $ he will compute and send to us today
- possibility of a projection out to 1980 is conceivable.
- editorial comment -

Palmer - 1st week in February - for fiscal note

2-7 - combine license ~~tax~~

Lee Sharpe - legislative response - establishment of set of both burden and priorities
sending dollar amount (subsection 30-1) reflection of legislative recognition of increasing dollar costs -
- units & dollars as he sees it match up &
need sections transportation & hospitals did fine
up some additional monies.

Mr. Berry - supported repeal of gross business license ~~tax~~ & RS bill / 100% endorsement of Alaska Municipal League.
? how will this result in decrease in property taxes - local gov't feels that property taxes have been kept down.

Palmer - RS recog. contribution to state from municipality by existing programs and does not come close to covering
(Ad hoc after ~~disparity~~ on sevice not as start-up)
Not incentive to provide and operate a program -
the monies are just not substantial enough

Hospital Section - "as the municipality may elect"
in terms of bed dollars

- Ms. Smith's concern over language - confusion
- Also Pure Mandel clause in conjunction w CMA who has authority to make that determination
- Section 1140 paragr. 2 line 11 p: 9.
  municipalities inside bureaus incorporating in order to obtain RS (don't want to encourage them

040. enacted in 76 -
still remedy - debate

2-8 - Palmer - (cont.) fiscal effects reduced by Gov (17 mil. 5)
new legislation that would provide new categories -
HB 70 - slightly over 25 mil -
Larger municipalities that would benefit due to new categories -

- Question: work figures / available by community
Able to fund 95.78% - for this current yr program
ready to send out checks (2 weeks)
This years prorationing - allow it to carry over to following year.

Mr. Burns:

* Move for letter of intent – Merle Snider
* Draft to clarify the language – Smith to get specific
* Amendment PASSED – Rudd

2-9 Sally Smith –
Proposed CS for 2-10 by Berrien

2-10 Look into this particular paragraph

HB

72

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MAYOR

January 28, 1977

The Honorable Lisa Rudd,
Chairwoman of House Community
and Regional Affairs Committee
The House of Representatives
Pouch V
Juneau, Alaska 99811

Regarding House Bill No. 72: Historical Districts

Dear Representative Rudd:

It was recently brought to our attention that along with others you are sponsoring the subject bill on establishment of Historical Districts. I have also been informed that the Anchorage Historical Landmarks Preservation Commission has reviewed the bill and endorses it.

Our community is under tremendous pressure for development in areas where some of our older buildings are located. We are very much interested in trying to preserve these landmarks of our past. Just last week, the Municipality entered into a contract with an historic preservation specialist, Mr. Michael Carberry, to conduct a survey of our older structures. Your bill should help us considerably in attempting to establish an historic district encompassing these treasures of our past.

The Municipal Administration endorses the proposed bill and would like to support any efforts you are making to get it approved by the legislature.

Sincerely,

for George M. Sullivan,
Mayor

GMS:pl

cc: Samuel Coxson
Katharine Crittenden

Enclosures:10

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

PLANNING DEPARTMENT

HISTORICAL LANDMARKS PRESERVATION COMMISSION

January 28, 1977

The Honorable Lisa Rudd,
Chairwoman of House Community
and Regional Affairs Committee
The House of Representatives
Pouch V
Juneau, Alaska 99811

Regarding House Bill No. 72: Historical Districts

Dear Representative Rudd: Lisa!

The Municipality of Anchorage Historical Landmarks Preservation Commission is pleased to announce that in their regular meeting of January 25, 1977 House Bill Number 72 pertaining to creation of Historical Districts was formally and unanimously endorsed.

As you may be aware, our community is currently struggling to preserve some of our older landmarks and attempting to establish a district. These efforts are being conducted under dynamic circumstances where development pressures are forcing the replacement of older homes and buildings by high rise structures on a daily basis.

It is gratifying to the Commission that our State legislators are cognizant of our situation. We deeply appreciate your support. Your proposed Bill will aid us immeasurably in our activities in Anchorage.

As a result of your efforts, the lives of countless future residents and visitors of Alaska should be enriched through experiencing the fascinating historical and cultural foundations of our community.

Sincerely,

Katharine C. Crittenden

Katharine C. Crittenden, Chairwoman
Historical Landmarks Preservation Commission

KC:pl

cc:Mayor Sullivan/Samuel Coxson

Enc:10

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

LISA RUDD, CHAIRMAN

HOUSE OF REPRESENTATIVES

JUNEAU, ALASKA.

* WE, THE UNDERSIGNED, OPPOSE HB72. IT WOULD ALLOW ANY PROPERTY TO BE INCLUDED WITHIN AN HISTORIC DISTRICT ONLY BECAUSE OF ITS PROXIMITY TO STRUCTURES SELECTED AS HISTORIC. THIS DESIGNATION COULD EVENTUALLY HAVE AN ADVERSE EFFECT UPON DEVELOPMENT OF THE NON-HISTORIC PROPERTY. NO APPOINTIVE BODIES SHOULD HAVE THE RIGHT TO TAKE BINDING ACTION AFFECTING PRIVATE PROPERTY WITHOUT STRICT ADHERENCE TO PROFESSIONALLY ACCEPTED STANDARDS FOR ESTABLISHING HISTORIC SIGNIFICANCE. POSSIBLY UNQUALIFIED PERSONS COULD, IN THEIR ZEAL, ADVERSELY AFFECT THE RIGHTS OF OTHERS. WE URGE NO ACTION BE TAKEN ON HB72.

* SEE ATTACHED LIST OF SIGNATURES.

(Ref. Nola Campbell - 277-4008

Janet Goetz - 277-2072)
(goetz)

WE THE UNDERSIGNED give our permission to have our names appear on the attached telegraphic message to the Alaska State Legislature re House Bill No.72.

	NAME	Date		NAME	Date
1.	Harland W. Davis	10-26-77	26.	John L. Lewis	2/11/77
2.	L. Douglas Williams II	2/10/77	27.	Thomas J. Hill	2-11-77
3.	Virgil E. Hicks	2/10/77	28.	Patricia [illegible]	2/11/77
4.	John M. Stern, Jr.	2/11/77	29.	[illegible]	2-11-77
5.	Gregg A. Taylor	2/11/77	30.	Roderic S. Carpenter	
6.	[illegible]		31.	Ralph J. Hanson	
7.	Dennis O'Bryan	2-11-77	32.	Paul J. Mangle	
8.	Raymond A. Nesbett	2-11-77	33.		
9.	Jeb G. Adams	2/11/77	34.		
10.	Janet C. Goetz	2/11/77	35.		
11.	Hale H. Campbell	2/11/77	36.		
12.	Richard E. Adams	2/11/77	37.		
13.	[illegible]		38.		
14.	[illegible]		39.		
15.	[illegible]		40.		
16.	Elizabeth A. [illegible]	2/11/77	41.		
17.	Nelle S. Blakemore		42.		
18.	[illegible]		43.		
19.	[illegible]		44.		
20.	Franklin C. Lankstrom	2/11/77	45.		
21.	[illegible]	2-11-77	46.		
22.	[illegible]	2/11/77	47.		
23.	[illegible]	2/11/77	48.		
24.	[illegible]	2/11/77	49.		
25.	[illegible]	2/11/77	50.		

HARLAND W. DAVIS
ATTORNEY AT LAW
610 WEST 2ND AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501
277-0111 • 274-4251

WE THE UNDERSIGNED give our permission to have our names appear on the attached telegraphic message to the Alaska State Legislature re House Bill No.72.

	NAME	Date		NAME	Date
1.	HARLAND W. DAVIS	10 FEB.'77	26.	JOHN S. SWISS	
2	J. DOUGLAS WILLIAMS II		27.	MORRIS S. BOLINGER	
3.	Alma E. Hicks		28.	PATRICIA A. HIEBERT	
4.	JOHN M. STERN JR.		29.	A. G. HIEBERT	
5.	ELAINE G. SWISS		30.	RODERIC S. CARPENTER	
6.	F.M. SWALLING		31.	ROLPH S. HANSON	
7.	DENNIS O'BRIEN		32.	PAUL J. NANGLE	
8.	RAYMOND A. NESBETT		33.		
9.	JESS G. ADAMS		34.		
10.	JANET C. GOETZ		35.		
11.	NOLA H. CAMPBELL		36.		
12.	RICHARD W. ADAMS		37.		
13.	D. H. CUDDY		38.		
14.	PATRICIA A. HOUSTON		39.		
15.	CLYDE C. HOUSTON		40.		
16.	ELIZABETH JOHNSON		41.		
17.	MYRTLE STALNAKER		42.		
18.	ALLEN L. JEWELL		43.		
19.	GEORGIA M. BOLINGER		44.		
20.	FRANKLIN C. LANDSTROM		45.		
21.	JEAN M. DONATELLO		46.		
22.	EVELYN E. MARTIN		47.		
23.	JOHN [illegible]. GOETZ		48.		
24.	BETTY M. CARPENTER		49.		
25.	ESTHER BYRNES		50.		

HARLAND W. DAVIS
ATTORNEY AT LAW
810 WEST 2nd AVENUE, SUITE 100
ANCHORAGE, ALASKA 99501
[illegible]

February 11, 1977

Mr. P. J. Nagle
1010 Christensen Drive
Anchorage, Alaska 99501

Dear Mr. Nagle:

Enclosed is a copy of H.B. 72, An Act relating to the creation of historical districts within municipalities. Perhaps you misunderstood the intent of the legislation. The bill in no way takes away property with or without compensation. H.B. 72 establishes historical districts and allows individuals owning property within the districts to become eligible for low-interest long-term loans.

I hope this clarifies any questions you may have had concerning my bill.

Sincerely,

Mike Miller

bcc: Lisa Rudd

REPRESENTATIVE
MIKE MILLER
ALASKA STATE LEGISLATURE
P.O. Box 1494
Juneau, Alaska 99802
Home Phone (907) 586-3067
Legislative Phone (907) 465-3739

HOUSE MAJORITY LEADER
CHAIRMAN, LEGISLATIVE COUNCIL
MEMBER, RULES COMMITTEE
MEMBER, RESOURCES COMMITTEE

HB

75

02-001B

STATE of ALASKA

MEMORANDUM

TO: House Community & Regional Affairs Committee
The Alaska State Legislature

DATE : May 19, 1977

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: CSHB 75

I have reviewed the recent version of the referenced bill. While it addresses some of the concerns which I mentioned previously to the committee, there are still several very important issues which are not addressed.

let's wait. this on one

First, there is no limitation in the bill as to how large a population center or centers would be necessary to place this in effect. For example, the City of Hoonah could decide to adopt the municipal income tax which would necessitate our putting into effect the full administrative procedures necessary to carry out this legislation. The cost of the administrative procedures would far outweigh any income which the municipality might receive from the tax. I strongly urge the committee to consider placing a restriction in the law which would make the tax effective only after a city or cities in the State, comprising a certain percentage of the State population, have opted to enact the municipal income tax.

OK

In subsection B of page 1 of the bill, there is a provision that a municipality may impose, modify, or repeal the income tax only after giving 120 days notice to the Commissioner of the Department of Revenue. That simply is not enough time for us to make the necessary adjustments to the tax forms prior to printing them for that year. I strongly urge that the provision be changed to read that the tax may be imposed, modified, or repealed "only after first giving notice to the Commissioner of Revenue not later than July 1 of the previous year".

OK

Subsection C on page 1 states that the income tax may not exceed 50 percent of the liability of the taxpayer under AS 43.20. I strongly recommend that a definition of liability be placed in the bill so that it is clear which liability figure is to be used. Is it to be the initially computed liability, the liability after deducting some or all credits, or the liability after deducting credits and adding in additional taxes due?

In subsection E on page 2 it should still be recognized that determining the source of the income will be difficult since we will have to go by mailing address. As I am sure the committee realizes, many people live in one area and have their mail delivered in a different area.

OK

In section 3 of the bill, on page 2, the new phrase added reference to a municipality which levies "and collects" a tax on net income. In this version of the bill, which provides for the State of Alaska to collect the tax for the municipality, it would appear that you might want to delete the words, "and collects".

let's leave out

With regard to the concept of allowing the tax to be deducted in a subsequent year on the Alaska income tax return, this would establish a precedent which is not normally allowed in an income tax. It should be remembered that the municipal tax, being based on the Alaska income tax, would be reduced by the allowance of the deduction of the tax previously paid. As I am sure the committee is aware, the Alaska income tax paid in one year is not deductible in the next year on the Alaska income tax return.

leave at 5% for now

In subsection C of section 7 of the bill, it is noted that the administration costs will be allowed up to 5 percent of the amount of tax payable to a municipality. First, I feel that the change from 2 percent to 5 percent is a good one. Second, this will only be valid if the limitation is placed on how large a population must be represented before the municipal income tax is placed into effect.

Matanuska-Susitna Borough, Inc.

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

DEPARTMENT OF ADMINISTRATION

April 29, 1977

Ms. Lisa Rudd, Chairman
House Community & Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

Subject: House Bill 75

On several occasions the Matanuska-Susitna Borough Assembly has sought alternative revenue sources in order to reduce property taxes.

Since HB 75 would permit municipal income taxes under certain conditions, this Borough favors HB 75 and encourages its passage--hopefully with a provision that the State Department of Revenue could assist municipalities to collect local income taxes.

Very truly yours,

Wesley M. Howe

Wesley M. Howe
Borough Manager

WMH:er

cc: Alaska Municipal League
Representative Al Ose

February 10, 1977

TO: LISA
FROM: JUDITH

PER: Sam Coxson

Municipality of Anchorage supports HB75 on basis of increased flexibility of local taxing authority.

Ted Burns will not be at our meeting tomorrow [2/11/77]

Call taken at 2:15 p.m.

CITY OF SEWARD

P. O. BOX 337
SEWARD, ALASKA 99664

CITY MANAGER 224-5214
COMPTROLLER 224-5216
INFORMATION 224-5215
CITY POLICE 224-5201

February 15, 1977

MS. LISA RUDD, CHAIR
ALASKA STATE LEGISLATURE
HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE
Pouch V - State Capitol
Juneau, AK 99811

HB 75 - BOROUGH AND CITY INCOME TAX AUTHORITY

At its meeting of February 14, 1977, the Seward City Council voiced opposition to House Bill 75, authorizing boroughs and cities to levy income taxes. The Council unanimously felt this was an authority which should not be granted to the local governmental bodies.

The Council requests that this opinion of HB 75 be considered during the hearings to be held this week.

Joanne E. Shanley

JOANNE E. SHANLEY
CITY CLERK-TREASURER

CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559
543-2297 — Area Code 907

P.C
4-3-78

March 29, 1978

Representative Lisa Rudd
Chairperson , Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

At the regular meeting of the Bethel City Council held on March 27, 1978, Council passed Resolution No. 229, endorsing sponsor subsitute for House Bill No. 75, "AN ACT AUTHORIXING A BOROUGH OR CITY TAX ON NET INCOME."

Although there seems to be some problem wether you tax individuals that reside in the community or the ones that work in the community it is felt by the Bethel City Council that a City income tax on net income would be a more equitable form of taxation than a property tax.

If this bill was passed by the legislature it would also give municipalities another option under taxation which could eventually improve services at the local level because the Communities would have a wider choice of ways to fund different services and programs.

In the Bethel area where a large portion of the citizens depend on subsistance as a way of life and own property, a tax on property would jeoperdize their choice to live off the land. It is for this reason as well as giving each municipality an option in taxation that the City of Bethel endorses this legislation and encourages the State legislature to pass and approve it.

If you should need any additional information in regard to the City's position on this piece of legislation, do not hisitate to contact Me.

Sincerely,

Lyman Hoffman

Lyman Hoffman
City Manager

LH:lf

"Deep Sea Port and Transportation Center of the Kuskokwim"

CITY OF BETHEL, ALASKA
RESOLUTION NO. 229

A RESOLUTION OF THE CITY OF BETHEL, ALASKA ENDORSING THE SPONSOR SUBTSITUTE FOR HOUSE BILL NO. 75, A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A BOROUGH OR CITY TAX ON NET INCOME."

WHEREAS, a Municipal Tax on net income would provide an additional option of taxation other than sales tax, personal property tax, or real property tax to an assembly or council of a municipality, and

WHEREAS, this Municipal Income Tax would not become effective unless the residents of the municipality, by referendum, enacted an ordinance adopting a local income tax, and

WHEREAS, the United States Federal Government as well as the Alaska State Government do levy a individual income tax to support governments services, and

WHEREAS, the Council believes that a municipal income tax would be a more fair and equitable form of taxation then the sales tax, personal and real property tax.

NOW THEREFORE BE IT RESOLVED THAT The City of Bethel, Alaska endorses the Sponsor Substitute of House Bill No. 75, a bill for an act entitled: "An Act Authorizing a Borough or City Tax on Net Income." and would endorse a similar bill if introduced in the Senate and encourages the State Legislature to pass and approve this important piece of legislation.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA THIS 23 DAY OF March, 1978.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

What will Flex. for instance lose in sales tax? and Dept of Rev. What impact will it bring in?

30 copies of each
35 copies of 202

Introduced: 5/25/77
Referred: Community & Regional Affairs, Judiciary and Finance

IN THE HOUSE BY PARR AND COWPER

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 75

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing a borough or city tax on net income."

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

* Section 1. AS 29.53 is amended by adding a new section to read:

ARTICLE 6. MUNICIPAL TAX ON NET INCOME.

Sec. 29.53.500. TAX ON NET INCOME. (a) The assembly or council of a municipality may, by referendum, enact an ordinance adopting by reference a local income tax impo ed upon individual residents and corporations doing business within the municipality. The tax shall be a percentage of the liability of the resident or corporation of the tax imposed under the Alaska Net Income Tax (AS 43.20).

(b) An ordinance enacted in accordance with the provisions of this section shall impose a rate of tax for the next calendar year and may provide that the tax rate shall continue in effect for each succeeding calendar year until the tax rate is modified by a subsequent ordinance. A municipality imposing an income tax may repeal the tax. A municipality may impose, modify or repeal an income tax only after first giving notice to the commissioner of revenue not later than July 1 of the previous year. Enactment, modification or repeal of an income tax authorized by this section shall become effective only on the first day of a calendar year.

(c) An income tax imposed by a municipality under this section may not exceed 50 per cent of the liability of the taxpayer under AS 43.20 after deduction of credits and inclusion of additional taxes due.

(d) An income tax imposed under this section shall be administered by the commissioner of revenue, who shall collect and account for the revenue in the manner provided in AS 43.20.360.

(e) A borough may preempt an income tax levied by a city under this section by adopting an areawide income tax. The commissioner shall refund the taxes collected within the borough to the borough and all cities within the borough in proportion to the amount of income tax revenue raised by each city within the borough unless the borough and all cities within it mutually agree on a different method of sharing.

(f) A municipality may levy the tax authorized under this section if it levies and collects not more than one of the following taxes authorized by law:

(1) sales taxes, authorized by sec. 415 of this chapter;

(2) personal property taxes, authorized by sec. 10 of this chapter;

(3) real property taxes, authorized by sec. 10 of this chapter;

(g) In this section, "resident" means an individual resident, nonresident or part-year resident of Alaska, as defined in AS 43.20.011, who is domiciled in or maintains his principal residence or place of abode in the municipality.

* Sec. 2. AS 29.13.100 is amended by adding a new paragraph to read:

(37) AS 29.53.500 (borough or city tax on net income)

* Sec. 3. AS 29.53.035 is amended by adding a new subsection to read:

(f) A municipality which levies an income tax under sec. 500 of this chapter may exempt from taxation real or personal property.

* Sec. 4. AS 43.20.160(c) and (d) are amended to read:

(c) The department shall prescribe and furnish all necessary forms, and adopt and publish all necessary regulations in plain and concise language conformable with this chapter for the assessment and collection

What cities, States & fed all levy inc. taxes (Utah R)

of the taxes imposed by secs. 10 - 350 of this chapter and for a municipal tax on net income levied and collected under authority of AS 29.53.500 and sec. 360 of this chapter. The department shall apply as far as practicable the administrative and judicial interpretations of the federal income tax law. The department shall also prepare a concise statement of the contents of the code sections referred to in this chapter for the information of the taxpayer and make them available to the taxpayer making a return.

(d) All money collected by the department under secs. 10 - 350 of this chapter shall be deposited in the general fund of the state.

* Sec. 5. AS 43.20.170(a) is amended to read:

(a) Every employer making payment of wages or salaries shall deduct and withhold an amount of tax computed in a manner to approximate the amount of tax due on those wages under this chapter and under an income tax levied by a municipality in accordance with AS 29.53.500 and collected by the department for that year. The department shall publish the rate of withholding required by this section and the rate required by the income tax levy of a municipality which shall be expressed as a percentage of the amount required to be withheld under sec. 3402 of the Internal Revenue Code of 1954. Every employer making a deduction and a withholding shall furnish to the employee upon request a record of the amount of tax withheld from the employee on a form prescribed by the department.

* Sec. 6. AS 43.20.290 is amended to read:

Sec. 43.20.290. [EXCLUSIVE] STATE AUTHORITY. No tax may be levied and collected upon the net income of resident or nonresident individuals by a general law municipality [CITY] or by a home rule municipality [CITY] or any other political subdivision of the state except as provided by AS 29.53.500.

* Sec. 7. AS 43.20 is amended by adding a new section to read:

ARTICLE 6. MUNICIPAL TAX ON NET INCOME.

Sec. 43.20.360. ADMINISTRATION. (a) Municipal income taxes levied and collected under AS 29.53.500 are subject to the provisions of this chapter.

(b) A municipal income tax levied and collected under AS 29.53.500 shall be administered by the commissioner of revenue, who shall collect and account for the revenue.

(c) The commissioner shall determine each municipality's share of the cost of administering this section. In determining each municipality's share, the commissioner shall apportion the cost of collection and accounting for the funds in proportion to the tax collected from each municipality of the state which levies an income tax. The commissioner may withhold the prorated share of the cost of collecting and accounting for funds, but the amount withheld may not exceed five per cent of the amount payable to a municipality. After deducting the amount of any refunds due and the prorated share of the cost of collecting and accounting for funds, the commissioner shall pay to each municipality, as soon as practicable, the amount to which it is entitled under AS 29.-53.500.

LOCAL INCOME TAX

Philadelphia enacted a local income tax in 1939. Since then about 4,000 localities in 10 states have followed its example. Approximately 40 million residents live within localities levying a local income tax.[1]

Revenue derived from these taxes rose from 18 million in 1940 to 2.403 billion in 1973. The percentage of revenue from local income taxes has grown from .3% (1940) to 3% in 1973.[2]

A majority of these municipalities levy a flat rate which varies between .25% and 3.5%. Cities in Maryland charge a percentage of the state income tax.[3]

The total revenue from all municipalities derived from city income tax is 8.8%.*[4] A number of communities receive a majority of their revenue from income tax.[5]

Collections per capita from 48 communities range from $35.17 to a maximum of $195.71.[6]

From 1948-1972, the increase in receipts from local income tax was 17.9%.[7]

*does not include the Washington D.C. which is 25.7%.

① Readers Digest Almanac 1977

CITY INCOME TAXES

Sources: Tax Foundation; Commerce Clearing House

Philadelphia has the distinction of levying the oldest local income tax still in effect today. Earlier efforts at such taxation, including one in Charleston, S.C., in the early 1800s, foundered on administrative difficulties.

Since the path-breaking Philadelphia enactment in 1939, however, about 4,000 localities in 10 states have followed suit. And authorizations have been granted (although no locality has acted) in Arkansas and Kansas.

In addition, a related levy has been imposed on employers: the local payroll tax, based on an employer's wage expenses. This has been enacted in Jersey City, Newark, N.J., San Francisco, and four Oregon counties.

Despite first impressions from the table that follows, the local income tax is primarily a big-city phenomenon.

Most of the taxing jurisdictions are small, but this is because many—over 3,800—small towns and school districts in Ohio and Pennsylvania use the levy. Elsewhere the tax is typically used by large jurisdictions.

Nine of the 25 biggest cities in the United States, including Washington, D.C., now impose their own income taxes.

Few of these local taxes are really comparable to state or U.S. taxes, since most apply only to wages and salaries—"earned" income. However, those levied by New York City, Baltimore, and cities in Michigan are closely linked, both in coverage and administration, to overlapping state taxes.

In the District of Columbia, where the tax has broad coverage and applies at graduated rates, there is little to distinguish it from a state income tax.

Besides the roughly 40 million residents in localities levying income taxes, countless others who work in them but live elsewhere—commuters in Alabama, Delaware, Kentucky, Missouri, Ohio, and Pennsylvania—are subject to the levy.

Maryland's local taxes apply to residents only, as does the District of Columbia's tax.

Commuters in Michigan pay one-half the resident rates, while those in New York City pay sharply lower rates.

Where many localities in the same area tax income, special arrangements are necessary to avoid unfair treatment of those who work in one jurisdiction but live in another.

As the table below shows, local income taxes are essentially confined to the states in the Northeast and Middle Atlantic regions—with the exception of St. Louis and Kansas City, Mo., and six places in Alabama, including Birmingham and Gadsden.

The table below, compiled by the Tax Foundation from Commerce Clearing House data, lists the rates in effect as of Sept. 1, 1976, for all U.S. localities with income taxes.

CITY AND LOCAL INCOME TAXES AND RATES[1]

STATE AND LOCALITY	RATE
Alabama	
Birmingham	1.0%
Gadsden	2.0%
Montgomery	1.0%
3 cities under 50,000	1.0–2.0%
Delaware	
Wilmington	1.25%
Indiana	
38 counties	0.5–1.0%
Kentucky	
Covington	2.5%
Lexington	2.0%
Louisville[2]	1.25%
Owensboro	1.0%
40 cities under 50,000	0.25–2.5%
4 counties	0.5–2.2%[3]
Maryland	
Baltimore[4]	50.0%
23 counties[4]	20.0–50.0%
Michigan	
Detroit	2.0%
Flint	1.0%
Grand Rapids	1.0%
Lansing	1.0%
Michigan (continued)	
Pontiac	1.0%
Saginaw	1.0%
10 cities under 50,000	1.0%
Missouri	
Kansas City	1.0%
St. Louis	1.0%
New York	
New York City[5]	0.9–4.3%
Ohio	
Akron	1.5%
Canton	1.5%
Cincinnati	2.0%
Cleveland	1.0%
Cleveland Heights	1.0%
Columbus	1.5%
Dayton	1.75%
Elyria	1.0%
Euclid	1.0%
Hamilton	1.5%
Kettering	1.0%
Lakewood	1.0%
Lima	1.0%
Lorain	1.0%
Mansfield	1.0%
Parma	1.0%
Ohio (continued)	
Springfield	2.0%
Toledo	1.5%
Warren	1.0%
Youngstown	1.5%
Over 340 cities and villages under 50,000	0.25–2.0%
Pennsylvania[6]	
Abington Township	1.0%
Allentown	1.0%
Altoona	1.0%
Bethlehem	1.0%
Chester	1.0%
Erie	1.0%
Harrisburg	1.0%
Lancaster	0.5%
Penn Hills Township	1.0%
Philadelphia	3.0%
Reading	1.0%
Scranton	2.0%
Wilkes-Barre	1.0%
Over 3,500 other local jurisdictions	0.25–1.0%
York	1.0%
Washington, D.C.[7]	2.0–11.0%

[1] Rates shown separately for cities of 50,000 or more. Where rates differ for resident and nonresident income, only resident rates are given. In Ohio and Pennsylvania cities, rates are the same. [2] Additional tax of 0.75% for school purposes is levied by Jefferson County. [3] Additional tax of 0.2% imposed in Jefferson County outside of Louisville on earnings of employees. [4] Percent of state income tax. [5] Resident income taxes are progressive. [6] Except for Philadelphia, Scranton, and Wilkes-Barre, the total rate payable by any taxpayer is limited to 1%.

ita General Expenditures in the 48 Largest Cities by Function and City

Fiscal Year 1973

Police and fire	Health and hospitals	Highways	Education	Public welfare	Financial administration[a]	Other[b]
$77.42	$20.10	$22.01	$90.27	$78.65	$18.03	$188.03
57.43	0.40	20.39	10.72	0.20	14.03	261.46
95.01	54.76	61.47	245.52	157.35	20.55	161.18
49.96	20.11	22.97	8.28	0.22	10.28	138.00
129.01	121.22	21.82	246.27	11.93	20.07	298.02
81.74	0.21	16.78	241.93	0.10	17.42	193.14
85.51	12.60	19.51	6.53	3.23	6.27	133.64
72.71	96.11	15.24	247.30	—	13.60	187.74
81.96	7.19	14.29	0.09	0.01	10.73	119.45
57.55	5.19	20.60	—	0.01	10.43	108.78
58.02	4.02	20.51	—	—	9.09	120.76
65.30	66.34	20.57	1.02	91.01	23.67	195.51
89.63	31.95	14.14	6.10	2.61	15.79	196.72
31.91	3.70	9.16	—	0.01	5.03	83.60
37.97	4.14	18.73	2.93	—	5.46	102.64
58.37	2.59	21.33	—	—	9.82	140.41
48.63	7.99	12.36	3.00	0.04	20.05	82.78
41.31	37.67	34.69	1.51	39.65	15.46	107.11
37.02	63.80	18.02	0.08	5.54	20.09	115.52
71.85	25.39	21.08	2.93	0.55	15.59	177.61
74.38	5.32	16.49	—	—	9.82	186.03
81.89	0.87	25.36	—	0.20	13.19	119.27
56.90	14.25	10.57	3.22	0.05	8.99	501.08
60.28	13.07	13.65	189.11	0.60	5.07	131.72
62.05	1.87	7.77	0.00	—	6.24	55.15
75.99	8.81	26.52	1.03	—	13.67	125.10
47.62	10.07	39.10	—	9.85	13.92	146.91
43.97	34.83	31.40	184.22	6.66	19.15	99.49
122.50	9.20	3.83	322.04	41.72	20.64	169.22
49.18	10.19	11.84	2.27	3.24	17.36	146.58
99.38	151.41	20.42	205.63	314.81	29.03	314.00
34.62	22.26	19.62	147.40	87.83	13.12	211.65
74.10	—	32.66	2.93	—	12.48	196.53
43.53	—	13.17	—	—	3.71	134.85
47.86	3.37	24.57	—	—	8.19	134.08
58.99	46.95	14.98	12.61	17.72	31.69	202.21
66.50	0.26	22.04	6.21	—	12.65	118.47
61.01	0.12	18.89	0.03	0.06	10.19	123.22
67.60	2.32	14.80	—	—	12.38	146.65
78.93	74.21	19.35	0.35	4.02	19.97	113.04
49.57	6.47	33.55	5.03	16.86	10.49	183.58
32.32	5.00	11.03	—	1.03	6.98	60.24
42.40	0.07	14.79	—	0.03	10.57	131.45
97.89	93.13	27.35	1.41	215.74	37.36	275.40
53.95	—	29.41	—	0.01	12.48	120.74
78.80	11.07	32.19	—	—	12.10	153.80
56.63	8.14	28.19	—	—	8.19	114.57
38.22	—	31.98	—	—	6.51	141.79
152.30	153.81	68.70	333.44	263.37	63.78	523.37

[a] Housing and urban renewal, parks and recreation, libraries and interest on general debt, general expenditures.
[b] Bureau of the Census.

19[illegible]. Total Local Revenue by Source and Percentage Distribution

Selected Fiscal Years 1902–1973

Year	Total[a]	From own sources											Intergovernmental	
		Total own sources	General revenue						Charges and miscellaneous	Utility	Liquor stores	Insurance trust[c]	From states	From Federal[d]
			Total general	Taxes										
				Total	Property	Sales and gross receipts	Income[b]	License and other						
	Amount (Millions)													
1902	$914	$858	$798	$704	$624	—	—	$80	$94	$60	—	—	$52	$1
1913	1,755	1,658	1,540	1,308	1,192	$3	—	113	232	110	—	$2	91	6
1922	4,148	3,827	3,545	3,009	2,973	20	—	76	470	260	—	16	312	9
1932	6,192	5,381	4,879	4,274	4,159	26	—	89	605	403	—	39	801	10
1940	7,724	6,792	6,007	4,497	4,170	130	$18	179	510	704	$13	68	1,654	278
1950	10,101	11,673	9,586	7,084	7,042	484	64	394	1,602	1,808	94	183	4,217	211
1960	37,324	27,209	22,912	18,081	15,798	1,339	254	692	4,831	3,613	136	549	9,522	592
1965	53,408	38,242	32,362	25,116	21,817	2,059	433	806	7,245	4,008	177	795	14,010	1,155
1966	59,268	41,490	35,404	27,361	23,836	2,011	472	1,042	8,044	5,069	180	837	16,391	1,378
1967	64,608	44,410	38,015	29,074	25,186	1,956	610	1,322	8,971	5,240	195	933	18,434	1,753
1968	70,171	47,873	40,886	31,171	26,835	1,932	1,077	1,327	9,174	5,683	202	1,044	20,342	1,954
1969	79,274	53,102	45,881	34,781	29,692	2,470	1,381	1,238	11,080	5,931	245	1,165	23,837	2,245
1970	89,082	59,567	51,392	38,833	32,003	3,008	1,630	1,192	12,558	6,608	258	1,299	26,920	2,605
1971	100,093	66,521	57,401	43,434	36,726	3,662	1,747	1,298	14,058	7,276	269	1,484	31,081	3,391
1972	113,102	74,144	64,449	48,930	40,676	4,238	2,241	1,576	16,510	7,787	284	1,625	34,535	4,403
1973	129,082	81,216	70,489	53,032	43,070	4,924	2,406	1,731	17,456	8,022	291	1,814	39,063	7,903
	Percentage Distribution of Revenue from Own Sources[e]													
1902		100.0	93.0	82.1	72.7	—	—	9.3	11.0	7.0	—	—	5.7	.1
1913		100.0	92.9	78.9	71.9	.2	—	6.8	14.0	7.0	—	.1	5.2	.5
1922		100.0	92.6	80.2	77.7	.5	—	2.0	12.4	7.0	—	.4	7.5	.2
1932		100.0	90.7	79.4	77.3	.5	—	1.7	11.2	8.0	—	.7	12.9	.2
1940		100.0	86.4	77.6	72.0	2.2	.3	3.1	8.8	12.2	.2	1.2	21.4	3.6
1950		100.0	82.1	68.4	60.3	4.1	.5	3.4	13.7	15.5	.8	1.6	26.2	1.8
1960		100.0	84.2	66.5	58.1	4.9	.9	2.5	17.8	13.3	.5	2.0	25.5	2.2
1965		100.0	84.8	65.7	57.0	5.4	1.1	2.1	18.8	12.8	.5	2.1	26.2	3.0
1966		100.0	85.3	65.9	57.4	4.9	1.1	2.4	19.1	12.2	.5	2.0	27.7	3.3
1967		100.0	85.6	65.4	56.7	4.4	2.1	2.3	20.2	11.8	.4	2.1	28.5	3.7
1968		100.0	85.4	65.1	56.1	4.0	2.2	2.8	20.3	11.9	.6	2.2	29.0	2.8
1969		100.0	86.2	65.4	55.8	4.6	2.6	2.3	20.8	11.2	.5	2.2	30.1	2.8
1970		100.0	86.3	65.2	55.4	5.2	2.7	2.0	21.1	11.1	.4	2.2	30.2	2.9
1971		100.0	86.4	65.3	55.2	5.5	2.6	2.0	21.1	10.9	.4	2.2	30.8	3.4
1972		100.0	86.9	66.0	55.1	5.7	3.0	2.1	20.9	10.5	.4	2.2	30.5	3.9
1973		100.0	86.8	65.3	54.1	6.1	3.0	2.1	21.5	10.6	.4	2.2	31.0	6.1

[a] Duplicative transactions between levels of government are excluded in arriving at aggregates.
[b] Principally individual income.
[c] Includes collections for unemployment compensation and employee retirement funds.
[d] Amounts received directly from Federal government, not transfers of Federal funds received initially by states.
[e] Intergovernmental revenue is shown as a percent of total revenue.
Source: Department of Commerce, Bureau of the Census; percentage computations by Tax Foundation.

(2)

Tax Foundation, Inc., Facts, Figures on Gov't. Finances, 1975.

TABLE 150 — LOCAL INCOME TAXES, RATES AND COLLECTIONS
(Dollar amounts in thousands)

State and local government	Rate July 1, 1973 (percent)	Municipal tax collections, 1971-72 (Cities with over 50,000 population in 1970)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Alabama:				
Auburn	1.0	–	–	–
Birmingham	1.0	$28,043	$5,527	19.7
Gadsden	2.0	5,165	2,977	57.6
Opelika	1.0	–	–	–
Rainbow City	2.0	–	–	–
Delaware:				
Wilmington	1.25	20,752	7,614	36.7
Indiana (counties):[1]				
Bartholomew	1.0	–	–	–
Benton	0.5	–	–	–
Blackford	0.5	–	–	–
Brown	0.5	–	–	–
Carroll	0.5	–	–	–
Cass	0.5	–	–	–
Clinton	1.0	–	–	–
Decatur	1.0	–	–	–
DeKalb	0.5	–	–	–
Elkhart	1.0	–	–	–
Fountain	0.5	–	–	–
Hancock	1.0	–	–	–
Hendricks (eff. 1/1/74)	0.5	–	–	–
Huntington	1.0	–	–	–
Jasper	0.5	–	–	–
Johnson	0.5	–	–	–
Kosciusko	0.5	–	–	–
Lawrence	1.0	–	–	–
Marshall	1.0	–	–	–
Morgan	0.5	–	–	–
Newton (eff. 1/1/74)	0.5	–	–	–
Noble	1.0	–	–	–
Ohio	0.5	–	–	–
Randolph	0.5	–	–	–
Rush	0.75	–	–	–
Starke	0.5	–	–	–
Steuben (eff. 1/1/74)	0.5	–	–	–
Tipton	0.5	–	–	–
Union	1.0	–	–	–
Wabash	1.0	–	–	–
Washington	0.5	–	–	–
Wayne	1.0	–	–	–
Wells	0.5	–	–	–
White	1.0	–	–	–
Kentucky:				
Ashland	1.5	–	–	–
Auburn	1.0	–	–	–
Benton	0.5	–	–	–
Berea	1.5	–	–	–
Bowling Green	1.5	–	–	–
Burkesville	0.5	–	–	–
Catlettsburg	1.0	–	–	–

See footnotes at end of table.

(78) 3

A CIR, Federal - State Local Finances: Significant Features of Fiscal Federalism, 1973-74.

(Advisory Commission on Intergovernmental Relations)

TABLE 150 -- LOCAL INCOME TAXES, RATES AND COLLECTIONS (Cont'd)
(Dollar amounts in thousands)

State and local government	Rate July 1, 1973 (percent)	Municipal tax collections, 1971-72 (Cities with over 50,000 population in 1970)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Kentucky (Continued)				
Covington	2.5	$4,754	$2,682	56.4
Cynthiana	1.5	–	–	–
Danville	1.0	–	–	–
Dawson Springs	1.0	–	–	–
Elizabethtown	0.8	–	–	–
Flemingsburg	1.0	–	–	–
Frankfort	1.0	–	–	–
Fulton	1.0	–	–	–
Gamaliel	1.0	–	–	–
Glasgow	1.0	–	–	–
Hazard	1.0	–	–	–
Hickman	1.0	–	–	–
Hopkinsville	1.0	–	–	–
Leitchfield	1.0	–	–	–
Lexington	2.0	13,925	7,778	55.9
Louisville	1.25	38,333	21,312	55.6
Jefferson County[3]	2.0	–	–	–
Ludlow	1.0	–	–	–
Marshall County	0.5	–	–	–
Mayfield	1.0	–	–	–
Maysville	1.5	–	–	–
Middlesboro	1.0	–	–	–
Morgantown	1.0	–	–	–
Newport	2.0	–	–	–
Owensboro	1.0	2,885	1,375	47.7
Paducah	1.25	–	–	–
Pikeville	1.5	–	–	–
Prestonsburg	1.0	–	–	–
Princeton	1.0	–	–	–
Richmond	1.0	–	–	–
Russellville	1.0	–	–	–
Springfield	1.0	–	–	–
Versailles	1.0	–	–	–
Wilder	0.25	–	–	–
Woodford County	0.5	–	–	–
Maryland:	% of State tax			
Baltimore City	50	$229,285	$32,550	14.2
20 Counties	50	–	–	–
Queen Anne's County	40	–	–	–
Talbot County	35	–	–	–
Worcester County	20	–	–	–
Michigan:[3]				
Albion	1.0	–	–	–
Battle Creek	1.0	–	–	–
Big Rapids	1.0	–	–	–
Detroit	2.0[4]	268,924	94,473	35.1
Flint	1.0	18,884	10,778	57.1
Grand Rapids	1.0	16,494	7,727	46.9
Grayling	1.0	–	–	–
Hamtramck	1.0	–	–	–
Highland Park	1.0	–	–	–

See footnotes at end of table.

TABLE 150 — LOCAL INCOME TAXES, RATES AND COLLECTIONS (Cont'd)
(Dollar amounts in thousands)

State and local government	Rate July 1, 1973 (percent)	Municipal tax collections, 1971-72 (Cities with over 50,000 population in 1970)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Michigan (Continued):[3]				
Hudson	1.0	–	–	–
Jackson	1.0	–	–	–
Lansing	1.0	$14,859	$6,120	41.2
Lapeer	1.0	–	–	–
Pontiac	1.0	11,991	4,322	36.0
Port Huron	1.0	–	–	–
Saginaw	1.0	10,212	3,501	34.3
Missouri:				
Kansas City	1.0	78,610	29,106	37.0
St. Louis	1.0	125,035	36,784	29.4
New York:				
New York City	0.7-3.5[4]	3,830,557	805,578	21.0
Ohio:				
Akron	1.5	26,440	17,478	66.1
Canton	1.5	9,770	7,814	80.0
Cincinnati	2.0	75,528	43,606	57.7
Cleveland	1.0	81,181	38,807	47.8
Cleveland Heights	1.0	5,025	1,299	25.9
Columbus	1.5	45,024	35,195	78.2
Dayton	1.0	27,344	15,662	57.3
Elyria	1.0	3,413	1,808	53.0
Euclid	1.0	8,240	3,278	39.8
Hamilton	1.5	5,002	3,703	74.0
Kettering	1.0	4,437	2,304	51.9
Lakewood	1.0	5,295	1,518	28.7
Lima	1.0	2,872	2,106	73.3
Lorain	1.0	6,712	3,418	50.9
Mansfield	1.0	4,350	3,053	70.2
Parma	1.0	6,126	3,484	56.9
Springfield	1.5	6,888	4,736	80.5
Toledo	1.5	33,383	25,002	74.9
Warren	1.0	3,507	2,693	76.8
Youngstown	1.5	13,925	9,299	66.8
315 cities and villages (with less than 50,000 population)	0.25-1.7	–	–	–
Pennsylvania:[6]				
Abington Township	1.0[7]	3,692	n.a.	n.a.
Allentown	1.0[7]	9,082	1,941	21.4
Altoona	1.0[8]	3,246	745	23.0
Bethlehem	1.0[7]	6,342	1,657	26.1
Chester	1.0[9]	4,523	2,116	46.8
Erie	1.0[7]	9,597	1,655	17.2
Harrisburg	1.0[7]	5,927	978	16.5
Lancaster	1.0[7]	4,578	694	15.2
Penn Hills Township	1.0[7]	2,943	925	31.4
Philadelphia	2.7125[10]	410,362	256,738	62.6
Pittsburgh	1.0[11]	77,281	13,028	16.9
Reading	1.0[7]	6,312	1,530	24.2
Scranton	1.0[7,12]	7,825	2,128	27.2

See footnotes at end of table.

TABLE 150 – LOCAL INCOME TAXES, RATES AND COLLECTIONS (Cont'd)
(Dollar amounts in thousands)

State and local government	Rate July 1, 1973 (percent)	Municipal tax collections, 1971-72 (Cities with over 50,000 population in 1970)		
		Total tax collections	Income tax collections	
			Amount	As a percent of total collections
Pennsylvania:[6] (Continued)				
Wilkes-Barre	0.5[7]	$4,291	$630	14.7
York	1.0[9]	4,157	556	13.4
Approx. 3,750 other local jurisdictions (including over 1,000 school systems)	0.25-1.0	–	–	–

Note: Excludes Washington, D.C. which has a graduated net income tax that is more closely akin to a State tax than to the municipal income taxes (see table 141). Also excludes the Denver Employee Occupational Privilege Tax of $2 per employee per month, which applies only to employees earning at least $250 per month; the Newark 1% payroll tax imposed on employers, profit and nonprofit, having a payroll over $2,500 per calendar quarter, the San Francisco 1% payroll expense tax (eff. 10/1/70); the 1/2 of 1% quarterly payroll tax on employers imposed in the Tri-county Metropolitan Transit District (encompassing all of Washington, Clackamas and Multnomah counties, Oregon); and the 1/4 of 1 percent payroll tax imposed on employers in the Lane County Oregon Mass Transit District.

– Signifies a county, or a city under 50,000 population.
n.a.-"not available."

[1] The tax rate on nonresidents for all counties is 1/4 of 1%.
[2] A taxpayer subject to the 1.25 percent tax imposed by the City of Louisville may credit this tax against the 2.0 percent levied by Jefferson County.
[3] Under the Michigan "Uniform City Income Tax Act," the prescribed rates are 1.0 percent for residents and 0.5 percent for nonresidents. A resident is allowed credit for taxes paid to another city as a nonresident.
[4] The rate for residents in Detroit was increased from 1 percent to 2 percent effective October 1, 1968.
[5] New York City residents' rate ranges from 0.7 percent on taxable income of less than $1,000 to 3.5 percent on taxable income in excess of $30,000. An earnings tax of 0.45 percent of wages or 65/100 of 1 percent on net earnings from self-employment, not to exceed that which would be due if taxpayer were a resident, is levied against nonresidents. A 4% tax is imposed on unincorporated businesses carried on in the city.
[6] Except for Philadelphia, Pittsburgh, and Scranton, the total rate payable by any taxpayer is limited to 1 percent. For coterminous jurisdictions, such as borough and borough school district, the maximum is usually divided equally between the jurisdictions unless otherwise agreed. However, school districts may tax only residents. Thus, if a borough and a coterminous school district each have a stated rate of 1 percent, the total effective rate for residents is 1 percent (½ of 1 percent each to the borough and school district) and the tax on nonresidents is 1 percent, the stated rate imposed by the borough.
[7] The school district rate is the same as the municipal rate.
[8] The school district rate is 0.5 percent.
[9] There is no school district income tax.
[10] The Philadelphia school district imposes a 2% tax on investment income.
[11] School district rate. The Pittsburgh city income tax was repealed effective January 1, 1973.
[12] Combined city and school district rate may not exceed 2.0 percent.

Source: ACIR staff compilation based on Commerce Clearing House, *State Tax Reporter*, and U.S. Bureau of the Census, Governments Division.

TABLE 12 – THE FISCAL ROLE OF LOCAL INCOME AND GENERAL SALES TAXES, SELECTED YEARS, 1957-1971
(Tax amounts in millions of dollars)

Level of Government and type of tax	1971	1967	1962	1957
All Local Governments 1/				
Total tax collections	$ 43,434	$ 29,074	$ 20,993	$ 14,286
Income taxes:	(3,675)	(2,130)	(1,185)	(785)
Amount	1,747	916	309	191
% of total taxes	4.0	3.2	1.5	1.3
General sales taxes:	(3,820)	(2,596)	(1,875)	(1,550)
Amount	2,339	1,201	958	656
% of total taxes	5.4	4.1	4.6	4.6
Income and sales -- %	9.4	7.3	6.1	5.9
All Local Governments 2/				
Total tax collections	43,000	28,799	20,810	14,143
Income taxes:				
Amount	1,617	852	271	165
% of total taxes	3.8	3.0	1.3	1.2
General sales taxes:				
Amount	2,262	1,158	932	636
% of total taxes	5.3	4.0	4.5	4.5
Income and sales -- %	9.1	7.0	5.8	5.7
Municipalities 1/				
Total tax collections	15,097	10,507	7,934	5,908
Income taxes:	(1,085)	(625)	(350)	(255)
Amount	1,416	818	259	181
% of total taxes	9.4	7.8	3.3	3.1
General sales taxes:	(3,270)	(2,245)	(1,725)	(1,485)
Amount	1,658	977	866	602
% of total taxes	11.0	9.3	10.9	10.2
Income and sales -- %	20.4	17.1	14.2	13.3
Municipalities 2/				
Total tax collections	14,663	10,232	7,751	5,765
Income taxes:				
Amount	1,286	754	221	155
% of total taxes	8.8	7.4	2.9	2.7
General sales taxes:				
Amount	1,580	934	840	582
% of total taxes	10.8	9.1	10.8	10.1
Income and sales -- %	19.6	16.5	13.7	12.8
Counties				
Total tax collections	8,702	5,702	4,149	2,790
Income taxes:	(24)	(4)	(1)	(0)
Amount	167	16	6	---
% of total taxes	1.9	0.3	0.1	0
General sales taxes:	(505)	(330)	(145)	(65)
Amount	590	202	91	53
% of total taxes	6.8	3.5	2.2	1.9
Income and sales -- %	8.7	3.8	2.3	1.9

1/ Including the District of Columbia. 2/ Excluding the District of Columbia.
Note: Figures in parenthesis are the approximate number of local governments with sales and income taxes as of January 1st for the year indicated (except for the year 1957 which are as of September 1, 1958).

Source: ACIR staff calculations based on U.S. Bureau of the Census, Governments Division, published and unpublished data; and Commerce Clearing House, State Tax Reporter.

TABLE 2. CITY INCOME TAXES, RATES AND COLLECTIONS
(Dollar amounts in thousands)

State and City	Rate 12/31/69 (percent)	Municipal tax collections, 1967-68		
		Total tax collections	Income tax collections	
			Amount	As % of total collections
Alabama:				
Gadsden	2.0	$ 4,420	$ 2,548	67.6
Delaware:	¼ of 1%			
Wilmington	or ½ of 1%[1]	11,778[2]	[3]	[3]
Kentucky:				
Covington	2.0	3,326	1,225	36.8
Lexington	1.5	8,939	4,292	48.0
Louisville[4]	1.25	31,248	16,428	52.6
Maryland:	% of State tax			
Baltimore City	50%	176,886	30,211	17.1
Michigan:				
Detroit	[5] [6]	165,600	47,337	28.6
Flint	[6]	16,681	8,764	52.5
Grand Rapids	[5]	13,082	4,243	32.4
Lansing	[5]	8,243	[3]	[3]
Pontiac	[6]	6,053	[3]	[3]
Saginaw	[6]	6,693	3,367	50.3
Missouri:				
Kansas City	0.5	45,345	11,531	25.4
St. Louis	1.0	89,326	30,351	34.0
New York:				
New York City	0.4-2.0[7]	2,680,466	430,191	16.0
Ohio:				
Akron	1.0	21,723	11,138	51.3
Canton	1.4[8]	5,944	4,459	75.0
Cincinnati	1.0	48,293	20,365	42.2
Cleveland	1.0	68,447	9,676	14.1
Cleveland Heights	1.0	3,546	[3]	[3]
Columbus	1.0	25,467	18,282	71.8
Dayton	1.0	25,227	14,751	58.5
Euclid	1.0	5,438	013	16.0
Hamilton	1.0	3,380	2,034	60.2
Kettering	1.0	2,245	[3]	[3]
Lakewood	1.0	3,350	[3]	[3]
Lima	1.0	2,418	1,613	66.7
Lorain	1.0	3,166	[3]	[3]
Parma	1.0	4,120	[3]	[3]

TABLE 2. CITY INCOME TAXES, RATES AND COLLECTIONS (cont'd)
(Dollar amounts in thousands)

State and City	Rate 12/31/69 (percent)	Municipal tax collections, 1967-68		
		Total tax collections	Income tax collections	
			Amount	As % of total collections
Ohio (cont'd)				
Springfield	1.0	4,154	2,966	71.4
Toledo	1.5	25,987	17,043	65.6
Warren	1.0	3,194	2,182	68.3
Youngstown	1.5	10,235	7,236	70.7
Pennsylvania[9]				
Abington Township	1.0[10]	2,439	[3]	[3]
Allentown	1.0[10]	5,685	1,044	18.4
Altoona	1.0[11]	2,604	1,483	55.3
Bethlehem	1.0[10]	4,326	541	12.5
Chester	1.0[12]	3,289	1,611	49.0
Erie	1.0[10]	8,010	1,593	19.9
Harrisburg	1.0[10]	4,411	935	21.2
Johnstown	1.0[11]	2,259	412	18.2
Lancaster	0.5[13]	2,222	596	26.8
Penn Hill Township	1.0[11]	1,763	652 est.	37.0
Philadelphia	3.0[12]	265,016	126,247	47.6
Pittsburgh	1.0[10]	55,374	11,237	20.3
Reading	1.0[12]	4,050	[3]	[3]
Scranton	1.0[10] [14]	5,113	1,048	20.5
Wilkes Barre	0.5[10]	3,325	1,195	35.9
York	1.0[10]	2,286	523	22.3

Note: Includes only cities with 50,000 or more inhabitants in 1960. Excludes Washington, D. C., which has a graduated net income tax that is more closely akin to a State tax than to the municipal income taxes. Also excludes the Denver Employee Occupational Privilege Tax of $2 per employee per month, which applies only to employees earning at least $250 per month.

[1] If total annual wages or net profits are $4,000 or less there is no tax liability. On income between $4,000.01 and $6,000.00 the rate is ¼ of 1%; on income of $6,000.01 or more ½ of 1%. The tax rates apply to total income, not merely to the proportion of income falling within a given bracket. In this sense the tax is not a typical graduated levy.

[2] Fiscal year 1967 collections.

A CIR, The Community and the Municipal Income Tax, 1970.

203. Per Capita General Revenue in the 48 Largest Cities by Source and City

Fiscal 1073

City	Total	From own sources					Intergovernmental
		Total own sources[a]	Taxes				
			Total[b]	Property	General sales	Income	
Total	$540.77	$317.88	$240.61	$136.82	$20.11	$40.74	$228.89
Atlanta	314.22	248.07	130.07	85.33	—	—	65.25
Baltimore	953.46	369.07	270.17	196.03	—	40.87	583.49
Birmingham	204.20	169.44	116.79	26.40	27.70	34.05	34.76
Boston	826.28	575.31	479.33	473.58	—	—	250.97
Buffalo	542.17	238.73	197.13	189.97	.07	—	303.44
Chicago	281.24	200.98	165.19	101.37	20.69	—	80.26
Cincinnati	677.73	452.11	162.64	57.82	—	94.06	225.61
Cleveland	201.74	160.29	122.25	53.58	—	64.40	75.45
Columbus	210.42	155.25	98.37	15.64	—	77.21	55.17
Dallas	206.87	189.02	149.44	106.27	28.20	—	16.94
Denver	470.30	309.79	199.36	81.50	81.77	—	160.60
Detroit	439.52	253.51	186.70	102.19	—	69.06	186.01
El Paso	142.15	133.12	72.24	45.13	16.35	—	9.03
Fort Worth	153.09	141.49	94.83	63.47	21.08	—	11.60
Honolulu	279.09	212.30	171.68	133.98	—	—	66.79
Houston	173.01	147.61	112.23	70.34	28.77	—	25.40
Indianapolis	264.02	172.71	127.97	123.43	—	—	91.01
Jacksonville	223.00	164.80	100.23	63.73	—	—	59.09
Kansas City	326.05	250.59	172.51	40.57	15.51	63.35	76.35
Long Beach	331.85	272.02	137.58	86.87	24.43	—	59.83
Los Angeles	276.45	207.57	147.52	75.12	28.48	—	68.87
Louisville	304.61	200.33	112.34	40.32	—	63.74	104.31
Memphis	419.60	161.02	101.65	71.08	—	—	258.58
Miami	201.88	177.15	142.13	87.71	—	—	24.72
Milwaukee	260.78	150.65	109.02	105.20	—	—	110.13
Minneapolis	284.55	169.97	118.71	103.02	—	—	114.58
Nashville-Davidson	456.50	311.96	242.85	162.79	55.60	—	144.54
Newark	860.15	423.25	334.18	309.21	—	35.17	375.19
New Orleans	276.14	183.71	119.92	44.70	51.52	—	92.43
New York	1,200.02	648.22	521.36	299.40	60.83	100.55	618.40
Norfolk	610.15	294.81	204.92	102.00	23.23	—	315.35
Oakland	313.01	218.08	136.43	84.51	29.38	—	94.92
Oklahoma City	201.02	145.59	85.55	40.59	33.57	—	55.43
Omaha	220.68	146.49	112.09	65.63	31.44	—	74.20
Philadelphia	425.72	291.42	223.83	63.05	—	140.03	134.31
Phoenix	220.00	145.04	103.93	34.29	41.07	—	75.86
Pittsburgh	235.77	163.13	149.80	88.97	—	25.78	72.64
Portland	282.06	173.85	108.60	83.34	—	—	108.21
St. Louis	342.63	251.24	202.07	58.66	24.17	56.37	91.39
St. Paul	271.84	175.09	118.96	96.19	—	—	95.85
San Antonio	135.06	107.74	62.71	41.83	17.13	—	27.32
San Diego	217.17	130.60	89.07	48.46	27.07	—	80.57
San Francisco	844.31	507.88	339.66	236.02	41.75	—	336.43
San Jose	253.70	158.56	105.73	53.08	25.73	—	95.14
Seattle	328.00	200.02	118.53	54.96	17.66	—	121.98
Toledo	207.32	147.30	90.86	15.57	—	69.73	60.02
Tulsa	209.54	157.59	103.26	32.11	61.17	—	51.95
Washington, D. C.	1,414.76	763.75[c]	655.21	187.94	128.44	105.71	651.01

[a] Includes amount for charges and miscellaneous general revenue not shown separately.
[b] Includes amount for miscellaneous tax revenue not shown separately.
[c] Includes $16.6 million or $21.05 per capita for unemployment compensation revenue.
Source: Department of Commerce, Bureau of the Census.

204. Local Debt by C

Selected

Year	Gross deb
1902	$1,877
1922	8,078
1932	16,373
1942	16,449
1944	14,703
1946	13,564
1948	14,080
1950	18,830
1952	23,226
1954	29,331
1956	35,078
1957	39,301
1958	42,703
1959	47,180
1960	51,412
1961	55,030
1962	59,255
1963	64,270
1964	67,181
1965	72,478
1966	77,487
1967	82,142
1968	85,492
1969	93,995
1970	101,563
1971	111,034
1972	120,049
1973	129,110

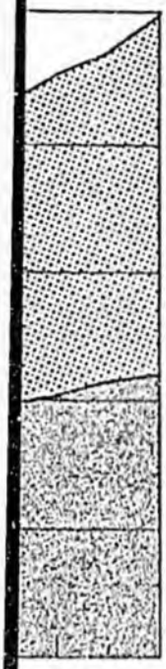
Unit	1952	
Gross debt	$23,226	$
Short-term	1,146	
Long-term	22,080	
Full faith and credit	17,510	
Nonguaranteed	4,571	
County	2,018	
Short-term	80	
Long-term	1,938	
City	12,659	
Short-term	540	
Long-term	12,113	
Township	619	
Short-term	15	
Long-term	604	
School district	3,806	
Short-term	91	
Long-term	3,715	
Special district	4,125	
Short-term	415	
Long-term	3,710	

* Data for 1902–1950 are as of June 30; begi
Source: Department of Commerce, Bureau of

(6)

Tax Foundation Inc. Facts & Figures on Gov't. Finance, 1975.

oduct



1970 1972

e Taxes,

TABLE 5 — AVERAGE ANNUAL RATE OF INCREASE OR DECREASE (–) IN THE RECEIPTS FROM MAJOR FEDERAL, STATE, AND LOCAL TAXES, SELECTED PERIODS 1948 THROUGH 1972 EST.

Item	1948-1972 est.	1968-1972 est.	1963-1968	1958-1963	1953-1958	1948-1953
By Level of Government:						
Federal, State and Local	7.0	9.0	7.2	5.9	3.3	10.3
Federal	6.0	6.7	6.3	5.0	1.6	10.6
State and Local	9.2	12.8	9.0	7.7	7.8	9.4
State	9.6	13.6	10.5	8.2	7.2	9.4
Local	8.7	11.8	7.3	7.2	8.3	9.4
By Type of Tax, by Government:						
Federal						
Individual income	6.9	8.4	7.6	6.5	3.1	9.1
Corporation income	5.1	2.8	5.8	1.5	(–1.1)	17.0
Sales, gross receipts, and customs	3.3	4.0	2.7	4.7	1.7	6.2
Death and gift	7.8	15.4	7.1	9.2	9.6	0.3
All other	4.6	5.8	(–7.6)	18.1	1.3	7.6
State						
Individual income	14.7	21.1	16.3	13.0	9.8	14.2
Corporation income	8.6	14.1	10.8	8.1	4.7	6.7
General sales and gross receipts	10.9	14.1	13.5	9.6	7.6	10.6
Selective sales and gross receipts	7.8	10.1	7.6	6.9	6.8	8.1
Motor vehicle and operators licenses	7.2	5.9	6.9	4.7	8.3	9.9
Death and gift	8.9	12.6	7.9	11.1	9.6	4.3
All other	7.8	11.6	6.4	6.7	5.7	10.5
Local						
Property	8.4	11.2	7.0	7.2	8.4	9.0
Sales and gross receipts	10.4	22.1	4.2	7.8	8.5	12.4
Individual income[1]	17.9	20.9	28.2	7.7	17.6	17.1
All other	5.9	(–2.5)	8.9	6.8	4.3	11.7

[1]Includes minor amounts of corporation income taxes.

Source: ACIR staff computations, based on table 3.

⑦

ACIR, Local Revenue, Diversification: Income, Sales, Taxes, & User Charges, 1974.

HB

75

(NEW MATERIAL

1978)

REPORT OF THE INTERIM COMMITTEE ON TAXATION IN THE UNORGANIZED BOROUGH

The purpose and scope of the interim committee was to organize public hearings to receive comments from citizens in Delta, Tok, and Fort Yukon as representative of unorganized areas of the state that would be effected by taxation in the unorganized borough.

The interim committee was composed of standing members of the House Community and Regional Affairs Committee for the Tenth Session of the Alaska State Legislature. The members are:

Representative Lisa Rudd, Chair
Representatives Merle Snider, Bill Miles, Sally Smith, Randy Phillips, Nels Anderson, Pete Lovseth, Al Ose and Tim Kelly.

Staff accompanying the committee were:

Bob Dozier, State Assessor, Jim McKenzie, Legislative Affairs Legal Division and Judity Pinero, Administrative Assistant to the committee.

There was no action taken on the bill nor was there any work sessions or mark-up during the scheduled public hearings.

Public Hearings

Delta	October 17
Tok	October 18
Fort Yukon	October 20

(with stops in Beaver and Stevens village)

Notification-Publication

August, 1977	Letters to Delta, Tok and Fort Yukon School Board to arrange meeting space in the local schools.
August, 1977	Letters to Dot Lake, Beaver, and Stevens Village advising community of the committee's informal visit to talk to residents.
September, 1977	Public hearing announcements provided to interested persons and newspapers in the community and surrounding area.

Summary and History of House Bill 202

House bill 202 - An Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough; and providing for an effective date."

HB 202, if enacted, would levy a tax on improved property in the state's unorganized borough - that is, any land in the state which is not within an incorporated borough or a first class borough or a home rule city. HB 202 was introduced by Rep. Charles Parr of Fairbanks.

There is a similar bill in the Senate, which was introduced by Senator Joe Orsini of Anchorage.

Only improved property would be taxed and the bill calls for the tax rate to equal the average of the property tax rates levied by the boroughs in the state for the support of borough school districts . The Department of Community and Regional Affairs has estimated that the rate is about 7 mills (7/10ths of 1% of the assessed value of the property).

As the bill is drafted, the following property would be execpt from taxation:

1. Property which has not been improved, such as acreage in woodland.

2. Real property which is exempt from taxation under the state's municipal code, such as the property of churches, veterans' groups and senior citizens;

3. Real property which is being taxed under the state's 20 mill levy on property used for the exploration, production or transportation of oil, and

4. up to $10,000. of the value of residential real property, if it is within a municipality and if the municipality approves the exemption.

The bulk of the legislation, after describing the extent of the tax, addresses the mechanics of assessment, appeals of assessments, collection of the tax, and enforcement processes and penalties.

HB 202 is not the first time the question of a property tax in the unorganized borough has been raised. It came up in 1972 when the 20 mill tax was placed on oil and gas properties. At that time, the question was whether it was fair to tax the pipeline, but not any of the other valuable property in the unorganized areas.

In fact, I believe the oil industry raised this question as a constitutional "equal protection" issue in litigation, but the suit was settled before the issue was decided. Later efforts to focus on the question of taxation in the unorganized borough came in 1975 with the rural education attendance areas in the unorganized borough. Some legislators felt at that time that local control and policy making power should not be given to the REAA's without requiring them to make local tax contributions to help support the REAA's.

The fact that the REAA's are entirely supported by the state whereas school districts in incorporated areas must support much of their education services through local tax levies, seems to be the reason for the introduction of HB 202. Urban legislators find it hard to justify this apparent inequity to their constituents, who are paying both local and state taxes to support education in the state.

That the legislature has the power to levy a property tax, or any tax, in the unorganized borough is without doubt. Under the state constitution (Art. X, Sec. 6) the legislature is the assembly, or governing body, of the unorganized borough.

PUBLIC HEARING COMMENTS - SYNOPSIS

The majority of those testifying in Delta, Tok and Fort Yukon were opposed to the levy and collection of a tax on developed land in the unorganized borough for the following reasons:

- imposed taxation forces the formation of local government.
- cost of levy and collection versus revenue
- no assurance that revenues generated would benefit their area.
- taxation without representation
- assessed valuation is too high in the present bill
- opposition to property tax in principle.
- amount of taxation would not equal the services to the area.
- punitive legislation

- improved land to be taxed (i.e. local electric company) would result in higher rates to consumer.

SUGGESTED AMENDMENTS TO HB 202:

- remove exemption for unimproved land
- clarify vague language in the bill
- provide a definition of unimproved land

RECOMMENDATIONS BY PUBLIC HEARING PARTICIPANTS:

1. raise the amount of school tax paid by residents of the unorganized borough.
2. if the tax were to be levied, upon receipt of 100% state-funded education, the tax would be lifted.
3. one request for a further referral to House Health, Education and Social Services Committee to determine the possibility of redistricting that would effect the satellite REAA's.
4. Need for more public testimony.

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

June 6, 1977

The Honorable Lisa Rudd
2827 Lore Road
Anchorage, Alaska 99507

The Honorable Ms. Rudd:

I am writing in response to your letter requesting testimony relative to House Bill 75, borough or city net income tax. The overall concept of this bill has merit, especially in that income tax is generally accepted as a more fair taxation than property tax or sales tax. There are a great many detail questions that deserve some consideration before I could support such legislation.

(1) Why should real and personal property taxes be separated, thus allowing only one or the other to be imposed in conjunction with an income tax? Property tax should be one classification for the purposes of this legislation to avoid confusing the situation more than it already is. In recent years we have seen mobile homes changed from personal to real property for taxation purposes, which leaves an impression of ambiguity to confuse the issue.

(2) The proposal to refund the taxes collected within a borough that has preempted a city income tax in proportion to the amount of income tax revenue raised by each city within the borough is unclear. Does it mean that the Borough will only receive income tax from those persons living outside the City? Does it mean for those taxes generated within the City that the that the City an Borough receive one-half (½) each? Does it mean that the distribution is in the ratio of each jurisdictions tax levy for the appropriate area inside or outside of each City?

(3) What are the options for a borough to preempt the income tax levied by a city? Must they establish a single tax rate for the entire area, or can separate, different rates be set for borough and city income tax?

These questions are important to answer before this legislation becomes law. The borough and cities provide different services. The borough services, including education, apply to all borough residents, both inside and outside of the cities. The tax rates should be adjusted to reflect a higher rate in the cities to raise funds for those city services to be funded by income taxes.

I appreciate the opportunity to furnish my opinions for the consideration of your committee.

Sincerely,

W. J. Verwolf
Borough Manager

WVJ/aa

City of Kodiak

PHONE (907) 486-3224 TELEX 25345
P.O. BOX 1397
KODIAK ALASKA 99615

June 8, 1977

Ms. Lisa Rudd, Chairman
House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

If reference to your letter dated May 29, 1977, pertaining to HB 75 which authorizes a Borough or City tax on net income. The City of Kodiak has no objection to the idea of a municipality adopting a local income tax, nor to the method that is prescribed for collection.

However, the City does object to the portion of the bill that limits the municipality's right to levy only two (2) of the four (4) possible taxes. Between the City and the Kodiak Island Borough, we already levy three (3): property and real property by the Borough, and sales tax by the City. The sales tax is the largest source of income for the City and we feel this bill would force us to eliminate it.

If you need any further information on our feelings or suggestions towards this bill, please let us know.

Very truly yours,

CITY OF KODIAK

Herman T. Beukers
Acting City Manager

HTB/yt

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MAYOR

June 10, 1977

Mrs. Lisa Rudd
State Representative
Alaska State Legislature
2827 Lore Road
Anchorage, AK 99507

Dear Mrs. Rudd:

You recently sent to Mayor Sullivan a letter notifying the Municipality of Anchorage of hearings you plan to hold on House Bill No. 75 entitled, "An Act authorizing a borough or city tax on net income". Your letter states that hearings will be held in Yakutat, Cordova, Kenai, Homer, and Kodiak; but you do not mention Anchorage.

As Chairman of the Ad Hoc Tax Review Commission, recently appointed by Mayor Sullivan, I respectfully request that you hold hearings on HB-75 in Anchorage. The work of the Commission is directly concerned with this subject. I would appreciate you notifying me as to whether or not an Anchorage hearing is possible.

Yours very truly,

Jim Campbell, Jr.
Jim Campbell, Chairman
Ad Hoc Tax Review Commission

279-8611

/lw

cc: Mayor Sullivan

City of Soldotna
Box 409 Phone 262-4492
SOLDOTNA, ALASKA
99669

June 3, 1977

The Honorable Lisa Rudd
Alaska House of Representatives
2827 Lore Road
Anchorage, Alaska 99507

Re: House Bill 75

Dear Representative Rudd:

In response to your May 29, 1977 letter to Alaskan municipalities on House Bill 75, the City of Soldotna would certainly appreciate notification of any hearings on HB75 that will be held on the Kenai Peninsula.

In case the City does not have the opportunity to participate at any hearings, the following comments are given as testimony:

1. The limitation of only two taxes would place a substantial limit on the ability of many cities to raise revenue. Many cities currently levy sales, property realty and personalty taxes. To cut out any of these would limit the potential revenue a municipality might raise.

2. A net income tax would never pass a voter's referendum in most Alaskan municipalities. This would effectively reduce the ability to raise revenues under HB75.

Thank you for this opportunity to submit this testimony.

Sincerely,

Frank Mielke

Frank G. Mielke
City Administrator

FGM/pb

City of Kodiak

PHONE (907) 486-3224 TELEX 25345
P.O. BOX 1397
KODIAK ALASKA 99615

June 8, 1977

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House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

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If you need any further information on our feelings or suggestions towards this bill, please let us know.

Very truly yours,

CITY OF KODIAK

Herman T. Beukers
Acting City Manager

HTB/yt

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

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OFFICE OF THE MAYOR

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State Representative
Alaska State Legislature
2827 Lore Road
Anchorage, AK 99507

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Jim Campbell, Chairman
Ad Hoc Tax Review Commission

279-8611

/lw

cc: Mayor Sullivan

City of Soldotna

Box 409 Phone 262-4492

SOLDOTNA, ALASKA
99669

June 3, 1977

The Honorable Lisa Rudd
Alaska House of Representatives
2827 Lore Road
Anchorage, Alaska 99507

Re: House Bill 75

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Thank you for this opportunity to submit this testimony.

Sincerely,

Frank Mielke

Frank G. Mielke
City Administrator

FGM/pb

Munis can't get rid of prop. tax because of bonded indebtedness.

How much can munis. make in income tax? (Must be enough to offset Sales tax rev.)

Introduced: 5/25/77
Referred: Community & Regional Affairs, Judiciary and Finance

IN THE HOUSE BY PARR AND COWPER

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 75

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing a borough or city tax on net income."

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

* Section 1. AS 29.53 is amended by adding a new section to read:

ARTICLE 6. MUNICIPAL TAX ON NET INCOME.

Sec. 29.53.500. TAX ON NET INCOME. (a) The assembly or council of a municipality may, by referendum, enact an ordinance adopting by reference a local income tax imposed upon individual residents and corporations doing business within the municipality. The tax shall be percentage of the liability of the resident or corporation of the tax imposed under the Alaska Net Income Tax (AS 43.20).

can be evaded - if tied to employment, not as easily

(b) An ordinance enacted in accordance with the provisions of this section shall impose a rate of tax for the next calendar year and may provide that the tax rate shall continue in effect for each succeeding calendar year until the tax rate is modified by a subsequent ordinance. A municipality imposing an income tax may repeal the tax. A municipality may impose, modify or repeal an income tax only after first giving notice to the commissioner of revenue not later than July 1 of the previous year. Enactment, modification or repeal of an income tax authorized by this section shall become effective only on the first day of a calendar year.

(c) An income tax imposed by a municipality under this section may not exceed 50 per cent of the liability of the taxpayer under AS 43.20 after deduction of credits and inclusion of additional taxes due.

(d) An income tax imposed under this section shall be administered by the commissioner of revenue, who shall collect and account for the revenue in the manner provided in AS 43.20.360.

(e) A borough may preempt an income tax levied by a city under this section by adopting an areawide income tax. The commissioner shall refund the taxes collected within the borough to the borough and all cities within the borough in proportion to the amount of income tax revenue raised by each city within the borough unless the borough and all cities within it mutually agree on a different method of sharing.

(f) A municipality may levy the tax authorized under this section if it levies and collects not more than one of the following taxes authorized by law:

(1) sales taxes, authorized by sec. 415 of this chapter;

(2) personal property taxes, authorized by sec. 10 of this chapter;

(3) real property taxes, authorized by sec. 10 of this chapter

(g) In this section, "resident" means an individual resident, non-resident or part-year resident of Alaska, as defined in AS 43.20.011, who is domiciled in or maintains his principal residence or place of abode in the municipality.

* Sec. 2. AS 29.13.100 is amended by adding a new paragraph to read:

(37) AS 29.53.500 (borough or city tax on net income)

* Sec. 3. AS 29.53.035 is amended by adding a new subsection to read:

(f) A municipality which levies an income tax under sec. 500 of this chapter may exempt from taxation real or personal property.

* Sec. 4. AS 43.20.160(c) and (d) are amended to read:

(c) The department shall prescribe and furnish all necessary forms, and adopt and publish all necessary regulations in plain and concise language conformable with this chapter for the assessment and collection

of the taxes imposed by secs. 10 - 350 of this chapter and for a municipal tax on net income levied and collected under authority of AS 29.53.500 and sec. 360 of this chapter. The department shall apply as far as practicable the administrative and judicial interpretations of the federal income tax law. The department shall also prepare a concise statement of the contents of the code sections referred to in this chapter for the information of the taxpayer and make them available to the taxpayer making a return.

(d) All money collected by the department under secs. 10 - 350 of this chapter shall be deposited in the general fund of the state.

* Sec. 5. AS 43.20.170(a) is amended to read:

(a) Every employer making payment of wages or salaries shall deduct and withhold an amount of tax computed in a manner to approximate the amount of tax due on those wages under this chapter and under an income tax levied by a municipality in accordance with AS 29.53.500 and collected by the department for that year. The department shall publish the rate of withholding required by this section and the rate required by the income tax levy of a municipality which shall be expressed as a percentage of the amount required to be withheld under sec. 3402 of the Internal Revenue Code of 1954. Every employer making a deduction and a withholding shall furnish to the employee upon request a record of the amount of tax withheld from the employee on a form prescribed by the department.

* Sec. 6. AS 43.20.290 is amended to read:

Sec. 43.20.290. [EXCLUSIVE] STATE AUTHORITY. No tax may be levied and collected upon the net income of resident or nonresident individuals by a general law municipality [CITY] or by a home rule municipality [CITY] or any other political subdivision of the state except as provided by AS 29.53.500.

* Sec. 7. AS 43.20 is amended by adding a new section to read:

ARTICLE 6. MUNICIPAL TAX ON NET INCOME.

Sec. 43.20.360. ADMINISTRATION. (a) Municipal income taxes levied and collected under AS 29.53.500 are subject to the provisions of this chapter.

(b) A municipal income tax levied and collected under AS 29.53.500 shall be administered by the commissioner of revenue, who shall collect and account for the revenue.

(c) The commissioner shall determine each municipality's share of the cost of administering this section. In determining each municipality's share, the commissioner shall apportion the cost of collection and accounting for the funds in proportion to the tax collected from each municipality of the state which levies an income tax. The commissioner may withhold the prorated share of the cost of collecting and accounting for funds, but the amount withheld may not exceed five per cent of the amount payable to a municipality. After deducting the amount of any refunds due and the prorated share of the cost of collecting and accounting for funds, the commissioner shall pay to each municipality, as soon as practicable, the amount to which it is entitled under AS 29.-53.500.

HB

83

CITY OF SEWARD

P. O. BOX 337
SEWARD, ALASKA 99664

CITY MANAGER 224-5214
COMPTROLLER 224-5216
INFORMATION 224-5215
CITY POLICE 224-5201

April 7, 1977

Honorable Keith Specking
Alaska House of Representative
Pouch V
Juneau, Ak 99811

Dear Keith:

The City of Seward urges your strong objection to HB 83. This bill amends AS 29.68.10 by adding a new section stating that if 10 percent of the qualified voters of an area which is to be annexed or excluded from any proposed local government boundary change, petition for a vote on the question, the local Boundary Commission must conduct at its own expense an advisory vote.

We believe by placing an advisory vote before the Legislature this bill will only further serve to increase the difficulty of Seward in acquiring territory desperately needed to adequately guide OCS support facilities development. Title 29.68.10 (b) (1) already provides that annexation of land by local action must first be approved by a majority of the qualified voters in the area proposed to be annexed. HB 83 would expand this requirement to an advisory vote on all annexation actions, including direct action by the Local Boundary Commission. We feel that this would go way beyond the original purposes of AS 29.68.10 and would for a practical matter, lead to a policy of voter approval of all proposal annexation.

Sincerely,

Clarence E. Johnson
City Manager

cc: All Members of Alaska Legislature

HB
85

Introduced: 1/21/77
Referred: Community & Regional Affairs and Finance

IN THE HOUSE BY MALONE

HOUSE BILL NO. 85

IN THE LEGISLATURE OF THE STATE OF ALASKA Vote on issue

TENTH 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.]

Art. 9 Sec. 4

Can legis. delegate power to grant exemptions?

How many cities now grant exemption?

ARS. under pressure all the time
People shd. all pay share

HB

87

Do not tax Residents
Pass-Costs-

Introduced: 1/21/77
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE BY MALONE

HOUSE BILL NO. 87

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to appropriations and grants from boroughs to service areas and cities; and providing for an effective date."

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

* Section 1. AS 29.63.090(b) is amended to read:

(b) The assembly may levy or authorize the levying of taxes, charges, or assessments in service areas to finance the special services or may by ordinance authorize appropriations from areawide taxes or other areawide revenues to finance all or part of the special service and, after enactment of an authorizing ordinance, may make appropriations for the purpose authorized.

* Sec. 2. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.070. REVENUE SHARING GRANTS BY BOROUGHS. A home rule or general law borough of any class may make grants from areawide taxes or other areawide revenues to cities within the borough or service areas of the borough for a function the city or service area is authorized to perform. Grants so made shall be authorized by borough ordinance.

* Sec. 3. AS 29.13.100 is amended by adding a new subsection to read:

(37) AS 29.73.070 (revenue sharing by boroughs)

* Sec. 4. AS 29.48.210 is amended to read:

Sec. 29.48.210. EXPENDITURE OF BOROUGH REVENUES. Borough revenues levied and collected on an areawide basis by a home rule or general law borough may be expended on general administrative costs, [AND] on areawide functions, and as authorized in AS 29.63.090(b) and 29.73.070 only.

Revenues levied and collected in the area outside cities only may be expended on general administrative costs and functions which render service to the area outside cities only.

* Sec. 5. AS 29.53.010 is amended to read:

Sec. 29.53.010. GENERAL PROPERTY TAX. Home rule and general law boroughs may levy (1) an areawide property tax for areawide functions, <u>for appropriations authorized under AS 29.63.090(b), for grants authorized under AS 29.73.070;</u> and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A property tax if levied must be assessed, levied and collected on real and personal property as provided in this chapter.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Amendment - adopted

~~AF~~ Before passers would assume there would be a vote of the people.

DUAL

MAJORITY / INSIDE & outside cities

Introduced: 1/21/77
Referred: Community & Regional Affairs and Finance

IN THE HOUSE BY MALONE

HOUSE BILL NO. 85

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH 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:

AMEND: (a) Municipalities may exclude or exempt or partially exempt REAL OR PERSONAL 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.]

December 8, 1975

PROFIT SHARING

Senator Genie Chance
310 "K" Street
Suite 701
Anchorage, Alaska 99501

Dear Senator Chance:

I am pleased to enclose with this letter two pieces of proposed legislation which represent the recommendations of this interim committee in the area of shared revenues with municipalities. The proposed legislation is the product of a number of meetings of the committee in the months since the adjournment of the legislature plus two public hearings. One of these public hearings was held in conjunction with the October convention of the Alaska Federation of Natives, in order to receive bush community viewpoints. The other hearing was held in conjunction with the October conference of the Alaska Municipal League. In addition, suggestions and constructive criticism were requested by mail and received from a wide variety of cities and communities throughout the State of Alaska.

It was considered crucial, since revenue sharing has been created solely for the purpose of assisting municipalities in the funding of needed local services, that the final product of the committee take maximum note of the views and suggestions of the various municipalities across the state. The enclosed bill represents what the committee considers to be the most beneficial and most feasible of those suggestions.

Perhaps some review might be in order concerning the need for revision of the current shared revenue program. Although the program in concept currently enjoys the unanimous and enthusiastic support of every municipality in the state, the following were considered deficiencies which new legislation could correct.

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VICE CHAIRMAN, STATE AFFAIRS COMMITTEE
MEMBER, RULES COMMITTEE
MEMBER, COMMITTEE ON COMMITTEES

First, it was felt that a "foundation" approach might be useful in the field of revenue sharing--"foundation" approach meaning a formula with a foundation amount similar in concept to that utilized in the school foundation statutes. The beauty of such an approach is that whenever a legislature wishes to raise the foundation amount (to recognize increases in the cost of doing business) it is necessary merely to amend one word in the statutes. Absent the foundation approach it is necessary, whenever you wish to recognize the increase in the cost of doing business, to go into the statutes and revise the per capita dollar figure for each of the various categories in which shared revenue assistance is given to municipalities. This is both cumbersome and, in practice, inequitible. Some categories tend to get raised, others do not and the system can easily get out of balance.

It was felt, too, that the amount of shared revenues being designated for small communities was much too small. It was recognized that the present purely per capita approach just did not offer the very small communities enough money to assist in any meaningful way in meeting the obligations of local government. It was recognized that whether a second class city had 25 residents, or 75 residents, or 125 residents there was nonetheless an irreducible minimum cost of doing business, and that that minimum was just as great for very small villages as it was for medium sized second class cities. It was, therefore, considered desirable that a minimum grant base be established for these communities and it was further considered desirable that the base amount agreed upon be as generous as possible in order that the benefits of government on the local level be economically feasible for the communities.

Another deficiency in the current statutes was the lack of the requirement for standards and criteria by which the Department of Community and Regional Affairs could determine whether communities were actually entitled to shared revenues in the various categories under which they were seeking aid. This deficiency has long been recognized by the Department of Community and Regional Affairs and has been recognized additionally by the Legislative Budget and Audit staff. This is not to say that the shared revenue monies alloted to the communities should be required to be spent in the categories designated--far from it. It was and still is the consensus of the committee and of the municipalities that local discretion should continue in the spending of shared revenue receipts. It was felt, however, that in order to receive shared revenue monies in, for example the fire department category it should be demonstrated that the community can meet minimum standards in that category.

> Finally, there was a question projected by some communities as to whether the use of categories in sharing state revenues was even appropriate. It was thought perhaps more appropriate simply to allocate available dollars to the municipalities and let each local government establish its own priorities without regard to existing municipal services.

In order to correct these deficiencies the committee drafted three alternate pieces of legislation for consideration by the committee and the municipalities of Alaska. With considerable--and greatly appreciated--assistance from the University of Alaska/Anchorage, we were able to develop extensive data showing the practical results (i.e., the dollars to be received) for each community in the state under the various alternatives. We developed similar data based on proposed legislation already in the house (legislation which, incidently, had been previously endorsed by the Alaska Municipal League) and also on a simple per capita allocation of funds to municipalities. Four of these five total alternative were specifically noncategorical in approach. All of the alternatives and all of the data were presented to delegates of the Alaska Federation of Natives Convention and delegates to the Alaska Municipal League Conference. In addition, this material was mailed to virtually every municipality, large and small, in the state with requests for evaluations and suggestions.

I think it would be fair tc say that prior to the hearings and mialings there was a strong feeling among the larger communities, in partiuclar, that revenue sharing should be based on tax effort. The feeling was that those who tax themselves the most should receive the most additional state aid. This was the principle thrust of the existing proposed legislation which the Alaska Municipal League had previously endorsed. The committee recognized this concept in two of the alternatives they proposed, but built in additional factors including the availability of tax resources plus tax effort in relation to those resources. Interestingly, when all the facts--in the form of state-wide computerized readouts--were laid before the communities a very noticable modification of opinion became apparent during the hearings and in countless conversations afterward. Committee memebers noted a discernible reluctance on the part of communities, large and small, to terminate the categorical approach. What was needed, several elected officials indicated, was a bill which more or less continued the "tried and true" categorical approach, in the present revenue sharing system but which <u>also</u> incorporated the "foundation approach".

Basically, then, this is the bill which the interim subcommittee has proposed:

First, the bill does create a municipal "foundation approach" to revenue sharing. It does so by allocating varying numbers of units to various categories of municipal services and then multiplying those units times population, and then multiplying this product times a "foundation" base figure. For this bill the committee established a foundation base at $1.00. In future years if the cost of doing business goes up, for instance 11%, the legislature may, if it chooses, raise the foundation amount by simply changing the figure $1.00 to $1.11.

In establishing categories and establishing unit values within each category, the committee did indeed stick by the "tried and true" categories of past years. Police protection, for instance, which in previous years earned communities shared revenue at the rate of $12.00 per capita will earn units within the foundation formula at the rate of 12 units. Fire protection is 7.5 units (as opposed to $7.50 per capita under the present system). Additional ingredients include air or water pollution control (2 units), land use planning (2 units), parks and recreation (5 units). Two important changes have been made in the categorical designations. Under present law a community can receive $5.00 per capita for operating either a small boat harbor/ port or for operating mass transit or for operating an airport. In the proposed bill 5 units can be accumulated in <u>each</u> of these categories. The second important difference is the addition of solid waste disposal as a new category, which in the proposed bill will be valued at 2 units.

The proposed legislation establishes a $25,000 minimum grant for municipalities whose low per capita standing would otherwise earn them only small amounts of revenue. The committee felt the $25,000 figure was a generous but nonetheless fair amount. It was interesting to note that at neither public hearing was there any critism of this amount. At one meeting of the committee, a single individual did observe that he thought the figure was pretty high for the very smallest communities. He did not, however, seek to have the committee change the amount.

Additional features of the bill include the following:

Special start-up grants have been established in various categories for municipalities who do not currently offer such services as police protection, fire protection, air

and water pollution control, land use planning, parks and recreation, small boat harbors/ports, air ports or mass transit systems. The Department of Community and Regional Affairs is specifically charged with creating minimum standards of service in the various categories for which municipalities can receive revenue sharing. Revenue sharing for hospitals remains virtually the same as under current law except that responsibility for administering this section is transferred to the Department of Health and Social Services. Additionally, in the area of health, a paragraph specifies that no hospital or health facility shall be eligible for revenue sharing unless the facility has received a Certificate of Need from a municipality or the state. This paragraph anticipates that "Certificate of Need" legislation will be passed in this session of the legislature. Another interim committee is studying the whole broad area of health facilities so this section may undergo substantial modification when that interim committee completes its deliberations. Shared revenues for road maintenance remains virtually the same as current law. A very important feature of the new legislation is that if a new second class city is created in an organized borough after passage of this law, the city would not be eligible for the $25,000 minimum grant. This feature is designed to preclude small gatherings of 25 people or more from incorporating simply to take advantage of the $25,000 revenue sharing opportunity. Finally, a very important feature of the proposed legislation is the clause which guarantees each municipality that it will not receive less money than it is receiving under the current statutes.

There, of course, are many additional features to the legislation, but this summary covers most of the major changes.

As noted earlier, the committee is submitting two bills for introduction and for consideration by the legislature. One is quite large and comprehensive and is described in the report above. The other bill consists of only one paragraph and this paragraph constitutes one of the many provisions of the larger bill.

The provision, drafted at the request of the Department of Community and Regional Affairs, simply mandates that the department create minimum standards and criteria to qualify municipalities for grants in each category of shared revenue. If the major bill should run into difficulties and if passage does not seem assured, then it is recommended that the legislature consider and enact the oneparagraph small piece of "clean-up" legislation.

The fiscal impact of the legislation will be to raise the state shared revenue allocation from a current level of about $15 million to a level of approximately $20 million--if the bill is fully funded. The raise, of course, comes from creating the $25,000 minimum grants to small cities, from creating a new category (solid waste) and from separating the now-combined port/harbor-airport-mass transit category into three separate categories.

This report would not be complete without making special acknowledgement of the work of the several individuals and agencies. The committee is extremely appreciative of the hours of work, both during committee sessions and out of session, by Dr. Garth Jones and P. J. Hill, both of the University of Alaska/Anchorage. The vast volume of computerized data that both Dr. Jones and Mr. Hill provided was crucial in the final deliberations and directions of the committee.

Similarly, we would like to give a special thanks to Mr. Rich Wilson and Mr. Sam Coxson, both of the City of Anchorage who helped in obtaining and analyzing the data, and who attended most of the sessions and hearings of the committee and contributed greatly to the deliberations. We are indebted as well to the Alaska Federation of Natives who made time available for us during the annual AFN convention in Anchorage, and the Alaska Municipal League who similarly made time available during its annual conference in that same city. The League, as well, was most helpful to the committee in circularizing its membership and alerting municipalities of Alaska to the work of the committee. Finally, I would like to acknowledge the fine work of the staff of the Legislative Affairs Agency, and Bill Berrier in particular, plus the membership of the interim committee. Interest was lively, suggestions were broad and imaginative and attitudes were positive throughout the course of the committee's deliberations. It has been a pleasure to chair this committee and of course all of us on the committee stand ready to answer any questions which you or other members of the legislature might have concerning the recommended legislation. Thank you for your own fine support of the committee.

Sincerely,

Mike Miller, Chairman, Interim Committee on Shared Revenues with Municipalities

MM:smh

Enclosures

HB87

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Richard W. Garnett, III is Assistant Attorney General, Department of Law, State of Alaska.

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Price $1.00

Victor Fischer, Director of the Institute

EQUALIZATION OF LOCAL GOVERNMENT REVENUES IN ALASKA

by

Richard W. Garnett, III

> Now fine and just actions, which political science investigates, admit of much variety and fluctuation of opinion, so that they may be thought to exist only by convention and not by nature.... We must be content, then, in speaking of such subjects and with such premises to indicate the truth roughly and in outline.... In the same spirit therefore should each type of statement be *received*; for it is the mark of an educated man to look for precision in each class of things just so far as the nature of the subject admits.
>
> Aristotle, *Ethics*.

Introduction

As the development of natural resources in Alaska accelerates, the need to determine how the taxable wealth of the state is to be distributed becomes increasingly important. This paper discusses revenue sharing in Alaska as a means toward equalizing, rather than simply augmenting, revenues of local governments.[1] First, the general problem of financing municipal services is

[1] The term "revenue sharing" ordinarily is applied to transfer downward from one level of government to another, as in the federal-state program recently enacted (H.R. 11950) or the state municipal services revenue sharing program (AS 43.18).

reviewed briefly. Then a description of the Alaska case provides background for discussion of recent legislative efforts in Alaska and suggestions for future policy approaches.

This paper does not discuss fully every aspect of revenue equalization among localities. Rather, it focuses primarily on technical and legal problems involved with such a program. Nevertheless, a realistic approach to this topic cannot ignore the influence of strong social and political forces at work in Alaska on any effort to readjust local tax revenues.

One of these forces is related to the widely accepted, anthropomorphic idea that towns and regions have rights and interests of their own apart from the sum of the rights and interests of the individuals involved. Consequently, a program that takes from one governmental unit and gives to another suggests to many a form of economic egalitarianism that they find unacceptable at both individual and corporate levels.

Further, a comprehensive equalization program involves creation of new taxing units and, perhaps, a state tax to eliminate tax havens. Naturally, the businesses and individuals who benefit from the present situation will oppose changes that subject them to additional taxation and government control.

Race is another factor affecting the situation in Alaska. Rural Alaska is inhabited primarily by Indian and Eskimo people. The growth of political consciousness among Alaska Natives, dramatically symbolized by passage of the Alaska Native Claims Settlement Act, has paralleled a tremendous increase in the wealth and the prospect of wealth in rural Alaska and in the North Slope region in particular. Many regional Native leaders are distinctly wary of any state government activity that might affect the economic prospects of their constituents. Moreover, ther is a general fear that local government in rural areas may somehow compete with or impede full implementation of the Claims Act.

By definition, an adequate local government revenue equalization program will result in less economic power for those regions

most extraordinarily endowed with natural wealth.[2] The justification, if any, for reduction of economic power of the North Slope or other regions is the corresponding benefit to other, equally needy and deserving areas where nature was less generous.

The General Problem

Municipal services in the United States are financed largely by revenues from an ad valorem tax on property located within the taxing jurisdiction. The level and quality of services therefore depends on the value of the tax base, which varies widely among different communities and regions. As a result, areas with low valuation per capita must tax themselves at a higher rate than more wealthy areas in order to raise the same revenue.

The value of the local tax base has not always varied so widely. One writer describes the typical composition and effects of the tax base before World War II this way:

> The important thing to remember is that in the pre-war days the total tax base of the community was there to support the needed services. It allowed a logical concentration of commercial and industrial property. It allowed a section of town to be low-value housing without a diminution of services in that area or a severe tax penalty. The tax base to educate the children of the area was the rich man's home, the poor man's home, the places where they both worked and where they shopped. When land was taken off the tax rolls for parks or for other purposes, everyone was affected.

He goes on to note an important structural change in local government organization since the war, and describes the disparity in

[2] It should be noted that the loss may be more theoretical than real, as in the case where taxable property provides potential revenue far in excess of the needs of the local jurisdiction. For example, the North Slope Borough proposes to levy a very small tax on the vast property at Prudhoe Bay. Additional revenue raised from a state tax on this property could benefit other rural areas of the state without undue burden on the owners or loss to the North Slope.

wealth and its effects among local areas which have resulted from this change:

> The post-war experience has been vastly different. The interdependent neighborhoods of the actual total community have become legally independent municipalities . . .
>
> Suburban communities that happen to have the shopping centers and the commercial property—and if they are lucky, the wealthy homes—can live "high on the hog." On the other hand, those communities which are carved out of the northern sand plains in our region, flat and relatively uninteresting, may be in trouble.[3]

The tax-service inequity problem has been challenged in the courts. In *Serrano v. Priest*,[4] the Supreme Court of California held that the state could not maintain a system of financing public education which made the quality of education largely dependent on the taxable wealth of the local school district. In spite of a certain amount of state aid, it was shown at trial that certain areas with low property valuation could not achieve a level of financing for education, even with a relatively high tax rate, that others could achieve with low tax rates.

The court reached its conclusion by characterizing education as a "fundamental interest" and wealth as a "suspect category"[5] when dealing with education. In light of these determinations, the court found that the state must show a "compelling state interest"

[3]Charles R. Weaver, "Urban Fiscal Capacity," *State Government*, Council of State Governments, Lexington, Kentucky (Spring 1972) p. 100-01.

[4]487 P. 2d 1241 (Cal. 1972).

[5]Ordinarily, in reviewing classifications created by state law, courts accord very wide latitude to legislative discretion. However, where the classification relates to certain specially protected areas, such as free speech or voting, and where the basis of the classification appears invidious on its face, as in the case of distinctions according to race or religion, the presumption of validity is replaced by a burden on the state to show that the classification is necessary.

rather than the usual "rational basis" in order to justify its financing system.

In considering wealth a "suspect category" with respect to education, *Serrano* and related cases have alluded to the special nature of education, distinguishing it from other municipal services. Thus, the *Serrano* line of cases has not yet provided direct support for the view that the level of other local government services, such as water supply and sanitation or police protection, also may not be tied to the local tax base.

Nevertheless, when courts enunciate a principle in a particular context it may subsequently be extended to its logical limit. Note, for example, the extension of the one man, one vote principle from the state level to units of general and specialized local government and the progressive elimination of durational residence requirements. If local wealth is a "suspect category" in determining education services, past experience suggests that it will not long remain a legitimate determinant of the level of other local services.

It has already been held that differences in the level of any public service available in a municipality cannot be based on race. In *Hawkins v. Town of Shaw*,[6] the court found that the town provided better services of all kinds to white areas than to black, and held that such a pattern denies equal protection of the laws.

As wealth increasingly becomes a category as suspect as race, it is difficult to see how the courts will be able to avoid extending the "compelling state interest" test beyond education to a broader range of public service disparities. It can be argued that hospitals and police, in their spheres, are as important to local well-being as is public education, and that their availability, too, should not depend on how much wealth a particular community happens to have.

[6]437 F. 2d 1286 (5th Cir. 1971).

In any case, it is clear that local government spending is not immune from equitable constraints, at least in the educational field. Regardless of whether judicial activism carries the *Serrano* principle all the way, that principle deserves serious consideration in legislative policy making for state and local government services and taxation.

The Problem in Alaska

The Alaska constitution calls for "maximum local self-government with a minimum of local government units"[7] and for avoiding "duplication of tax levying jurisdiction."[8] It also directs that "the entire state shall be divided into boroughs, organized or unorganized"[9] and that the legislature "shall provide for the performance of services it deems necessary or advisable in unorganized boroughs . . . "[10]

There are 11 organized boroughs in Alaska, located, with two exceptions,[11] in the more developed areas of the state. A single unorganized borough comprises the rest of the state, an area several times larger than all of the organized boroughs combined (see map on following page).

Organized boroughs levy a property tax inside their boundaries. Cities within the boroughs may also levy taxes, but assessment and collection are exclusively borough responsibilities. Outside organized boroughs, no property tax is levied except within cities that have taxing power.

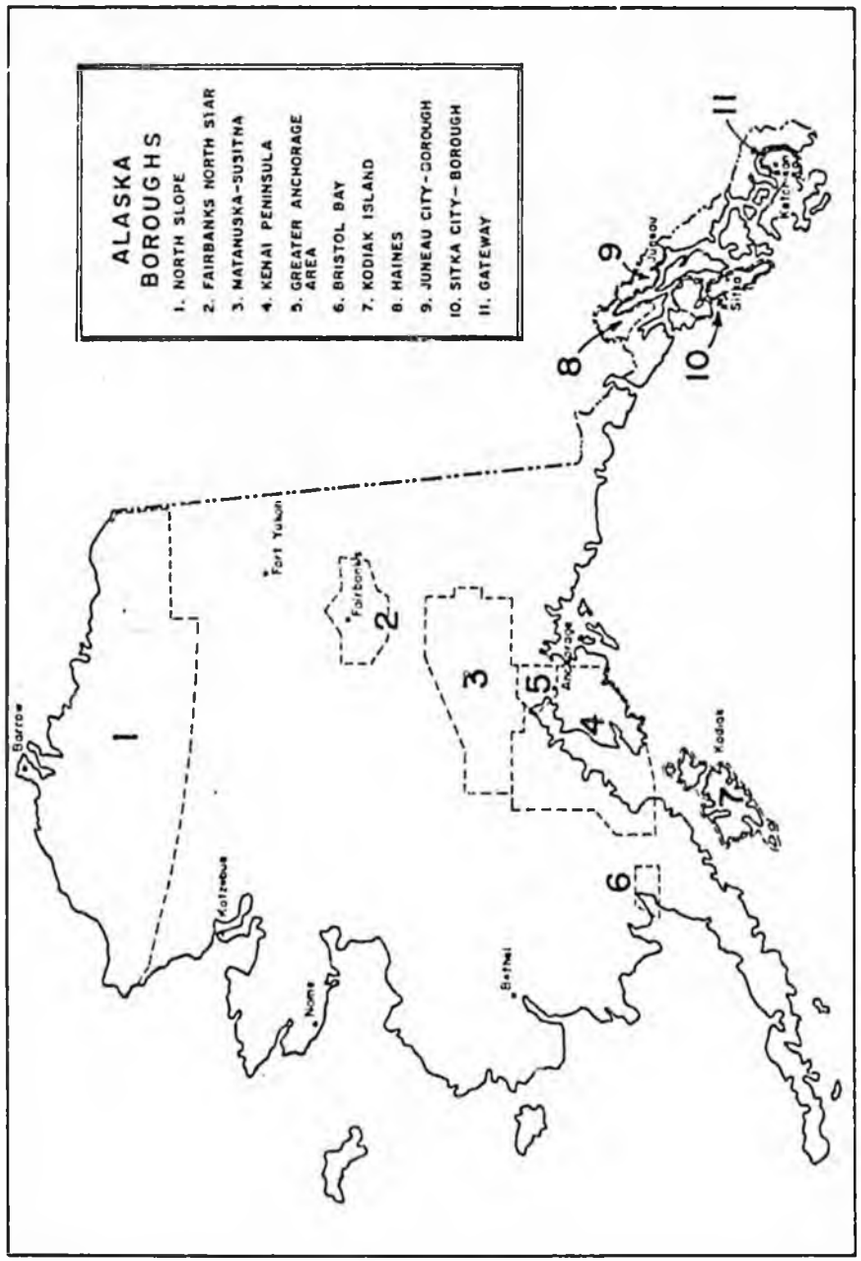
[7] Art. X, Sec. 1, Constitution of Alaska.

[8] *Ibid.*

[9] Art. X, Sec. 3, Constitution of Alaska.

[10] Art. X, Sec. 6, Constitution of Alaska.

[11] The North Slope and Bristol Bay boroughs.



The boroughs are typically quite large relative to local government units in other states. Generally, boroughs encompass one or more core communities, scattered settlements, and a considerable amount of vacant territory. Responsibility for education and other basic services is borough-wide. Accordingly, the whole borough tax base supports certain services for all borough residents.[12] The problem of tax and service equity is therefore on a different scale in Alaska than in the more developed states.

In Alaska the major disparities are among rather than within regions. Taxable wealth per capita in 1967 varied from $3,182 in the Bristol Bay Borough to $16,067 for the Kenai Peninsula Borough.[13] Although assessment figures for the newly organized North Slope Borough have not yet been established, the concentration of property in the Prudhoe Bay area is conservatively estimated at $300 million, yielding a North Slope Borough tax base per capita of approximately $98,000.

No comprehensive assessment of the unorganized borough has been made. However, the present per capita tax base in the unorganized borough is well below the average for organized boroughs, partly because much of the real estate in the unorganized area is tax exempt but more so because the area lacks appreciable commercial and industrial development.

In the more developed and populated states, where the bulk of the tax base is residential, commercial, or manufacturing-industrial, there is at least some correlation between the taxable

[12]It is said with some justification that cities may carry more than their share of the revenue burden by taxing themselves to provide nonareawide services, such as police protection and parks and recreation, which noncity residents utilize. Nevertheless, the system of allocating powers between borough and city contains, however imperfectly, the mechanism for equitable distributions of tax burdens and services.

[13]Thomas A. Morehouse and Victor Fischer, *Borough Government in Alaska*, Institute of Social, Economic and Government Research, University of Alaska, ISEGR Report No. 29 (1971) p. 162.

value of the property and the service requirements that arise from the property itself. (However, such correlation, as the *Serrano* case testifies, is not sufficiently close to avoid constitutional difficulty.) By contrast, the major taxable properties in Alaska are and will be related to mineral extraction. Such activity normally emphasizes capital rather than labor, generating less need for public services than does other revenue-producing activity. Accordingly, it may be anticipated that Alaska local government financing as presently organized, will reflect a significant disparity between the taxable wealth available and the level of services required.

North Slope oil development and the trans-Alaska oil pipeline dramatize this point. Taxable value of the pipeline alone will exceed the total assessed value of property in all organized areas of the state.[14] Moreover, neither the pipeline nor oil production facilities will demand heavy public services. Unlike hotels, shopping centers, factories, and homes, the pipeline will need no sewers, no playgrounds, no schools. It is, in this regard, the ideal addition to a local tax base.

The prospective mining operation at Lost River on the Seward Peninsula is another of several developments that will add to the taxable wealth of the state. At around $50 million, its probable value is small compared to the pipeline, but immeasurably significant relative to the present situation on the peninsula. Comparable mineral development, including oil, may occur in other rural areas of the state as well.

Most of the valuable taxable property that will appear in the unorganized borough will be located in accordance with the distribution of natural resources. Because this distribution bears little relation to the pattern of local jurisdictions and fiscal needs, there will be increasing variation in wealth and services among regions unless an equitable statewide distribution of revenue from Alaska resources can be achieved.

[14]Robert Dozier, *Alaska Taxable*, Local Affairs Agency, Juneau, Alaska (1971) p. 36.

Wealth Distribution and New Boroughs

The disparity in wealth among boroughs that follows from the pattern of development described above has several consequences. The likelihood of severe disparity in service levels among regions has been noted. A less obvious consequence stems from the unfinished nature of the Alaska local government system.

The local government article of the state constitution calls for the division of the state into boroughs, organized and unorganized. The language of the article presupposes plural unorganized units. The specific reference in Section 6 to "maximum local participation and responsibility" in unorganized boroughs indicates that manageable units encompassing communities of interest were contemplated for unorganized as well as organized boroughs.[15]

It is difficult to believe that the single unorganized borough that now exists complies with the intention expressed in the constitution. All indications are that a division of the state into natural socioeconomic units was contemplated. These units would achieve organized status at varying rates. But from the beginning, the people of rural Alaska were to have a governmental framework under state law for identifying regional problems and participating in their solution. Partly as a result of the absense of state-created units and partly for fiscal and political reasons, to be discussed further, the unorganized areas, with the exception of the North Slope, have so far made only negligible movement toward regional governmental organization.

The Need for Organization

Some form of governmental organization should come to rural Alaska as soon as possible. There are several reasons for

[15]See Appendix A for the local government article of the Alaska constitution.

urgency. The first reason is political and social unity. The governmental vacuum in rural Alaska has been occupied in part by the Native corporations established under the Alaska Native Claims Settlement Act. But the claims corporations are private entities outside the framework of state government. If state-ordained forms of local government with appropriate governmental powers remain unavailable to help solve problems in rural Alaska, disenchantment with state government, already evident, may increase and persist to the point of polarization. The potential problem will become more threatening as the contrast continues and increases between regional corporation activity and orthodox local government inactivity.

The terms of the Claims Act certainly are not hostile to the growth of local government. Sec. 2(c) provides that the Act is not intended to diminish the obligation of the state to promote the welfare of Native citizens. In a very real sense, the legacy of local government power is a means by which the state promotes the welfare of its citizens. If services are not provided by local government, the tendency will be to use claims money for this purpose. But this money was intended for payment in settlement of private rights, not in lieu of public services. Also more directly, Sec. 14(c)(3) of the Act provides for transfer to the local (village) municipality of title to the surface estate of land where the municipality is located. Where a municipality has not been formed, the state holds the same land in trust until incorporation.

Another reason for deliberate speed lies in the accelerated pace of economic development anticipated in rural areas, partly as a result of the claims settlement, and partly on the initiative of the private sector. The general welfare in Alaska will be advanced if local government organization precedes rather than follows economic development. New industrial development will create stresses manageable only by application of governmental powers. Planning and zoning will be particularly important in reconciling industrial development with subsistence living, and taxing power will be needed to insure local benefit from development activity. Municipalities which form after major economic interests have become

established may be too late to influence significantly the activities of those interests.[16]

On the other hand, it may be futile to extoll the desirability for self-determination to people who presently lack the economic resources necessary to the effective exercise of local government power. In fact, Native leaders wisely may have sensed that organization under such circumstances would only increase frustration as expectations went unsatisfied.

To summarize, a power vacuum presently exists in rural Alaska, where vast resources, actual and anticipated, are unevenly spread across the state, requirements for government services are increasing as the pace of development accelerates, and many areas are financially unable to organize prior to development. In this context, the absence of a mechanism for more efficient and equitable distribution of public revenues is a problem requiring state initiative.

1972 Legislative Program

The Governor introduced to the second session of the Seventh Legislature a series of bills dealing with local government.[17] Five bills were designed to function together as a coherent program to:

- Provide for subdivision of the unorganized borough (HB 596).
- Create a Department of Community and Regional Affairs (HB 552).

[16]The canned salmon, copper, and lumber industries have each furnished examples of economic power wielded in Alaska without effective governmental restraint, with resultant hardship for resident Alaskans.

[17]These bills resulted from extended problem analysis, drafting, and policy review at several levels of state government.

- Levy a 15 mill tax on property located in unorganized boroughs, with distribution of revenue among unorganized boroughs (HB 597).
- Levy a 20 mill tax on the pipeline, with distribution to local governments, organized and unorganized (HB 598).
- Provide for a general equalization of new taxable property, wherever located (not introduced).[18]

The following sections review the bills, discuss their intended operation, and point out the areas of greatest difficulty encountered. The bills are discussed in their final versions, which include committee amendments.

Subdivision of the Unorganized Borough

An essential starting point to organization, HB 596 provided for establishing borough boundaries in the unorganized borough which would conform to statutory and constitutional standards.[19] The unorganized boroughs so formed would serve as units for administering state services and the revenue sharing features of the proposed property and pipeline taxes. The people within each unorganized borough might at their option proceed toward organization either as boroughs of a particular class or as home rule boroughs. This bill was reported favorably by the House Local Government Committee, but died in the House Finance Committee.

[18]See Appendix B through Appendix F for copies of these bills.

[19]A number of previous bills had attempted a similar division into borough units, but they have not provided for charter organization. The Mandatory Borough Act, 52 SLA 1963, sponsored by Senator John Rader, was the only effective state initiative to actually establish boroughs in the unorganized area of the state.

formula based on population, present wealth, and the cost of providing services. In other words, if the cost of services were twice as great in one area as in another, the first area would receive twice the revenue per capita in order to insure the same level of service. If the first area also had only half the taxable revenue per capita as the second area, the share of the first area would again double per capita with respect to the second area.

The 15 mill tax was withdrawn by the Governor for further study prior to final action.

Pipeline Tax

Designed to complement the 15 mill general property tax, HB 598 provided for a 20 mill tax on property used in oil and gas transportation. Property subject to this tax was limited to oil and gas pipelines over 21 inches in diameter. The 20 mill rate, which approximates the existing tax level for such property in organized boroughs and cities, was to be in lieu of any other state and local taxes on the same property, including the 15 mill tax under HB 597. However, local governments that already taxed property affected by HB 598 would continue to do so with respect to property taxed as of January 1, 1972 (e.g., oil and gas transportation facilities on the Kenai Peninsula). Property that became taxable under HB 598 after January 1, 1972 (e.g., trans-Alaska oil pipeline) would be subject only to the 20 mill state tax.

The rationale for the state tax as the exclusive tax on the oil pipeline was that such property provides immense taxable value to certain areas without regard to the level of services required in those areas. It was believed that the revenue anticipated from taxation of oil and gas pipelines is properly considered a state resource rather than the exclusive property of the area where the property happens to be located. At the same time, it was also felt that this revenue, like other property tax revenue, should be used for the benefit of local governments. Accordingly, the revenue from the state oil and gas pipeline tax would be distributed to all local government units, including cities, organized boroughs, and

unorganized boroughs, in accordance with a formula similar to that which governed distribution of the general property tax revenue under HB 597.

The pipeline tax bill passed the House but died in the Senate Finance Committee.

Tax Equalization

The tax equalization bill (not introduced) was simple in concept. It provided for a determination of the *annual increase* in assessed valuation of property in all "governmental units," defined to include cities and boroughs, organized and unorganized. Sixty percent of the new revenue from this increased valuation, raised by application of the mill rate of each jurisdiction, including the 15 mill rate applicable to unorganized boroughs under HB 597, would be remitted to the state. The Department of Community and Regional Affairs would administer this revenue pool. The department would distribute the funds directly to organized units of local government, and, as trustee for unorganized units, would expend amounts to be determined by a distribution formula. The formula was similar to the HB 598 formula, except that a "local effort" provision insured that areas which taxed themselves heavily (thus contributing greater proportionate amounts to the pool) would receive a proportionately higher return.

Distribution Formula

A key to any revenue sharing system is the distribution formula. The 1972 legislative proposals based the distribution of revenues on four factors: (1) need for services, (2) ability to raise revenue, or fiscal capacity, (3) relative cost of services, and (4) local tax effort. Each of these elements may be defined and weighted according to desired goals.

"Need for services" may be expressed as a function of total population, school age population, population density, or other

other boroughs, but also to draw on revenues from resources outside its own borders. Finally, the distribution of revenues under HB 598, the 20 mill pipeline tax, also would have provided revenue regardless of whether an area was organized.

The 20 mill tax suffered because the major legislative struggle of the 1972 session centered on a package of legislation designed to protect the state's future oil production revenues. When these bills finally were passed, legislative leadership was in no mood to face what appeared to be still another oil revenue bill.[23]

As noted, the borough organization bill failed largely because establishment of new boroughs, in the absense of adequate revenues, might have created expectations which could not be fulfilled. In addition, some Native leaders felt that the state should not be involved in drawing boundaries for rural boroughs, but that people in these areas should determine their own governmental configuration. Especially in rural areas with Native population majorities, Native leaders are most likely to prefer that borough boundaries be coterminous with those of the regional corporations established under the Alaska Native Claims Settlement Act. This is also likely to be the view of state policymakers, unless there are compelling reasons for following a different course. In any case, the Alaska constitution[24] and state Supreme Count decisions on the point[25] indicate that the state has ultimate responsibility for local government boundaries. As noted by the court in the *Fairview* case:

[23]HB 598's relatively simple ad valorem approach to oil revenue (the 20 mill pipeline tax) is likely to command further attention particularly if present measures based on maintenance of wellhead price encounter serious difficulty in court.

[24]Art. X, Sec. 3 and 12.

[25]*Fairview Public Utility District No. 1 v. City of Anchorage*, 368 P. 2d. 540, 543 (Alaska 1962).

> An examination of the relevant minutes of [the Constitutional Convention's committee on local government] meetings shows clearly the concept that was in mind when the local boundary commission was being considered: that local political decisions do not usually create proper boundaries and that boroughs should be established at the state level.[26]

Also, the failure of voluntary borough formation in the years since statehood indicates the practical importance of state initiative in this area.

Conclusion

The 1972 legislative program brought before the legislature and the public much useful information and debate. New programs take time to be perfected in detail and to gain public acceptance. The possible approaches to fiscal resource equalization were by no means exhausted by the 1972 legislative proposals. Given the legal and social pressures involved, it is likely that further attempts will be made, based either on refinements of that legislation or on different concepts. It may be useful to suggest certain tentative principles which seem to emerge from the research and experience generated by the 1972 program:

- Revenue equalization is desirable to promote early formation of rural boroughs, and on legal and equitable grounds.
- A prerequisite to equalization is coherent geographic units; the state should have ultimate control over the configuration of new boroughs.
- Revenue distribution should not be dependent on organizational status. That is, an area should not be forced to assume government responsibility prematurely in order to procure adequate services, and a decision to incorporate should carry no fiscal penalty.

[26]*Ibid.*

- The mechanics of the program should be as simple and orthodox as possible, involving minimum interference with local decision making and minimum disturbance of existing tax bases.

Local government is a volatile policy area, and proposals dealing with local finances can verge on the incendiary. As a result, any legislative decision on new approaches to local government is difficult. But inaction is also a decision, and by now we should know enough about the historical results of inaction in Alaska to prefer innovation, unnerving though it may sometimes be.

APPENDIX A

ALASKA STATE CONSTITUTION

Article X

Local Government

Section 1. Purpose and Construction. The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

Section 2. Local Government Powers. All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

Section 3. Boroughs. The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

Section 4. Assembly. The governing body of the organized borough shall be the assembly, and its composition shall be established by law or charter.

Section 5. Service Areas. Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

Section 6. Unorganized Boroughs. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

Section 7. Cities. Cities shall be incorporated in a manner prescribed by law, and shall be a part of the borough in which they are located. Cities shall have the powers and functions conferred by law or charter. They may be merged, consolidated, classified, reclassified, or dissolved in the manner provided by law.

Section 8. Council. The governing body of a city shall be the council.

Section 9. Charters. The qualified voters of any borough of the first class or city of the first class may adopt, amend, or repeal a home rule charter in a manner provided by law. In the absence of such legislation, the governing body of a borough or city of the first class shall provide the procedure for the preparation and adoption or rejection of the charter. All charters, or parts or amendments of charters, shall be submitted to the qualified voters of the borough or city, and shall become effective if approved by a majority of those who vote on the specific question.

Section 10. Extended Home Rule. The legislature may extend home rule to other boroughs and cities.

Section 11. Home Rule Powers. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Section 12. Boundaries. A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

Section 13. Agreements; Transfer of Powers. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

Section 14. Local Government Agency. An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law.

Section 15. Special Service Districts. Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.

ARTICLE 2. COMMUNITY AND REGIONAL AFFAIRS.

Sec. 44.47.050. GENERAL POWERS AND DUTIES. The department may

(1) advise and assist local governments;

(2) serve as staff for the Local Boundary Commission;

(3) conduct studies and carry out experimental and pilot projects for the purpose of developing solutions to community and regional problems;

(4) promote cooperative solutions to problems affecting more than one community or region, including joint service agreements, regional compacts, and other forms of cooperation;

(5) serve as a clearinghouse for information useful in solution of community and regional problems, and channel to the appropriate authority requests for information and services;

(6) advise and assist community and regional governments on matters of finance, including but not limited to bond marketing and procurement of federal funds;

(7) prepare suggested guidelines relating to the content of notice of bond sale advertisements, prospectuses and other bonding matters issued by local governments;

(8) administer state funds appropriated for the benefit of unorganized regions within the state, allowing for maximum participation by local advisory councils and similar bodies;

(9) carry out those administrative functions in unorganized boroughs that the legislature may prescribe;

(10) study existing and proposed laws and state activities that affect community and regional affairs and submit to the governor recommended changes in those laws and activities;

(11) coordinate activities of the state which have impact on community and regional affairs;

(12) assist in the development of new communities and serve as the agent of the state for purposes of participation in federal programs relating to new communities;

(13) supervise planning, management, and other activities required for local eligibility for financial aid under those federal and state programs which provide assistance to community and regional governments;

(14) administer state, and, as appropriate, federal programs for revenue sharing, grants, and other forms of financial assistance to community and regional governments;

(15) provide staff assistance, as requested, to the Rural Affairs Commission;

(16) apply for, receive and use funds from federal and other sources, public or private, for use in carrying out the powers and duties of the department;

(17) request and utilize the resources of other agencies of state government in carrying out the purposes of this chapter to the extent such utilization is more efficient than maintaining departmental staff, reimbursing the other agencies when appropriate;

(18) carry out other functions and duties, consistent with law, necessary or appropriate to accomplish the purpose of this chapter.

ARTICLE 3. PLANNING ASSISTANCE.

Sec. 44.47.080. PLANNING ASSISTANCE TO PLATTING AUTHORITIES. To facilitate urban planning in cities and other political subdivisions, the department may provide planning

assistance, including but not limited to surveys, land-use studies, urban renewal plans, technical services, and other planning work to a city, borough, or other platting authority. In an area under the jurisdiction for planning purposes of a city, borough, or other platting authority, the department may not perform the planning work except at the request or with the consent of the local authority.

Sec. 44.47.090. ASSISTANCE BY CITIES AND PLATTING AUTHORITIES. A city or platting authority may make funds under its control available to the department for the purposes of obtaining planning work or planning assistance, or both, for its area. The department may contract for, accept, and expend the funds for urban planning for the local jurisdiction.

Sec. 44.47.100. PLANNING POWERS OF AUTHORITY. The department may accept and expend grants from the federal government and other public or private sources, may contract with reference thereto, and may enter into contracts and exercise all other powers necessary to carry out secs. 80-100 of this chapter.

ARTICLE 4. RURAL DEVELOPMENT

Sec. 44.47.130. POWERS AND DUTIES. To promote development of rural areas of the state the department is authorized to

(1) investigate social and economic conditions of rural areas to determine the need to expand economic opportunities and improve living conditions;

(2) formulate a coordinated program to broaden and diversify the economic base of rural areas;

(3) coordinate administration of emergency relief, surplus food distribution, or other public assistance programs, except the regular relief and assistance programs of the federal government in rural areas;

(4) formulate and conduct a program of construction of basic facilities to improve health, welfare and economic security and provide employment and income in the rural areas;

(5) promote training and educational programs designed to expand employment opportunities for residents of rural areas.

ARTICLE 5. GENERAL PROVISIONS.

Sec. 44.47.160. REGULATIONS. The department may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) to carry out the purposes of this chapter.

Sec. 44.47.170. DEFINITIONS. In this chapter

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

(2) "community" means home rule cities and boroughs, cities and boroughs of any class, and unorganized boroughs and villages which are social units;

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

(4) "region" means an area larger than a community, or including all or part of more than one community, but sufficiently integrated that it may be treated as a unit for administration of particular services.

*Sec. 3. AS 43.18.010(a)(4)(B)(ii) is amended to read:

(ii) an annual contract with a recognized planning firm to provide land use planning and plan implementation on a consulting basis with a work program outline approved by the Department of Community and Regional Affairs; or

*Sec. 4. AS 43.18.010(a)(4)(B)(iii) is amended to read:

(iii) the state's continuing planning advisory service program through the Department of Community and Regional Affairs;

*Sec. 5. AS 44.19.250 is amended to read:

Sec. 44.19.250. LOCAL BOUNDARY COMMISSION. There is in the Department of Community and Regional Affairs a local boundary commission. The local boundary commission consists of five members appointed by the governor for overlapping five-year terms. One member shall be appointed from each of the four major senatorial election districts and one from the state at large. The member appointed from the state at large is the chairman of the commission.

*Sec. 6. AS 44.19.260(a)(3) is amended to read:

(3) consider a local government boundary change requested of it by the legislature, the commissioner of community and regional affairs, or a political subdivision of the state; and

*Sec. 7. AS 44.19.270 is amended to read:

Sec. 44.19.270. MEETINGS AND HEARINGS. The chairman of the commission or the commissioner of community and regional affairs with the consent of the chairman may call a meeting or hearing of the local boundary commission. All meetings and hearings shall be public.

*Sec. 8. AS 44.19.880(a)(10) is amended to read:

(10) assist the governor and the Department of Community and Regional Affairs in coordinating the activities of state agencies which have an impact on the solution of local and regional development problems;

*Sec. 9. When the titles "Local Affairs Agency" or "Rural Development Agency" appear in the law of this state, they shall be read as the "Department of Community and Regional Affairs".

*Sec. 10. AS 18.55.970 - 18.55.990; AS 44.19.180 - 44.19.210; 44.19.580 - 44.19.620; 44.19.880(5) are repealed.

*Section 11. All litigation, hearings, investigations and other proceedings pending under a law amended or repealed or functions which may be transferred by this Act, continue in effect and may be continued and completed notwithstanding a transfer or amendment or repeal provided for in this Act. Certificates, orders, rules or regulations issued or filed under authority of law amended or repealed by this Act or functions which may be transferred by this Act, remain in effect for the term issued, until revoked, vacated, or otherwise modified under the provisions of this Act. All contracts or other obligations created by a law amended or repealed by this Act or by virtue of functions which may be tranferred by this Act, and in effect on the effective date of this Act, remain in effect until revoked, or modified under the provisions of this Act. Appropriations, records, equipment and other property of agencies of the state integrated with the Department of Community and Regional Affairs established under this Act are transferred to the department. Appropriations and other money available and to become available to agencies the functions, powers and duties of which have been transferred to the Department of Community and Regional Affairs established under this Act shall be available for the objects and purposes for which appropriate or otherwise made available, subject to the terms, restrictions, limitations or other requirements imposed under this section or federal law.

*Sec. 12. This Act takes effect July 1, 1972.

Approved by governor: July 7, 1972
Actual effective date: July 1, 1972

APPENDIX C

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 596

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTH LEGISLATURE—SECOND SESSION

A BILL

For an Act entitled: "An Act providing for boroughs in the unorganized borough; and providing for an effective date."

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

*Section 1. AS 07 is amended by adding a new chapter to read:

CHAPTER 04. BOUNDARIES AND ORGANIZATION OF BOROUGHS IN THE UNORGANIZED BOROUGH.

ARTICLE 1. BOUNDARIES, ADMINISTRATION AND INCORPORATION.

Sec. 07.04.010. BOUNDARIES. By the tenth day following the convening of the first session of the Eighth Legislature, the Local Boundary Commission shall propose to the legislature a division of the unorganized area of the state into unorganized boroughs. The Local Boundary Commission may propose adjustments to the boundaries of existing boroughs to the extent necessary to secure conformity with the standards for borough boundaries set forth in the statutes and in the Constitution of the State of Alaska. A proposed adjustment of existing boundaries shall provide for those transitional matters the

commission considers necessary or appropriate. The boundaries proposed by the Local Boundary Commission become effective 45 days after presentation or at the end of the session whichever is earlier, unless disapproved by resolution concurred in by a majority of the members of each house. The proposed division is not subject to modification by the legislature as an alternative to disapproval, and if disapproved by the legislature the proposed division made in accordance with the section is of no effect.

Sec. 07.04.020. ADMINISTRATION. Unorganized boroughs shall be administered by the Department of Community and Regional Development as prescribed by the legislature.

Sec. 07.04.030. ADVISORY COUNCIL. In each unorganized borough the lieutenant governor, within 60 days of the establishment of unorganized borough in the manner provided in sec. 10 of this chapter shall provide for election of an advisory council of 11 members. The council may participate in an advisory capacity in the development and implementation of state programs and projects relating to the borough. Elections of council members shall be held every four years.

Sec. 07.04.035. COUNCIL MEMBERSHIP. At the time of election and during their tenure advisory council members shall be qualified voters of the state and residents of the borough. A vacancy on the advisory council shall be filled by a person qualified for election to the advisory council and selected by majority vote of the remaining members of the council. If a majority of seats on the advisory council are vacant concurrently, the lieutenant governor shall fill the vacancies by appointment of persons qualified for election to the advisory council.

Sec. 07.04.040. INCORPORATION. A percentage, determined in accordance with AS 07.10.020(8), of the qualified voters of an unorganized borough may petition for organization of the borough as a borough of the first, second or third class in the manner provided in AS 07.10 and 07.17, except that the petition need not include matters relating to boundaries.

ARTICLE 2. HOME RULE CHARTERS.

Sec. 07.04.050. ADOPTION OF CHARTER. An unorganized borough established under this chapter may adopt a home rule charter in the manner prescribed by AS 29.40.010 - 29.40.030 and AS 29.85.110(a) - (d), except that the advisory council elected in accordance with sec. 30 of this chapter shall perform the duties assigned to city councils, and except that the charter commission shall consist of 11 members. Vacancies on the charter commission shall be filled in the same manner as vacancies on the advisory council.

Sec. 07.04.060. ORGANIZATION The charter commission shall initiate organization of the borough in accordance with the terms of the charter by submission of the charter to the Department of Community and Regional Development. The charter shall be submitted within one year of the first meeting of the commission. The department shall review the charter in light of the circumstances of the particular borough and, within 120 days from receipt shall transmit the charter, together with its findings and recommendations, to the Local Boundary Commission.

Sec. 07.04.070. HEARING. The Local Boundary Commission shall hold at least one hearing in the area proposed to be organized for the purpose of hearing public comment on the charter.

Sec. 07.04.080. LOCAL BOUNDARY COMMISSION DETERMINATION. The Local Boundary Commission, within 90 days from receipt of the charter and the recommendations and findings of the Department of Community and Regional Development, shall determine whether the charter meets standards for organization established by the laws and the Constitution of the State of Alaska and by regulations adopted by the commission.

Sec. 07.04.090. REJECTION OF CHARTER. If the Local Boundary Commission determines that the charter fails to meet the standards for organization it shall reject the charter stating in writing its reasons for the rejection.

Sec. 07.04.100. AMENDED CHARTER. A charter commission, within 60 days of rejection, may prepare and submit to the Department of Community and Regional Development an amended charter fairly meeting the stated objections to the original charter. The amended charter shall be evaluated in the same manner as the original charter. No more than one original and one amended charter may be submitted within one 12 month period.

Sec. 07.04.110. RATIFICATION OF CHARTER. If the Local Boundary Commission determines that the charter meets the standards for organization it shall notify the lieutenant governor. As soon thereafter as practicable the lieutenant governor shall provide for an election in the borough on the question of whether or not the charter is ratified and for election of the officers provided for in the charter. The election shall be preceded by publication and posting of the proposed charter by the lieutenant governor substantially in the manner provided for other charter elections in AS 29.85.150.

Sec. 07.04.120. CERTIFICATION OF RESULTS. If a majority of the votes cast by the qualified voters of the borough are against ratification the lieutenant governor shall so certify and shall certify that the charter is defeated. If a majority of the votes cast by the qualified voters on the question are in favor of ratification the lieutenant governor shall so certify and declare that the borough in which the election was held is an organized borough and a municipal corporation in accordance with the terms of the charter. The lieutenant governor shall also certify the names of those candidates who received the greatest number of votes for the offices established by the charter.

Sec. 07.04.125. VOTERS, ELECTIONS AND COSTS. (a) A person is qualified to vote in a borough election authorized in this chapter if he is qualified to vote in state elections and if he is a resident of the borough.

(b) The lieutenant governor shall supervise elections under this chapter as provided for supervision of other borough elections under AS 07.10.120(d).

(c) The state through the office of the lieutenant governor shall assume the costs of elections and charter preparation under this chapter.

*Sec. 2. Nothing in the Act may be construed to affect any organization petition pending on the effective date of this Act. All such petitions shall be acted upon in the manner provided by law in effect prior to the effective date of this Act.

*Sec. 3. AS 07.05.010 and AS 07.05.040 are repealed.

*Sec. 4. This Act takes effect July 1, 1972.

APPENDIX D

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 597

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTH LEGISLATURE—SECOND SESSION

A BILL

For an Act entitled: "An Act providing for assessment, levy, collection and distribution of a property tax; and providing for an effective date."

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

*Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 77. PROPERTY TAX

ARTICLE 1. LEVY, ASSESSMENT AND COLLECTION.

Sec. 43.77.010. LEVY OF TAX. An annual tax of 15 mills is levied each tax year, beginning January 1, 1973, on the full and true value of taxable real and personal property located in the state.

Sec. 43.77.020. EXEMPTIONS. The following property is exempt from the tax levied in sec. 10 of this chapter:

(1) an owner-occupied single family dwelling, and the land it stands on, including but not limited to condomi-

niums to the extent of the interest of an owner, and household goods and personal effects, including but not limited to farm equipment, inventory, mechanic's tools and other equipment necessary to the business of the taxpayer and other property of the taxpayer of any description otherwise taxable under this chapter; however, an exemption under this paragraph may not exceed $50,000;

(2) property exempt under AS 29.10.336;

(3) unimproved land;

(4) aircraft weighing 6,000 pounds or less;

(5) boats and vessels otherwise taxed by a city or borough.

Sec. 43.77.030. CREDIT. A credit is allowed to an owner on the tax payable with respect to particular property under this chapter equal to the full amount of ad valorem tax levied by a city or borough on the same property for the same tax year and not satisfied by means of a tax credit or by means of a tax incentive.

Sec. 43.77.040. LOCAL EEFFORT EXCLUSION. No return need be filed nor tax paid by any person with respect to property located in a city or borough for any tax year as to which the Department of Revenue certifies that the amount of tax which would be levied under this chapter in the city or borough for that year exceeds the amount of revenue raised or anticipated from all local taxes in the city or borough during the tax year next preceding.

Sec. 43.77.050. ASSESSMENT. Assessment of property in unorganized boroughs subject to the tax levied under this chapter shall be carried out by the office of the state assessor in the Department of Community and Regional Development in the manner provided in AS 29.10.378 - 29.10.453 for first class cities, except that the state assessor in the Department of Community and Regional Development shall function in place of the local

assessor and a state assessment review officer shall function in place of the city council sitting as a board of equalization.

Sec. 43.77.060. STATE ASSESSMENT REVIEW OFFICERS. The commissioner of community and regional development shall appoint at least five qualified persons to serve at his pleasure as state assessment review officers. At least one such person shall be appointed from each of the four judicial districts.

Sec. 43.77.070. COMPENSATION, PER DIEM AND EXPENSES. State assessment review officers receive no compensation but are entitled to per diem and expenses authorized by law for boards.

Sec. 43.77.080. POWERS AND DUTIES. Each state assessment review officer has the powers and duties with respect to assessment in unorganized boroughs of a city council sitting as a board of equalization with respect to first class cities.

Sec. 43.77.090. HEARINGS. The commissioner of community and regional development shall assign annually at least one state assessment review officer to hear assessment appeals at appropriate locations in each election district.

Sec. 43.77.100. REAL PROPERTY RECORDING. To assist in assessment of real property subject to tax under this chapter, no recorder may accept for filing any document of transfer unless the document shows on its face a legal description of the property, the names and addresses of the buyer and seller, the date of the sale, and the purchase price, attested to by the transferee, except that the recorder may accept, in place of this information on the document of transfer, a sworn statement of the transferee containing the same information. The statement shall be held in confidence for use only by the office of the state assessor.

Sec. 43.77.110. COLLECTION AND ENFORCEMENT. The tax levied in this chapter is payable in full to the Department of Revenue on September 30 of the tax year. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of six per cent a year shall accrue on all unpaid

taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied in this chapter shall be carried out by the Department of Revenue in the manner provided in AS 29.10.456 - 29.10.537 and AS 29.10.348 - 29.10.351 for first class cities.

Sec. 43.77.120. PROCEEDS OF TAX. Money collected under this chapter shall be deposited in the general fund.

Sec. 43.77.130. LIEN FOR TAX. The tax levied under this chapter and interest and penalty set out in sec. 110 of this chapter are liens upon the property assessed and taxed. With respect to property located outside an organized borough and outside of a city, the tax liens provided by this chapter are prior and paramount to all other liens or encumbrances against the property assessed. With respect to property located in cities and boroughs the tax liens provided by this chapter are prior to all liens and encumbrances against the property assessed except liens for taxes levied by the city or borough.

Sec. 43.77.140. FALSE STATEMENT. A person who knowingly makes a false statement in a return required under this chapter as to the amount, location, kind or value of property subject to taxation with intent to evade the taxation is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $500 or by imprisonment for not more than five days, or by both, together with the costs of prosecution.

ARTICLE 2. REVENUE SHARING AMONG UNORGANIZED BOROUGHS.

Sec. 43.77.160. DISTRIBUTION OF PROCEEDS. The legislature is authorized to appropriate each year as shared revenue for the benefit of unorganized boroughs an amount equal to the net amount of revenue raised under this chapter in the preceding year on property located in unorganized boroughs. Revenue so appropriated shall be administered by the Department of Community and Regional Development. The department shall hold and

utilize for the benefit of each unorganized borough an amount determined in accordance with secs. 170 - 190 of this chapter.

Sec. 43.77.170. DIRECT RETURN. From the appropriation authorized under sec. 160 of this chapter an amount equal to the net revenue raised by a five mill levy on property taxable under this chapter within each unorganized borough shall be held and used for the benefit of the unorganized borough where the particular property is located.

Sec. 43.77.180. DISTRIBUTION. Revenue appropriated under sec. 130 of this chapter, less revenue allotted in accordance with sec. 170 of this chapter, shall be held and used for the benefit of each unorganized borough in accordance with the ratio of its distribution index to the sum of the distribution indices of all unorganized boroughs.

Sec. 43.77.190. DISTRIBUTION INDEX. The distribution index of each unorganized borough is based upon its wealth, cost of services, population and area and is determined by the following formula:

$$D = \frac{F_a CP}{2F_p}$$

where

D = distribution index

F_a = average fiscal capacity of unorganized boroughs

F_p = fiscal capacity of the particular unorganized borough

C = cost of service which is the cost as determined by the state assessor for each tax year in each particular unorganized borough of providing education, water, sewer, police, fire, administrative and other government services expressed as a percentage of the average cost of such services in all unorganized boroughs.

P = population of the particular unorganized borough as a percentage of total population of unorganized boroughs.

Sec. 43.77.200. DEFINITIONS. In this chapter

(1) "Taxable real and personal property" means property not exempt from taxation under the constitution and laws of the state; particularly the term does not include property exempt under sec. 20 of this chapter, in AS 29.10.342, in AS 29.10.343 and in 29.10.344; the term otherwise includes property exempted from taxation by home rule charter provision and property exempted from execution under AS 09;

(2) "real property" means property defined in AS 29.10.552(1);

(3) "personal property" means property as defined in AS 29.10.552(3) excluding money on deposit;

(4) "unimproved land" means land with respect to which the state assessor in the Department of Community and Regional Development determines that no current physical addition or alteration which enhances the utility, value, or income producing potential exists;

(5) "fiscal capacity" means the total assessed value within an organized borough divided by its population.

Sec. 43.77.210. REGULATIONS. The Department of Community and Regional Development and the Department of Revenue may adopt regulations as appropriate to carry out their respective duties under this chapter.

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

APPENDIX E

IN THE HOUSE BY THE LOCAL GOVERNMENT COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 598

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTH LEGISLATURE—SECOND SESSION

A BILL

For an Act entitled: "An Act providing for a state tax on property used in connection with transportation of unrefined oil and gas; and providing for an effective date."

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

*Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 56. OIL AND GAS TRANSPORTATION PROPERTY TAX.

Sec. 43.56.010. LEVY OF TAX. An annual tax of 20 mills is levied each tax year beginning January 1, 1973, on the full and true value of taxable real and tangible personal property employed in the transportation of unrefined oil and gas. With respect to a facility employed for part of a tax year in such a manner as to render it taxable under this chapter or partly so employed for a full tax year, the value of the facility taxable under this chapter shall be proportionate to the employment. Property taxable under this chapter does not include property employed in the construction of facilities taxable under this chapter as distinct from the facilities themselves. The tax levied under this chapter does not apply to property with respect to which an ad valorem tax is

payable to a city or borough on January 1, 1972 and on January 1 of any succeeding year during which a tax is levied under this chapter.

Sec. 43.56.020. EXEMPTIONS. In addition. to property excluded under sec. 150(6) of this chapter, the following property is exempt from the tax levied under this chapter:

(1) producing oil or gas leases;

(2) machinery, appliances and equipment used in and around a well producing oil or gas and actually used in the operation of a well;

(3) oil and gas produced in the state upon which gross production taxes are paid;

(4) pipelines less than 21 inches in diameter.

Sec. 43.56.030. IN LIEU OF OTHER TAXES. Payment of the tax levied under this chapter is in lieu of all ad valorem taxes on property subject to tax under this chapter now or hereafter imposed by the state, or by a city or a borough.

Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the tax levied under this chapter shall be carried out by the Local Affairs Agency substantially in the manner provided in AS 29.10.378 - 29.10.453 for first class cities, except that the agency shall function in place of the local assessor, and the State Assessment Review Board shall function in the place of the city council sitting as a board of equalization.

Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The director of local affairs shall appoint at least five qualified persons to serve at his pleasure as the State Assessment Review Board. At least one person shall be appointed from each of the four judicial districts.

Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State Assessment Review Board shall be compensated and are entitled to per diem and expenses authorized by law for boards.

Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review Board has the powers and duties with respect to assessment of property taxable under this chapter of a city council sitting as a board of equalization with respect to first class cities.

Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in this chapter is payable in full to the Department of Revenue on September 30 of the tax year, except that, the Department of Revenue may by regulation provide for prepayment of taxes and payment by installments. A penalty of ten per cent shall be added to delinquent taxes and interest at the rate of eight per cent per annum, or four percentage points above the per annum rate charged member banks for advances by the 12th Federal Reserve District that prevailed on the first day of the month preceding the commencement of that calendar quarter, whichever is greater, shall accrue on all unpaid taxes, excluding penalties, from the due date until paid in full. Collection of the tax levied under this chapter shall be carried out by the Department of Revenue substantially in the manner provided in AS 29.10.456 - 29.10.537 and 29.10.348 - 29.10.351 for first class cities.

Sec. 43.56.090. LIEN FOR TAX. The tax levied under this chapter and interest and penalty set out in sec. 80 of this chapter are liens upon the property subject to tax under this chapter. The liens provided by this section are prior and paramount to all other liens or encumbrances upon the same property.

Sec. 43.56.100. FALSE STATEMENT. A person who knowingly fails to file a return when due or makes a false statement in a return required under this chapter as to the amount, location, kind or value of property subject to taxation with intent to evade the taxation is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $1,000, or by imprisonment for not more than six months, or by both, together with the costs of prosecution.

Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The annual revenue from the tax levied under this chapter shall be deposited in the general fund.

Sec. 43.56.120. AUTHORIZATION OF APPROPRIATION. There is authorized to be appropriated to the Local Affairs Agency each year an amount equal to the sum of the amounts deposited in the general fund under sec. 110 of this chapter, less costs incurred or anticipated in administration of the tax for the year of levy.

Sec. 43.56.130. DISTRIBUTION. As soon as practicable following the annual appropriation provided for in sec. 120 of this chapter, the Local Affairs Agency shall distribute to the treasurer of each taxing unit, and shall segregate and hold for the benefit of each unorganized borough, an amount which bears the same ratio to the total amount of the annual appropriation under sec. 120 of this chapter as the distribution index of the governmental unit bears to the sum of the distribution indices of all governmental units.

Sec. 43.56.140. DISTRIBUTION INDEX. The distribution index of each governmental unit is based on its cost of services, wealth and population and is determined annually in accordance with the following formula:

$$D = \frac{PCF_a}{F_p}$$

where

D = distribution index

P = total population of the governmental unit as a percentage of the statewide total population

C = cost of service index

F_p = fiscal capacity

F_a = statewide fiscal capacity.

Sec. 43.56.150. DEFINITIONS. In this chapter

(1) "cost of service index" means the ratio as determined by the Local Affairs Agency of the average cost of materials and personal services, weighed equally, in a particular governmental unit to the average cost of materials and personal services in the state as a whole for each tax year; in determining the cost of service index the state assessor may utilize such standards of reference as federal cost of living data, state employee regional pay differentials and other measures and standards which in his opinion tend to reflect cost differentials of construction materials, labor, and other components of the overall cost of local government operations;

(2) "fiscal capacity" means the ratio of total taxable assessed value to total population in a governmental unit;

(3) "governmental unit" means an organized borough or a city levying ad valorem taxes whether located inside or outside an organized borough, and an unorganized borough;

(4) "statewide fiscal capacity" means the ratio of total taxable assessed value to total population for the state as a whole;

(5) "taxable real and tangible personal property" means property not exempt from taxation under the constitution and laws of the state or of the United States, but does not include any subsurface estate or property used in a consumer distribution system; the term includes otherwise taxable property exempted from taxation under home rule ordinance or charter;

(6) "taxing unit" means any organized borough or city levying ad valorem taxes whether located inside or outside an organized borough.

Sec. 43.56.160. REGULATIONS. The Local Affairs Agency and the Department of Revenue may adopt regulations as

appropriate to carry out their respective duties under this chapter, including regulations governing determination of the population valuation and cost factors in sec. 140 of this chapter.

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

APPENDIX F

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTH LEGISLATURE—SECOND SESSION

A BILL

For an Act entitled: "An Act providing for equalization of local tax resources; and providing for an effective date."

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

*Section 1. AS 43 is amended by adding a new chapter to read:

CHAPTER 17. STATEWIDE TAX RESOURCE EQUALIZATION.

Sec. 43.17.010. PURPOSE. The purpose of this chapter is to provide for equitable allocation of tax resources among local government units organized and unorganized, and to insure that no area suffers impoverishment of necessary public services, relative to other areas, because of the chance location of taxable wealth within the state.

Sec. 43.17.020. DETERMINATION OF VALUE INCREASE. As soon as practicable following completion of assessment rolls for the tax year beginning January 1, 1973 and each tax year thereafter, the state assessor shall ascertain and certify for each governmental unit the amount by which the value of taxable property within the governmental unit as of January 1, 1973, and

each year thereafter, exceeds the value of the taxable property within the governmental unit as of January 1 of the preceding year. The amount of such excess is the annual value increase of the governmental unit.

Sec. 43.17.030. RETAINED REVENUE. (a) Forty per cent of the net revenue raised by the annual application of the mill rate levy of each taxing unit to the value increase of the tax base of the taxing unit may be retained and expended by the taxing unit in which the increase occurred.

(b) Forty per cent of the net revenue raised by the annual application of the mill rate levy imposed under AS 43.77 to the value increase of each unorganized borough may be appropriated, held and used for the benefit of unorganized boroughs in the manner provided in AS 43.77.160.

Sec. 43.17.040. EQUALIZATION REVENUE. (a) An amount equal to 60 per cent of the net revenue raised by the annual application of the mill rate levy of each taxing unit to the value increase of the taxing unit shall be remitted to the Department of Revenue for deposit in the general fund of the state not later than December 31, 1973 and each year thereafter.

(b) An amount equal to 60 per cent of the net revenue raised by the application of the mill rate levy imposed under AS 43.77 to the value increase of each unorganized borough shall be collected by the Department of Revenue for deposit in the general fund of the state not later than December 31, 1973 and each year thereafter.

Sec. 43.17.050. STATEWIDE TAX EQUALIZATION FUND. There is authorized to be appropriated each year an amount equal to the sum of the amounts deposited in the general fund under sec. 140 of this chapter. The amount appropriated under authority of this section is the statewide tax equalization fund which shall be administered by the Department of Community and Regional Development.

Sec. 43.17.060. DISTRIBUTION. As soon as practicable following appropriation of the statewide tax equalization fund provided for in sec. 50 of this chapter, the Department of Community and Regional Development shall distribute to the treasurer of each taxing unit, and shall segregate and hold for the benefit of each unorganized borough an amount which bears the same ratio to the total amount of the statewide tax equalization fund as the distribution index of each governmental unit bears to the sum of the distribution indices of all governmental units.

Sec. 43.17.070. DISTRIBUTION FORMULA. The distribution index of each governmental unit is based on its cost of services, wealth, population and local tax effort and is determined in accordance with the following formula

$$D = \frac{PCLF_a}{F_p}$$

where

D = distribution index

P = civilian population of the governmental unit as a percentage of the statewide civilian population

C = cost of service index

L = local tax effort

F_p = fiscal capacity

F_a = statewide fiscal capacity.

Sec. 43.17.080. DEFINITIONS. In this chapter

(1) "taxing unit" means any organized borough or city levying ad valorem taxes whether located within or outside an organized borough;

(2) "governmental unit" means an organized borough or a city levying ad valorem taxes whether located within or outside an organized borough, and an unorganized borough;

(3) "fiscal capacity" means the ratio of total taxable assessed value to total population within a governmental unit;

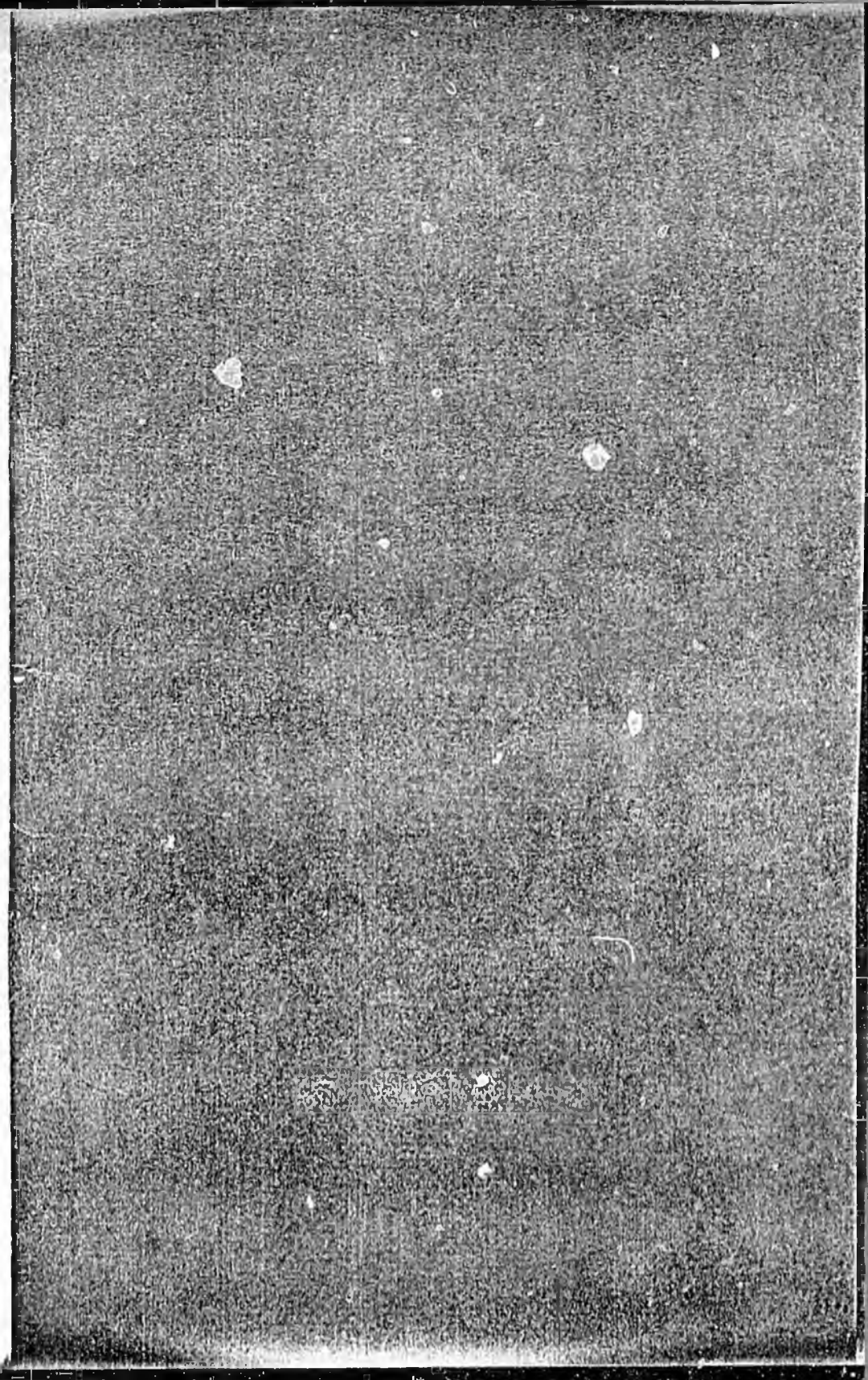
(4) "statewide fiscal capacity" means the ratio of total taxable assessed value to total population for the state as a whole;

(5) "local tax effort" means the ratio of total revenue raised from ad valorem taxes within each governmental unit, including, as applicable, the tax levied under AS 43.77, to the total assessed value of taxable property within the governmental unit;

(6) "cost of services index" means the cost as determined by the state assessor in the Department of Community and Regional Development for each tax year in each particular governmental unit of education, sewer, water, police and fire protection, road construction and other governmental services expressed as a percentage of the average cost of those services in the state as a whole.

Sec. 43.17.090. REGULATIONS. The Department of Community and Regional Development may adopt regulations necessary or appropriate to carry out the purpose of this chapter.

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



EXTRA SESSION
CHAPTER 21—S.F.No.10

[Coded]

An act relating to metropolitan development; providing for allocation among governmental units of increases in the assessed valuation of commercial-industrial property within the metropolitan area; providing a formula for the distribution of additional revenues to municipalities within the metropolitan area; creating certain accounts in the state treasury; and appropriating money.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [473F.01] METROPOLITAN AREAS; DISTRIBUTION OF REVENUES; PURPOSE. The legislature finds it desirable to improve the revenue raising and distribution system in the seven county Twin Cities area to accomplish the following objectives:

(1) To provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources which local governments already have;

(2) To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities and airports;

(3) To establish incentives for all parts of the area to work for the growth of the area as a whole;

(4) To provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making;

(5) To help communities in different stages of development by making resources increasingly available to communities at those stages of development and redevelopment when financial pressures on them are the greatest;

(6) To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved; and

(7) To provide for the distribution to municipalities of additional revenues generated within the area or from outside sources pursuant to other legislation.

Sec. 2. [473F.02] DEFINITIONS. Subdivision 1. The terms defined in this section shall have the meanings therein ascribed to them for purposes of this act unless context otherwise requires.

Subd. 2. "Area" means the territory included within the boundaries of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in Minnesota Statutes, Section 273.13, excluding that portion of such property (a) which may, by law, constitute the tax base for a tax increment pledged pursuant to Minnesota Statutes, Section 462.585 or Section 474.10, to the extent and while such tax increment is so pledged; (b) which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, Chapter 881, as amended, to the extent such revenues are so treated in any year; or (c) which is exempt from taxation pursuant to Minnesota Statutes, Section 272.02:

(a) That portion of class 3 property consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) Class 3h property.

(c) Class 3j property.

(d) That portion of class 4 property which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if all of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

(e) That property valued and assessed under Minnesota Statutes, Section 273.13, Subdivision 14.

Subd. 4. "Residential property" means the following categories of property, as defined in Minnesota Statutes, Section 273.13, excluding that portion of such property exempt from taxation pursuant to Minnesota Statutes, Section 272.02:

(a) Class 3b property

Words or additions indicated by underline, deletions by strikeout.

(b) Class 3c property

(c) Class 3cc property

(d) Class 3f property

(e) And that portion of Class 4 property used exclusively for residential occupancy.

(f) That property valued and assessed under Minnesota Statutes Section 273.13, Subdivision 17.

Subd. 5. "Governmental unit" means a county, city, village, borough, town, school district, or other taxing unit or body which levies ad valorem taxes in whole or in part within the area.

Subd. 6. "Administrative auditor" means the person selected pursuant to section 3.

Subd. 7. "Population" means the most recent estimate of the population of a municipality made by the metropolitan council and filed with the state auditor. The council shall annually estimate the population of each municipality as of a date which it determines and, in the case of a municipality which is located partly within and partly without the area, the proportion of the total which resides within the area, and shall promptly thereafter file its estimates with the state auditor.

Subd. 8. "Municipality" means a city, village, borough, town or township located in whole or part within the area. If a municipality is located partly within and partly without the area, the reference in this act to property or any portion thereof subject to taxation by a taxing jurisdiction within the municipality are to such property or portion thereof as is located in the portion of the municipality within the area, except that the fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

Subd. 9. "Qualifying municipality" means each city, village or borough which is located in whole or in part within the metropolitan area and which has a population of not less than 2500.

Subd. 10. "County" means each county in which a governmental unit is located in whole or in part.

Subd. 11. "Locally raised revenues" means the total current receipts of a municipality, including those of its constituent agencies, boards, commissions, and other bodies, from all sources and for all purposes, reduced by the expenses, including a reasonable allowance for depreciation of capital assets, incurred in the operation by the municipality of facilities for the production or sale of [illegible]

...r, gas, heat, or telephone service, except that locally raised ...enues shall not include:

(a) Revenues derived from the operation of municipal liquor ...es;

(b) Public grants, as defined in subdivision 17, except that for ...poses of this subdivision the amount prescribed by clause (2) of ...division 16 shall be multiplied by 10;

(c) Grants or gifts from private persons, unless made by an entity ...mpt from ad valorem taxation in an amount which does not ...ed the ad valorem tax which would have been payable by the ...ity during that year for the benefit of the recipient if the ...mption did not exist; and

(d) The proceeds of any indebtedness incurred by the municipali-

The public examiner shall certify the locally raised revenues of ... municipality for each year to the state auditor not later than ...cembe: 1 of the subsequent year. If the fiscal year of a ...icipality ends on a date other than December 31, the certification ... relate to the fiscal year which ended in the calendar year ...ding that in which the certificate is required to be made, and ...rences in this act to the locally raised revenues of a municipality ...specified year shall be deemed to refer to the fiscal year ended in ...specified calendar year.

Subd. 12. "Market value" of real property within a municipality ...s the "actual market value" of real property within the ...icipality, determined in the manner and with respect to the ...erty described for school districts in Minnesota Statutes, Section ...3, Subdivision 4, except that no adjustment shall be made for ...erty on which taxes are paid into the state treasury under gross ...ings tax laws applicable to common carrier railroads. For ...oses of this act, the equalization aid review committee shall ...ally make determinations and reports with respect to each ...icipality which are comparable to those it makes for school ...icts under Minnesota Statutes, Section 124.211, Subdivision 3, in ...same manner and at the same times as are prescribed by that ...division. The auditor of each county and the commissioner of ...tion shall annually determine and certify to the state auditor, for ...municipality, information comparable to that required of each of ... by section 475.53, subdivision 4, for school districts, as soon as ...ticable after it becomes available. The state auditor shall then ...ute the market value of property within each municipality.

Subd. 13. "Valuation" means the market value of real property ...a municipality.

...ons or additions indicated by underline, deletions by strikeout.

Subd. 14. "Fiscal capacity" of a municipality means its valuation, determined as of January 2 of any year, divided by its population, determined as of a date in the same year.

Subd. 15. "Average fiscal capacity" of municipalities means the sum of the valuations of all municipalities, determined as of January 2 of any year, divided by the sum of their populations, determined as of a date in the same year.

Subd. 16. "Fiscal effort" of a municipality for any year means its locally raised revenues in that year, divided by its valuation in that year.

Subd. 17. "Public grants" means (1) the sum of all moneys received by a municipality pursuant to Minnesota Statutes, Sections 273.13, Subdivisions 3 and 15 (4), 273.69, Subdivision 8, 297.03, Subdivision 4, 297.13, 297A.51 to 297A.60, and 340.60; and (2) one-tenth of all other moneys received by a municipality from the federal and state governments, and their agencies and political subdivisions, under programs of intergovernmental aids and grants distributed by formula or upon application. The public examiner shall certify the public grants of each municipality for each year to the state auditor not later than September 1 of the subsequent year.

Subd. 18. "Adjusted fiscal capacity" of a municipality means the product of its fiscal capacity and the sum of its locally raised revenues and public grants, divided by its locally raised revenues.

Subd. 19. "Base adjusted fiscal capacity" for municipalities for any year means the highest adjusted fiscal capacity of any qualified municipality in that year.

Subd. 20. "Metropolitan area municipal equity account" or "municipal equity account" means the moneys deposited in the state treasury and credited to the account, for distribution to municipalities in accordance with this act, pursuant to other legislation. A metropolitan area municipal equity account is hereby established in the state treasury.

Subd. 21. "Metropolitan council" or "council" means the metropolitan council created by Minnesota Statutes, Chapter 473B.

Subd. 22. "Levy" means the amount certified to the county auditor pursuant to Minnesota Statutes, Chapter 275, less all reductions made by the auditor pursuant to any provision of law in determining the amount to be spread against taxable property.

Sec. 3. [473F.03] ADMINISTRATIVE AUDITOR. Subdivision 1. On or before July 1 of 1972 and each subsequent even numbered year the auditors of the counties within the area shall meet at the office of the auditor of Hennepin county and elect from among their

ber one auditor to serve as administrative auditor for a period of years and until his successor is elected. If a majority is unable gree upon a person to serve as administrative auditor, the state or shall appoint him from among the auditors of the counties in area. If the administrative auditor ceases to serve as a county or within the area during the term for which he was elected or nted, a successor shall be chosen in the same manner as is ded herein for the original selection, to serve for the unexpired

Subd. 2. The administrative auditor shall utilize the staff and ities of the auditor's office of the county he serves to perform the tions imposed upon him by this act. His county shall be bursed for the marginal expenses incurred by its county auditor his staff hereunder by contributions from each other county in area in an amount which bears the same proportion to the total enses as the population of the other county bears to the total lation of the area. The administrative auditor shall annually, or before February 1, certify the amounts of total expense for the eding calendar year, and the share of each county, to the surer of each other county. Payment shall be made by the surer of each other county to the treasurer of the county rring expense on or before the succeeding March 1.

Sec. 4. [473F.04] ASSESSED VALUATION; 1971. On or before ember 20, 1972, the assessors within each county in the area shall rmine and certify to the county auditor the assessed valuation in of commercial-industrial property subject to taxation within municipality in his county.

Sec. 5. [473F.05] ASSESSED VALUATION; 1972 AND SUBQUENT YEARS. On or before November 20 of 1972 and each quent year, the assessors within each county in the area shall rmine and certify to the county auditor the assessed valuation in year of commercial-industrial property subject to taxation n each municipality in his county.

Sec. 6. [473F.05] INCREASE IN ASSESSED VALUATION. or before November 20 of 1972 and each subsequent year, the or of each county in the area shall determine the amount, if any, hich the assessed valuation in that year of commercial-industrial erty subject to taxation within each municipality in his county eds the assessed valuation in 1971 of commercial-industrial erty subject to taxation within that municipality. If a municiy is located in two or more counties within the area, the auditors se counties shall certify the data required by sections 4 and 5 to unty auditor who is responsible under other provisions of law locating the levies of that municipality between or among the ed counties. That county auditor shall determine the amount of t excess, if any, for the municipality under this section, and

nges or additions indicated by underline, deletions by strikeout.

certify that amount under section 7. Notwithstanding any other provision of this act to the contrary, in the case of a municipality which is designated on the effective date of this act as a redevelopment area pursuant to Section 401(a) (4) of the Public Works and Economic Development Act of 1965, P.L. 89-136, the increase in assessed valuation of commercial-industrial property for purposes of this section shall be determined in each year subsequent to the termination of such designation by using as a base the assessed valuation of commercial-industrial property in that municipality in the year following that in which such designation is terminated, rather than the assessed valuation of such property in 1971.

Sec. 7. [473F.07] COMPUTATION OF AREA-WIDE TAX BASE. Subdivision 1. Each county auditor shall certify the determinations pursuant to sections 4, 5, and 6 to the administrative auditor on or before November 20 of 1972 and each subsequent year. The administrative auditor shall determine the sum of the amounts certified pursuant to section 6, and divide that sum by two and one-half. The resulting amount shall be known as the "area-wide tax base for ..... (year)."

Subd. 2. The state auditor shall certify to the administrative auditor, on or before November 20 of 1972 and each subsequent year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of municipalities for the preceding year, and the fiscal capacity of each municipality for the preceding year.

Subd. 3. The administrative auditor shall determine, for each municipality, the product of (a) its population, (b) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year, and (c) two. The product shall be the area-wide tax base distribution index for that municipality, provided that (a) if the product in the case of any municipality is less than its population, the index shall be increased to its population, and (b) if a municipality is located partly within and partly without the area its index shall be that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 4. The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities. In the case of each municipality he shall then multiply this proportion by the area-wide tax base.

Subd. 5. The product of the multiplication prescribed by subdivision 4 shall be known as the "area-wide tax base for ..... (year) attributable to ..... (municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before November

Sec. 8. [473F.08] TAXABLE VALUE. Subdivision 1. The ...nty auditor shall determine the taxable value of each governmen... unit within his county in the manner prescribed by this section.

Subd. 2. The taxable value of a governmental unit is its ...essed valuation, as determined in accordance with other provisions ...law, subject to the following adjustments:

(a) There shall be subtracted from its assessed valuation, in each ...icipality in which the governmental unit exercises ad valorem ...ing jurisdiction, an amount which bears the same proportion to 40 ...cent of the amount certified in that year pursuant to section 6 in ...pect to that municipality as the total assessed valuation of ...mmercial-industrial property which is subject to the taxing juris... of the governmental unit within the municipality bears to the ...al assessed valuation of commercial-industrial property within the ...icipality;

(b) There shall be added to its assessed valuation, in each ...icipality in which the governmental unit exercises ad valorem ...ing jurisdiction, an amount which bears the same proportion to the ...-wide base for the year attributable to that municipality as the ...al assessed valuation of residential property which is subject to the ...ing jurisdiction of the governmental unit within the municipality ...rs to the total assessed valuation of residential property of the ...icipality.

Subd. 3. On or before November 30 of 1972 and each subsequent ..., the county auditor shall apportion the levy of each governmen... unit in his county in the manner prescribed by this subdivision. ...shall:

(a) Determine that portion of the levy which bears the same ...portion to the total levy as the amount set forth in subdivision 2, ...se (b), bears to the taxable value of the governmental unit; and

(b) Determine the excess of the levy over that portion of the levy ...rmined pursuant to clause (a).

Subd. 4. In 1972 and subsequent years, the county auditor shall ...de that portion of the levy determined pursuant to subdivision 3, ...se (b), by the assessed valuation of the governmental unit, less ...portion subtracted from assessed valuation pursuant to subdivi... 2, clause (a). The resulting rate shall apply to all taxable ...erty except commercial-industrial property, which shall be taxed ...ordance with subdivision 6.

Subd. 5. On or before November 30 of 1972 and each subsequent ... the county auditor shall certify to the administrative auditor ...portion of the levy of each governmental unit determined ...uant to subdivision 3, clause (a). The administrative auditor

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shall then determine the rate of taxation sufficient to yield ... amount equal to the sum of such levies from the area-wide tax ... On or before December 5 the administrative auditor shall certify ... rate to each of the county auditors.

Subd. 5a. If a governmental unit is located in two or ... counties, the computations and certifications required by subdivis... 3 to 5 with respect to it shall be made by the county auditor ... responsible under other provisions of law for allocating its le... between or among the affected counties.

Subd. 6. The rate of taxation determined in accordance ... subdivision 5 shall apply in the taxation of each item of commerc... industrial property subject to taxation within a municipality to ... portion of the assessed valuation of the item which bears the ... proportion to its total assessed valuation as 40 percent of the am... determined pursuant to section 6 in respect to the municipality ... which the property is taxable bears to the amount determ... pursuant to section 5. The rate of taxation determined in acc... ance with subdivision 4 shall apply in the taxation of the remainder ... the assessed valuation of the item.

Subd. 7. On or before January 1 of 1973 and each subsequ... year, the administrative auditor shall certify to the state treas... the amount of that portion of the levy made by each governm... unit set forth in ...bdivision 3, clause (a). Each county trea... shall remit all tax payments computed pursuant to subdivision ... the state treasurer not later than 20 days before the times prescri... by Minnesota Statutes, Chapter 276, for the apportionment ... distribution of tax revenues by county treasurers. The state t... surer shall deposit such payments to the credit of the area-wide ... account, which is hereby created. Marginal expenses incurred by ... state treasurer under this section, and all refunds of tax receipts ... into the account, shall be paid from the account, and all inte... earned on moneys in the account shall be credited to the account. ... the distributions under subdivision 8 shall be adjusted proportion... to reflect expense payments and interest income and reduc... reflect the payment of each refund in amounts proportionate ... distributions received in the year the tax was paid.

Subd. 8. The state treasurer shall apportion and distri... amounts received by him pursuant to subdivision 7 to the co... treasurer having jurisdiction of each governmental unit ent... thereto as shown by the certification to him in accordance ... subdivision 7. The apportionment and distribution shall be ma... the manner and not later than ten days before the times pre... by Minnesota Statutes, Chapter 276, for the apportionment ... distribution of tax revenues by county treasurers. Each co... treasurer shall include the amounts thus received in his distrib... pursuant to Chapter 276. Amounts necessary for distrib...

funds and payment of administrative expenses under this act are hereby appropriated.

Subd. 9. If the payment of any tax attributable to the area-wide tax base is delinquent, the county treasurer to whom said tax is payable shall promptly notify the state treasurer of the failure of payment. The state treasurer shall deduct the amount of the delinquency from his distributions to the county entitled to receive payment from the taxpayer. If the tax is subsequently paid or collected, the amount so paid or collected shall be retained by the county and distributed by it to the governmental units whose distributions were reduced pursuant to this subdivision by reason of the delinquency in the amount of such reduction.

Subd. 10. For the purpose of computing the amount or rate of any salary, aid, tax, or debt authorized, required, or limited by any provision of any law or charter, where such authorization, requirement, or limitation is related in any manner to any value or valuation of taxable property within any governmental unit, such value or valuation shall be adjusted to reflect the adjustments to valuation effected by subdivision 2, provided that: (1) in determining the market value of commercial-industrial property or any class thereof within a governmental unit for any purpose other than section 7, (a) the reduction required by this subdivision shall be that amount which bears the same proportion to the amount subtracted from the governmental unit's assessed valuation pursuant to subdivision 2, clause (a), as the market value of commercial-industrial property, or such class thereof, located within the governmental unit bears to the assessed valuation of commercial-industrial property, or such class thereof, located within the governmental unit, and (b) the increase required by this subdivision shall be that amount which bears the same proportion to the amount added to the governmental unit's assessed valuation pursuant to subdivision 2, clause (b), as the market value of commercial-industrial property, or such class thereof, located within the governmental unit bears to the assessed valuation of commercial-industrial property, or such class thereof, located within the governmental unit; and (2) in determining the market value of property within a municipality for purposes of section 7, the adjustment prescribed by clause (1)(a) hereof shall be made and that prescribed by clause (1)(b) hereof shall not be made.

Subd. 11. For the purposes of computing distributions under Minnesota Statutes, Section 273.69, the property tax levy imposed on all taxable property for the purpose of a governmental unit, referred to therein, shall be deemed to consist of the levy of that governmental unit, as defined in section 2, subdivision 22, irrespective of the extent to which levies are spread against the area-wide tax base pursuant to this section.

Words or additions indicated by underline, deletions by strikeout.

Sec. 9. [473F.09] ADJUSTMENTS IN DATES. If, by reason of the enactment of any other law, the date by which the commissioner of taxation is required to certify to the county auditors the records or proceedings affecting the assessed valuation of property is advanced to a date earlier than November 15, the dates specified in sections 3 through 7 and 10 may be modified in the years to which such other law applies in the manner and to the extent prescribed by the administrative auditor.

Sec. 10. [473F.10] REASSESSMENTS AND OMITTED PROPERTY. Subdivision 1. If the commissioner of taxation orders a reassessment of all or any portion of the property in a municipality other than in the form of a mathematically prescribed adjustment of valuation, or if omitted property is placed upon the tax rolls, and the reassessment has not been completed or the property placed upon the rolls, as the case may be, by November 15, the assessed valuation of the affected property shall, for purposes of sections 3 to 8, be determined from the abstracts filed by the county auditor with the commissioner of taxation.

Subd. 2. If the reassessment, when completed and incorporated by the commissioner of taxation in his certification of the assessed valuation of the municipality, or the listing of omitted property, when placed on the rolls, results in an increase in the assessed valuation of commercial-industrial property in the municipality which differs from that used, pursuant to subdivision 1, for purposes of sections 3 to 8, the increase in the assessed valuation of commercial-industrial property in that municipality in the succeeding year, as otherwise computed under section 6, shall be adjusted in a like amount, by an increase if the reassessment or listing discloses a larger increase than was used for purposes of sections 3 to 8, or by a decrease if the reassessment or listing discloses a smaller increase than was used for those purposes, provided that no adjustment shall reduce the amount determined under section 6 to an amount less than zero.

Subd. 3. Subdivisions 1 and 2 shall not apply to the determination of the tax rate under section 8, subdivision 4, or to the determination of the assessed valuation of commercial-industrial property and each item thereof for purposes of section 8, subdivision 6.

Sec. 11. [473F.11] LATE LEVIES. Subdivision 1. If a governmental unit does not certify its levy to the county auditor by November 25, then for purposes of section 8, subdivision 3, clause (a), and section 8, subdivision 5, its levy shall be deemed to equal its levy in the preceding year.

Subd. 2. If a governmental unit certifies its levy to the county auditor on or before November 25, no change in its levy subsequent to that date shall be recognized for purposes of section 8, subdivision 3, clause (a), and section 8, subdivision 5.

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Subd. 3. Subdivisions 1 and 2 shall not apply to section 8, subdivision 3, clause (b), and section 8, subdivision 4.

Subd. 4. If, in any year, the levy employed in respect to a governmental unit, for purposes of section 8, subdivision 3, clause (a), of section 8, subdivision 5, is determined under subdivision 1 or subdivision 2, and its actual levy as determined subsequent to December 25 is a different amount, then its levy as otherwise determined in the succeeding year shall, for purposes of those provisions, be increased in the amount of the difference if the actual levy was greater than that employed for purposes of those provisions, decreased in the amount of the difference if the actual levy was less than that employed for purposes of those provisions.

Sec. 12. [473F.12] DISTRIBUTIONS FROM MUNICIPAL EQUITY ACCOUNT. Subdivision 1. The sums deposited in the state treasury to the credit of the municipal equity account and all interest earned thereon shall be distributed to qualifying municipalities in the manner provided by this section. Amounts so distributed shall be expended by each municipality in the manner determined by its governing body consistently with other statutory and charter provisions.

Subd. 2. On September 1 of 1971 and each subsequent year, the state auditor shall estimate the total amount available for distribution to municipalities from the municipal equity account during the subsequent calendar year. The amount so estimated shall be the sum of the estimated balance in the account on November 15 of the year in which the estimate is made, the estimated deposits to the credit of the account thereafter through November 15 of the subsequent year, and interest earned by the fund over the 12 month period. The amount to be distributed to each qualifying municipality shall be the amount determined in accordance with subdivision 3, except that (a) if the sum of the amounts so determined differs from the total amount estimated to be available for distribution, the amount of the distribution to each municipality shall be adjusted proportionately, and (b) the amount to be distributed to each qualifying municipality, after any adjustment prescribed by clause (a), shall not be less than $9, or, if the total amount estimated to be available for distribution is less than $10 millions, that proportion of $9 which equals the proportion which the total amount estimated to be available for distribution bears to $10 millions, multiplied by the population of the municipality residing within the area as determined for the year preceding that in which the estimate is made. To the extent that the distributions to any municipality or group of municipalities are adjusted pursuant to clause (b), the distributions to other municipalities shall be adjusted proportionately in amounts sufficient to make the total of the distributions to all municipalities equal the total amount estimated to be available for distribution. The state auditor shall notify the governing body of each qualifying

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municipality of the amount so determined with respect to the municipality before September 20.

Subd. 3. The amount of the distribution to each qualifying municipality is the product of its fiscal effort for the year preceding that in which the estimate is made and the excess of base adjusted fiscal capacity for municipalities for the preceding year over the adjusted fiscal capacity of the municipality for the preceding year. If a qualifying municipality is located partly within and partly without the area, its distribution shall be that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the year preceding that in which the estimate is made.

Subd. 4. On or before each of the dates June 15 and November 15 of 1972 and each subsequent year, the state auditor shall issue a warrant in favor of the treasurer of each qualifying municipality in an amount equal to one half the amount determined by the state auditor to be due the municipality in that year under the terms of subdivision 2. There is hereby appropriated from the municipal equity account, to each municipality entitled to payments authorized by this section, sufficient moneys to make such payments.

Sec. 13. [473F.13] CHANGE IN STATUS OF MUNICIPALITY. Subdivision 1. If a qualifying municipality is dissolved, consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify the fact to the state auditor. The secretary of state shall also certify to the state auditor the current population of the new, enlarged, or successor municipality, if determined by the municipal commission incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of this act until the metropolitan council files its first population estimate as of a later date with the state auditor. If an annexation of unincorporated land occurs without proceedings before the municipal commission, the population of the annexing municipality as previously determined shall continue to govern for purposes of this act until the metropolitan council files its first population estimate as of a later date with the state auditor.

Subd. 2. The amount of each distribution from the municipal equity account shall reflect the status of municipalities as certified by the state auditor on September 1 of the year preceding that in which the distribution is made. If the status of a municipality thereafter changes before the distribution is made, the distribution shall be made to the successor municipality or municipalities. If there are two or more successors, the distribution shall be apportioned among them in accordance with Minnesota Statutes, Section 414.037.

Subd. 3. In determining the locally raised revenues or market ue of property attributable to a successor municipality for a year or to a change in status, such amount shall be deemed the sum of e amounts of its predecessor municipalities and towns. If any of e predecessors were divided incident to the change, then for poses of this act its locally raised revenues shall be apportioned ong its successors in proportion to the division of population ween them, and the market value of property located therein shall allocated to the successor in which the property is located.

Approved July 23, 1971.

EXTRA SESSION
CHAPTER 25—H.F.No.212

[Coded]

An act relating to employment; authorizing the state, its ernmental subdivisions and other public instrumentalities to ploy certain persons in accordance with a federal emergency ployment act.

it enacted by the Legislature of the State of Minnesota:

Section 1. [15.61] FEDERAL EMERGENCY EMPLOYMENT T; EMPLOYMENT OF PERSONS BY STATE. Subdivision 1. state of Minnesota, its departments, agencies and instrumentali- and any county, city, village, borough, town, school district or r body corporate and politic, may employ unemployed and employed persons as defined in the federal Emergency Employ- t Act of 1971 pursuant to and in accordance with the terms of act.

Subd. 2. The provisions of Minnesota Statutes 1969, Sections 5 to 197.48 and 43.30 and any other law or ordinance relating to erence in employment and promotion of persons having served in armed services, the provisions of any civil service law, ule or ation, the provisions of any city charter or any ordinance or ation, or the provisions of any other law or statute in conflict the provisions of the federal Emergency Employment Act of shall not be applicable to the employment of the persons ed in subdivision 1.

Subd. 3. The provision of any law limiting the complement of state department or agency is not applicable to persons employed

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HB 87

Note: Minnesota's Metropolitan Fiscal Disparities Act—An Experiment in Tax Base Sharing

The problem of fiscal disparities within a metropolitan area[1] is essentially one of inequalities in the taxable resources available to each of the various political subdivisions that compose the metropolis. It is a problem of relatively recent development. At one time, the taxable resources of most central cities were more or less balanced, consisting of commerce and industry as well as the residences of people of varying income levels. Although these various land uses were generally concentrated in different neighborhoods, the city itself was large enough to contain them all and thus to allow the rich areas to subsidize the poorer ones. After development reached the borders of the central city, however, growth began to occur within political subdivisions in the surrounding countryside—suburban municipalities which were generally smaller and more homogeneous than the central city, and which tended to be either rich or poor in terms of taxable resources. At the same time, the central city came to shelter an increasing proportion of the less-advantaged while it lost both industry and residences of the more affluent to the suburbs. In short, the sharing of taxable resources that once was possible within the confines of the central city has today become impossible because of the increasing political fragmentation of the metropolis.[2] This in turn has given rise to one aspect of today's much decried urban fiscal crisis.

The Metropolitan Fiscal Disparities Act[3] represents Minne-

1. Many terms used in this Note to denote a community or political subdivision will be used in a narrow, technical fashion. "Metropolis" or "metropolitan area" will be used to mean the overall seven-county area to which the Metropolitan Fiscal Disparities Act applies. *See* note 4 *infra*. Within this area are "governmental units" and "municipalities," both of which are defined by the Act. "'Governmental unit' means a county, city, town, school district, or other taxing unit or body which levies ad valorem taxes in whole or in part within the [seven-county] area." MINN. STAT. § 473F.02(5) (1974). A governmental unit is thus a taxing body. "'Municipality' means a city, town, or township located in whole or part within the [seven-county] area." *Id.* § 473F.02(3). *See also* notes 42-43 *infra* and accompanying text.

2. *See* U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, URBAN AMERICA AND THE FEDERAL SYSTEM 9-13 (1969) [hereinafter cited as URBAN AMERICA].

3. MINN. STAT. ch. 473F (1974).

sota's attempt to partially alleviate the financial imbalance among certain of its metropolitan municipalities. The Act applies to a seven-county area that includes the central cities of St. Paul and Minneapolis and their suburbs.[4] Under the Fiscal Disparities Act, all local governmental units in this seven-county area share a portion of the growth in the area's commercial-industrial[5] tax base. It is the purpose of this Note to investigate the workings and constitutionality of the Act, as well as to critically analyze the effect of the Act on the provision of public services[6] and the development of the seven-county area.[7]

I. THE PROBLEM OF FISCAL DISPARITIES

A "fiscal disparity" exists between two or more governmental units when they have unequal abilities to generate revenue. Since local governments in Minnesota generate their revenues primarily through an ad valorem tax upon real property,[8] the

4. The Act applies to the seven counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, which cover almost 3000 square miles and contain approximately two million people. Within this area lies a diverse sampling of municipalities, including central cities, balanced cities, dormitory suburbs, and commercial-industrial areas. *See* J. MARGOLIS, W. HELLER & N. GLICKMAN, METROPOLITAN FISCAL DISPARITIES: PROBLEMS AND POLICIES 5-1 to 5-5 (1971) [hereinafter cited as MARGOLIS]. The various and oftentimes overlapping political subdivisions include 137 cities, 52 townships, 49 school districts, 7 counties, and numerous special purpose governmental units.

5. "Commercial-industrial property" is defined in MINN. STAT. § 473F.02(3) (1974). Basically, it is property which is either used or zoned for any commercial or industrial purpose. Apartment buildings, however, are not included. *Id.* § 473F.02(3)(d).

6. The term "public services" will be used to denote those services that local governmental units normally provide, such as fire and police protection, water and sewer service, and education.

7. This Note will not, however, discuss the portions of the Act that provide for a municipal equity account. Those provisions establish a formula whereby funds appropriated pursuant to other state legislation may be distributed to municipalities in the seven-county area. *See* MINN. STAT. §§ 473F.01(7), .02(9), (11), (16)-(20), .12, .13 (1974). But the provisions for this account are essentially unrelated to the rest of the Act.

8. *See* MINNESOTA LEGISLATURE SUBCOMM. ON FISCAL DISPARITIES OF HOUSE COMM. ON METROPOLITAN AND URBAN AFFAIRS, FINAL REPORT, 1969-70 INTERIM 1-2 (1971) [hereinafter cited as HOUSE REPORT]. In recent years, the Minnesota legislature has attempted to partially relieve both citizens and local governments from the burdens of local property taxes by using state income tax revenues as a source for increased state aid to school districts and local governments. *See* MINN. STAT. § 124.212 (1974); *id.* § 477A.01 *et seq.* The governor's proposals for the 1975-77 budget indicate that this form of state aid will continue to increase. *See* Minneapolis Tribune, Jan. 17, 1975, § B, at 10, cols. 3-4. As to the

taxable resources available to these governmental units are heavily dependent on the assessed valuation of the real property located within their borders. As indicated earlier,[9] however, political fragmentation of a metropolitan area results in the area's property tax base being divided rather arbitrarily among the various governmental units.[10] Fiscal disparities may thus arise when the per capita assessed valuation of real property differs between two of these governmental units; a unit with a high fiscal capacity[11] can tax itself at a low rate and still generate the same revenue per capita that a poorer municipality will generate with a high tax rate.[12] This situation has had two major effects: inequities in the provision of public services, and im-

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efficacy of this form of state aid in providing relief to local governmental units, see note 125 *infra*.

9. *See* text accompanying note 2 *supra*.

10. *See* San Antonio Indep. School Dist. v. Rodriguez, 411 U.S. 1, 53-54 (1973). In addition, local political subdivisions do not necessarily correspond to the areas benefiting from the public services that a particular governmental unit provides. *See* note 19 *infra*.

11. "Fiscal capacity is a quantitative measure intended to reflect the resources which a taxing jurisdiction can tax to raise revenue for public purposes." U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, MEASURES OF STATE AND LOCAL FISCAL CAPACITY AND TAX EFFORT 3 (1962) [hereinafter cited as MEASURES]. The Act defines a municipality's fiscal capacity to be the market value of all real property within its jurisdiction divided by its population. MINN. STAT. § 473F.02(13), (14) (1974).

The fact that two municipalities have equal fiscal capacities, however, does not necessarily mean that they will provide the same level of public services. There are many factors besides the total available resources that affect the ability and inclination of taxpayers to seek a particular level of services from their local government; these factors include other demands which may be made upon the available resources, the taxpayers' perception of the fairness and reasonableness of the tax, the taxpayers' preference for public services, the nature of the local decisionmaking process, and the composition of the local tax base and population. *See* MARGOLIS, *supra* note 4, at 3-1 to 3-3; MEASURES, *supra*; Note, *A Statistical Analysis of the School Finance Decisions: On Winning Battles and Losing Wars*, 81 YALE L.J. 1303, 1315 (1972) [hereinafter cited as *A Statistical Analysis*]. Differences in the per capita costs of public services will also affect the level of the services that a governmental unit can provide. *See* note 112 *infra*.

The fiscal capacity of a municipality within the seven-county area and the assessed valuation of its commercial-industrial property appear to be directly related. Brief for Appellants at 25-26, Add-31, Village of Burnsville v. Onischuk, 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975). *See also* MARGOLIS, *supra* note 4, at 5-6 to 5-7 (noting that the central cities may be the one exception to this relationship).

12. Brief for Appellants at 23-28, Add-31, Village of Burnsville v. Onischuk, 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975); URBAN AMERICA, *supra* note 2, at 7-13.

balance in the development of the seven-county metropolitan area.

It is apparent that in the seven-county area there is a direct relationship between a municipality's fiscal capacity and its per capita expenditures for public services.[13] Significant differences in fiscal capacity,[14] however, cannot be readily compensated for by increases in the tax rate of the poorer municipalities.[15] Thus, a preference for a certain level of public services within a municipality will not always control; relative wealth must also be considered. If the position is accepted that equal tax efforts should result in commensurate yields to the taxing units, inequities in either the public services provided or the tax burdens borne are manifestly unfair.[16]

The resulting unfairness to the taxpayer becomes even more apparent when it is recognized that the more or less arbitrary

13. *See* Brief for Appellants at 26-28. Add-31, Village of Burnsville v. Onischuk, 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975); METROPOLITAN COUNCIL, THE IMPACT OF FISCAL DISPARITY ON METROPOLITAN MUNICIPALITIES AND SCHOOL DISTRICTS 15 (1971) [hereinafter cited as METROPOLITAN COUNCIL]. *See generally* Netzer, *Federal, State, and Local Finance in a Metropolitan Context*, in ISSUES IN URBAN ECONOMICS 435, 442 (1968) [hereinafter cited as Netzer]. *Cf. A Statistical Analysis*, *supra* note 11, at 1329.

14. In the seven-county area, fiscal capacity may vary between municipalities by a ratio of as much as three to one. *See* Brief for Appellants at 22. Add-31, Village of Burnsville v. Onischuk, 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975); HOUSE REPORT, *supra* note 8, at 1. *Cf.* CITIZENS LEAGUE FISCAL DISPARITIES COMM., BREAKING THE TYRANNY OF THE LOCAL PROPERTY TAX 8 (1969) [hereinafter cited as CITIZENS LEAGUE].

15. A governmental unit may encounter legal restraints on the tax levy it can set, because the Minnesota legislature, in an effort to provide property tax relief, has placed significant limitations on such levies. MINN. STAT. § 275.125 (1974) (school districts); *id.* §§ 275.50-.59 (counties, cities, and towns). If a statutory limit is exceeded, the governmental unit will lose state funds. *See id.* §§ 275.125(4), .51(4). The limit, however, may be increased by a referendum within the governmental unit. *Id.* §§ 275.125(2a)(3), .59.

Regardless of statutory limitations, a substantial increase in the tax rate is almost always an unpopular political course. Even if politically feasible, this course of action may prove ineffective—if the increased tax burdens are greater than anticipated relocation costs, the more mobile portion of the local tax base may move to a municipality with a lower tax rate. *See* URBAN AMERICA, *supra* note 2, at 13. Similarly, individuals and businesses giving consideration to locating in the municipality may be deterred by the increased tax rate, thereby exacerbating the problem of a small local tax base.

16. *See* Comment, *Ad Valorem Financing of Law Enforcement Services: An Equitable Solution to an Inequitable Condition*, 19 U.C.L.A.L. REV. 59, 63-66 (1971) [hereinafter cited as *Ad Valorem Financing*].

political fragmentation of the seven-county metropolitan area fails to reflect the social and economic interdependence of the area.[17] That interdependence is evidenced by the considerable intercommunity travel within the area,[18] and by the presence of local governmental "spillovers."[19] Commercial and industrial enterprises, generally staffed and patronized at least in part by nonresidents of the municipality in which the enterprise is located, are especially likely to be of a metropolitan character.[20]

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17. For a discussion of the interdependence of the seven-county area, see MARGOLIS, *supra* note 4, at 1-1. It should be noted that as a metropolitan area develops and subcenters emerge in surrounding areas, the economic interdependence of the area as a whole will decline. *See* Netzer, *supra* note 13, at 472-73. The problem of fiscal disparities will remain, however, since commercial and industrial development will continue to concentrate in certain municipalities. *See* Minneapolis Tribune, July 16, 1971, § A, at 5, cols. 1-2 (65 percent of new commercial-industrial tax base to locate in 15 percent of the metropolitan area over the next 25 years). *See also* note 32 *infra*.

18. *See* Brief for Appellants at 19-21, Village of Burnsville v. Onischuk, 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975). For example, approximately one-half of the persons employed in the metropolitan area reside in a county other than the one in which they work, and one-third of all trips in the area begin and end in different counties. *Id.*

19. "Spillovers" can be defined as the benefits or detriments one community receives as a result of another's action or inaction. *See* Note, *Metropolitan Government: Minnesota's Experiment with a Metropolitan Council*, 53 MINN. L. REV. 122, 123 (1968) [hereinafter cited as *Metropolitan Government*]. Thus, when political boundaries do not coincide with the area benefited by a particular public service, either benefit or cost spillovers may result. *Benefit* spillovers can be of two types: nonresidents may enter the community and make use of local services; or the nature of the service itself may affect other areas or follow a resident if he leaves the community. Note, *Equalization of Municipal Services: The Economics of* Serrano *and* Shaw, 82 YALE L.J. 89, 99 (1972) [hereinafter cited as *Municipal Services*]. Examples of the latter type of benefit spillover are preventive health care and education. *Cost* spillovers are similar in form, as when local taxes are shifted to nonresidents or when the pollution created in one community contaminates the environment of an adjoining community.

Spillovers tend to be the rule in metropolitan areas, *see* U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, STATE AID TO LOCAL GOVERNMENT 6-7 (1969) [hereinafter cited as STATE AID], and are likely to increase with technological change and growing consumer demands. Netzer, *supra* note 13, at 472-73.

The presence of spillovers alone does not mandate tax reform, however, since they may balance out between municipalities or their effects may be reduced via user charges, intergovernmental transfers, or redefined political boundaries. *See Municipal Services*, *supra*.

20. An example is the Southdale shopping center, located in Edina, a Minneapolis suburb. It is patronized not only by Edina residents, but also by residents of Minneapolis and other area suburbs. The property taxes that Southdale contributes to local governmental units are thus

To the extent that such property increases the fiscal capacity of a particular municipality, it does so in part through the contributions of nonresidents. Thus the taxable property that is scattered among the municipalities of the seven-county area is in this sense a metropolitan tax base. If this social and economic interdependence of the seven-county area is accepted, then clearly the different costs to taxpayers of the public services provided by various municipalities stems not from any inherent differences in the taxpayers' situations, but only from the circumstance of their location in municipalities of different fiscal capacities.

The other major problem raised by the presence of fiscal disparities within the metropolitan area is that of imbalance in the development of the area. The decision of an industrial firm to locate in a particular municipality within the metropolitan area can be influenced by a number of factors, notably tax rate differentials,[21] the ability of a local government to negotiate pref-

borne in part by nonresident shoppers. Admittedly, the municipality may have to provide additional public services to the area because of the presence of the shopping center; but the surplus in excess of such costs that accrues to the municipality will be funded in part by nonresidents.

Similarly, a factory may locate in a municipality, thereby increasing that municipality's fiscal capacity, while its employees will establish residence elsewhere. The governmental units in which the employees live thus face increased costs, particularly for the education of the employees' children, without benefit of any corresponding increase in their industrial tax base.

21. *See* U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, STATE-LOCAL TAXATION AND INDUSTRIAL LOCATION 68-70 (1967) [hereinafter cited as STATE-LOCAL TAXATION]. Nontax factors, such as location of raw materials, markets, and labor, tend to be more influential in the firm's selection of a particular region—as distinguished from a site within the region. *Id.*

22. *See* URBAN AMERICA, *supra* note 2, at 12. The traditional taxing system has encouraged preferential tax treatment, *see* HOUSE REPORT, *supra* note 8, at 6, in that there is considerable pressure on local assessors to offer such treatment, *see* STATE-LOCAL TAXATION, *supra* note 21, at 85. The ability of Minnesota municipalities to offer preferential assessment was reduced, however, by 1971 legislation providing that assessors be certified by the State Board of Assessors. MINN. STAT. §§ 270.41, .48, .50 (1974). Furthermore, a State Board of Equalization was established to review assessments. *Id.* § 270.12. *See also id.* §§ 274.01, .13 (review by city council and County Board of Equalization). Because of the difficulty in determining the market value of business property, however, U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, FINANCING SCHOOLS AND PROPERTY TAX RELIEF—A STATE RESPONSIBILITY 71, 73 (1973) [hereinafter cited as FINANCING SCHOOLS], the possibility of preferential assessments still exists.

erential assessments,[22] and the provision of public services.[23] The possibility of augmenting their respective fiscal capacities by attracting new industry through a manipulation of these factors causes "keen competition" among the municipalities of the metropolitan area.[24]

This competition manifests itself on both a local and a regional plane. At the local level, the initial decision on the appropriateness of a given development within the municipality tends to be based on an analysis of whether the tax revenue to be gained from that development will exceed the cost of providing the necessary public services to it.[25] At the regional level, municipalities strive to influence the location or nature of area-wide development so as to derive the greatest possible improvement in their fiscal capacities; this improvement in fiscal capacity may be sought regardless of safety, environmental, or other considerations.[26] On the other hand, individual municipalities resist the location within their borders of developments which will redound to the benefit of the entire metropolitan area, but which will not contribute to the local tax base.[27] In attempting to allocate local land use so as to maximize the tax advantage of their municipality, local officials may thus forgo or resist de-

23. *See* STATE-LOCAL TAXATION, *supra* note 21, at 71-75.

24. *Id.* at 70. *See also* URBAN AMERICA, *supra* note 2, at 12 ("cut-throat intergovernmental competition").

25. *See* MARGOLIS, *supra* note 4, at 2-22; *Metropolitan Government*, *supra* note 19, at 126. Regulating development on this basis is termed "fiscal zoning." Netzer, *supra* note 15, at 473. Its effect is most pronounced when the municipality is confined to a small geographic area. *Id.*

The usual tactic for discouraging unwanted development within the municipality is exclusionary zoning. CITIZENS LEAGUE, *supra* note 14, at 5. If, on the other hand, the development under consideration would be an economic asset to the municipality, its growth may be encouraged by offering preferential assessments, *see* HOUSE REPORT, *supra* note 8, at 6, or by extending water and sewer facilities to the intended site, *see* Margolis, *The Demand for Urban Public Services*, in ISSUES IN URBAN ECONOMICS 527, 535 (1968).

26. For example, although municipalities have little hope of influencing the location of a freeway, they may have some effect on the number and location of freeway interchanges. The more interchanges a municipality has within its boundaries, the more access it can offer to local commercial or industrial development. A concern for traffic safety, however, might call for widely spaced interchanges, thus running counter to the economic interests of local communities. *See* HOUSE REPORT, *supra* note 8, at 4-5.

27. For example, parks, open spaces, and wetlands might well be sacrificed if balanced in the calculus of only one municipality, whereas they would perhaps be preserved if the interest of the seven-county area as a whole were to be considered. *See id.* at 3-4.

velopment that might be highly desirable from the viewpoint of noneconomic considerations.

As a result of this competition for a more productive tax base, the seven-county area has suffered haphazard and inefficient development. Municipal ordinances designed to improve a municipality's fiscal capacity force developers who do not meet prescribed standards to move farther away from the center of the area. This contributes to urban sprawl and high public service costs in remote areas,[28] while undeveloped land nearer to the central cities and already fully furnished with public services is available.[29] Furthermore, tax considerations hinder the consolidation and annexation of some of the myriad governmental units in the seven-county area,[30] thereby precluding economies of scale in the provision of public services. Consequently, the interest of municipalities in improving their fiscal capacities conflicts with what might be regarded as optimal regional development.

Under a traditional taxing system, therefore, municipalities have little incentive to cooperate with a regional development plan that conflicts with their interest in maximizing fiscal capacities. Yet the need for a regional development plan is evidenced by the legislative mandate to the Metropolitan Council[31] to co-

28. CITIZENS LEAGUE, *supra* note 14, at 5-6.

29. In 1973, 41 percent of the 562 square miles in the seven-county area served by existing sewer systems was vacant land, suitable for development. METROPOLITAN COUNCIL, METROPOLITAN DEVELOPMENT FRAMEWORK INTERIM POLICIES 9 (1974) (similar figures for storm sewers and public water reported to be 34 percent and 35 percent, respectively). A Metropolitan Council staff report estimated that two billion dollars in development costs could be saved through 1990 by planning the area's growth so as to utilize undeveloped land within the area. *See* METROPOLITAN COUNCIL, METROPOLITAN DEVELOPMENT GUIDE, ch. Development Framework, at 3-4 (1974) [hereinafter cited as METROPOLITAN DEVELOPMENT GUIDE]; METROPOLITAN COUNCIL OF THE TWIN CITIES AREA, NEWSLETTER, Aug. 1974, at 1.

30. For example, one obstacle to consolidation or annexation is usually the reluctance of a richer governmental unit to share its tax base with a poorer unit. *See* CITIZENS LEAGUE, *supra* note 14, at 3-4.

31. The Metropolitan Council was created by MINN. STAT. ch. 473B (1974). *See generally* S. BALDINGER, PLANNING AND GOVERNING THE METROPOLIS—THE TWIN CITIES EXPERIENCE (1971); *Metropolitan Government*, *supra* note 19. The Council is responsible for providing a Development Guide for the seven-county area, *see* note 33 *infra*, and for coordinating the functions of various commissions that provide certain services in the seven-county area. *See* MINN. STAT. §§ 473B.06(5a), .062 (1974) (Council's powers); *id.* §§ 473A.051(2), .06(1a) (transit); *id.* §§ 473C.01, .06 (sewage); *id.* § 473D.03 (solid waste disposal); *id.* § 473G.04 (1) (metropolitan parks and open space). The Council also has the power to review the long-term, comprehensive plans of independent

ordinate and plan development for the seven-county area.[32] Without some tax reform, however, the Council might expect to encounter serious opposition to its Development Guide[33] from municipalities that would be economically injured by its implementation.[34] Thus, some way of reducing the impact of fiscal disparities on area development and the provision of public services was necessary in order to allow development in accordance with a regional plan. It is this need which the Fiscal Disparities Act attempts to meet.

II. THE FISCAL DISPARITIES ACT

A. History and Operation of the Act

In 1971, the Minnesota legislature after stormy debate[35]

commissions if those plans may have an area-wide or multi-community effect, or a substantial effect on metropolitan development. *Id.* § 473B.06(6).

32. For example, the Council has adopted the policy that commercial and industrial growth should be clustered in several major, diversified centers, rather than being scattered throughout the metropolitan area. Metropolitan Development Guide, *supra* note 29, at 8-9, 16-17, 31. In this respect, the Fiscal Disparities Act promotes the Council's plans by reducing the competitive need for such development to occur in a particular community, while avoiding the otherwise inequitable result of concentrating the commercial-industrial tax base in only a few localities. *See* notes 16-20 *supra* and accompanying text.

33. Minn. Stat. § 473B.06(5) (1974) requires the Council to produce a Development Guide for the seven-county area. The Guide will establish general policies for the area's growth. *See generally* Freilich & Ragsdale, *Timing and Sequential Controls—The Essential Basis for Regional Planning: An Analysis of the New Directions for Land Use Control in the Minneapolis-St. Paul Metropolitan Region*, 53 Minn. L. Rev. 1009 (1974). Different levels of government share the planning and implementation responsibilities for the Guide's Development Framework; local governmental units originate plans which must accord with the general policies established by the Council. *See* Metropolitan Development Guide, *supra* note 29, at 10-12, 39-43. *See also* note 104 *infra*.

34. *See* Citizens League, *supra* note 14, at 6; House Report, *supra* note 8, at 2. *See also* notes 31-32 *supra*.

35. The bill passed the senate by one vote. Of the 31 senators who voted against the bill, 12 were from the seven-county area and 19 were from outstate Minnesota. Minneapolis Tribune, June 2, 1971, § A, at 1, cols. 2-6, at 4, cols. 4-5. Final passage in the house was by a vote of 83 to 39, with 13 of the opponents representing districts within the seven-county area. Minneapolis Tribune, July 16, 1971, § A, at 1, cols. 4-8, § C, at 5, cols. 5-8.

Suburban opponents feared that the bill would lead to loss of the local tax base, reduction of incentives to attract commercial development, and adoption of a metropolitan government. *See id.*, § A, at 1, col. 8; Minneapolis Tribune, June 2, 1971, § A, at 1, col. 4. The Act was also

passed the Metropolitan Fiscal Disparities Act,[36] which provides a method of reducing fiscal disparities within the seven-county area while retaining existing governmental and tax structures. The Act, which nominally[37] went into operation in 1972, was greeted with national acclaim as both an innovative and a realistic approach to metropolitan problems.[38] Some skepticism has been expressed, however, as to whether the Act will ultimately be effective.[39]

The basic concept of the Fiscal Disparities Act is tax base sharing. In particular, the Act implements a plan whereby 40 percent of the commercial-industrial growth in the seven-county area since 1971 is to be shared by all governmental units levying property taxes within the area. The Act places no restrictions on where or how the shared funds can be spent by the recipient governmental units, although it does state six objectives which it is hoped the tax base sharing will accomplish.[40] The Act, moreover, does not fundamentally change the

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said to have virtually insurmountable administrative problems. *See* Minneapolis Tribune, July 16, 1971, § A, at 1, col. 3.

Rural legislators who opposed passage of the Act feared that it would be expanded to the entire state. *Id.* At the time, such expansion of the plan was politically unfeasible, although the State Planning Agency did consider the option, finding that the outstate tax base was insufficient to render the plan economically feasible. *See* J. HOYT & D. NELSON, A REPORT ON REGIONAL TAX BASE SHARING 4 (1973).

36. Minn. Laws Extra Sess. 1971, ch. 24 (codified at MINN. STAT. ch. 473F (1974)). The concept of tax base sharing for the seven-county area, now embodied in the Act, originated with the Citizens League. *See generally* CITIZENS LEAGUE, *supra* note 14.

37. The first assessments under the Act were required to be completed and certified to the appropriate county auditor by November 20, 1972. MINN. STAT. §§ 473F.04, .05 (1974). Operation of the Act was enjoined by a Minnesota district court, however, on the ground that it violated the uniformity clause of the Minnesota Constitution. This decision was reversed by the Minnesota Supreme Court on September 13, 1974. Village of Burnsville v. Onischuk, 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975). *See* notes 55-64 *infra* and accompanying text.

38. *See, e.g.*, Corditz, *A Word for the Property Tax*, 85 FORTUNE, May 1972, at 105, 112; Falternayer, *'Metro' government, Twin Cities-style*, 72 LIFE, Jan. 21, 1972, at 28; Editorial, *Tax Base Sharing*, 60 NAT'L CIVIC REV. 424 (1971).

39. *See A Statistical Analysis*, *supra* note 11, at 1325 n.196 ("But by restricting its scope to 'commercial-industrial property,' the plan does little to end enclaves of low or high residential property taxes.").

40. MINN. STAT. § 473F.01 (1974) provides:

> The legislature finds it desirable to improve the revenue raising and distribution system in the seven county Twin Cities area to accomplish the following objectives.
>
> (1) To provide a way for local governments to share in the

existing tax structure or its administration;[41] it merely provides a method by which property in one governmental unit can be taxed by others.

Before exploring the workings of the Fiscal Disparities Act, it is necessary to review several technical definitions. The focus of the Act is upon "municipalities," which are defined by the Act as cities, towns, or townships located in whole or in part within the seven-county area.[42] Municipalities are used as a basic unit for calculating both the contributions to and the distributions from the area-wide tax base. "Governmental units" are the jurisdictional units that actually collect taxes under the Act. They may or may not be municipalities. The Act defines them as taxing units or bodies which levy ad valorem taxes in whole or in part within the seven-county area; this would include such units as counties, cities, and school districts.[43]

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resources generated by the growth of the area, without removing any resources which local governments already have;

(2) To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities and airports;

(3) To establish incentives for all parts of the area to work for the growth of the area as a whole;

(4) To provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making;

(5) To help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest;

(6) To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for parks and open space can be preserved . . . .

A seventh objective, concerning the distribution to municipalities of other revenues, is beyond the scope of this Note. *See* note 7 *supra*.

41. One of the seven county auditors serves as the "administrative auditor" and administers the statute from his county office. MINN. STAT. §§ 473F.03, .07(3), (4) (1974). Each county treasurer remits the tax revenues from the shared tax base to the state treasurer, who deposits the revenues in an area-wide tax account from which they are subsequently distributed to governmental units in the same manner as are all other tax revenues. *Id.* §§ 473F.08(7), (8). Assessment of the market value of commercial-industrial property within each jurisdiction takes place as it did before passage of the Act.

42. *Id.* § 473F.02(8). *See also* note 1 *supra*.

43. MINN. STAT. § 473F.02(5) (1974). *See also* note 1 *supra*. Seventeen school districts and three municipalities are located partly within and partly without the seven-county area. The Act deals to some extent with these divided governmental units. Section 473F.02(8) limits the Act's application to property located within the seven-county area, although each municipality's fiscal capacity is to be computed on the basis of its entire property valuation and population. Section 473F.07(3)

The first step in the operation of the Act is to determine the *area-wide tax base*. Every year, the assessors of each county in the metropolitan area assess the value of all non-exempt commercial-industrial property located within the municipalities of that county. This amount is then compared with the assessed valuation[44] of such property in 1971, the base year. Forty percent of the increase over the 1971 valuation is then contributed by the municipality to the area-wide tax base for the given year.[45] If the market value of the commercial-industrial property within a municipality shows no increase over 1971, that municipality makes no contribution to the area-wide tax base. The sum of the contributions from all the municipalities in the entire seven-county area constitutes the area-wide tax base.

In order to determine the share of the area-wide tax base which each municipality is to receive, a *distribution index*, based on the population and fiscal capacity of each, must be calculated.[46] A particular municipality then receives a share of the area-wide tax base proportional to the ratio of its index to the sum of the indices of all municipalities within the seven-county area.[47] Whether the municipality gains or loses assessed valuation under the plan depends on whether the share it receives is larger or smaller than the one which it has contributed.[48]

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provides that the municipality's area-wide tax base distribution index, *see* note 46 *infra*, must be multiplied by the fraction of the municipality's population residing in the seven-county area.

44. *Valuation* is defined as the market value of the real property within a municipality. MINN. STAT. § 473F.02(13) (1974). *Assessed valuation* is thus the percentage of the valuation which Minnesota subjects to the tax. *See id.* § 273.13.

45. *Id.* §§ 473F.05-.07.

46. The area-wide tax base *distribution index* for a municipality is equal to its population multiplied by the ratio of the average fiscal capacity for the seven-county area to the municipality's fiscal capacity (both measured in the prior year) multiplied by two; if the product of those factors is less than the municipality's population, however, the index is equal to the population. *Id.* § 473F.07(3).

47. *Id.* §§ 473F.07(3)-(5).

48. Whether a municipality gains or loses *tax dollars* under the plan depends on the relationship between its local tax rate and the area-wide tax rate. *See* text accompanying notes 52-53 *infra*. The amount of tax dollars a municipality contributes to the area-wide tax account is equal to the assessed valuation contributed by the municipality to the area-wide tax base multiplied by the area-wide tax rate. The amount of tax revenue a municipality receives is equal to its share of the area-wide tax base multiplied by the local tax rate. *See* note 51 *infra* and accompanying text. Thus, even if on balance a municipality loses assessed valuation to the area-wide tax base, it could receive more tax dollars than it contributes to the area-wide tax account if its local tax rate is sufficiently greater than the area-wide tax rate. A similar situation may

Once the contributions to and the distributions from the area-wide tax base have been calculated for municipalities, the focus shifts to the governmental unit so that the mechanics of actually collecting tax revenues under the Act may be worked out. Initially, each governmental unit must ascertain its *local tax base*; this is done by determining the assessed valuation of *all* nonexempt real property within the governmental unit and subtracting the contributions made to the area-wide tax base by municipalities located in whole or in part within its jurisdiction.[49] The governmental unit must also ascertain its share of the area-wide tax base; this share is determined by adding together the distributions to which all municipalities located in whole or in part within the unit's jurisdiction are entitled.[50] Aware of the size of the tax bases upon which it can levy a tax, the governmental unit then determines the amount that it desires to raise in tax revenue and certifies this amount to the appropriate county auditor as its *levy*. The county auditor will subsequently apportion that levy between the local tax base—that is, that part of the particular governmental unit's assessed valuation which was not contributed to the area-wide tax base—and the unit's share of the area-wide tax base.[51]

The first portion is termed the *local levy*. The local levy divided by the local tax base equals the *local tax rate*, a rate which will be applied to all taxable property within the jurisdic-

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exist for other governmental units. *See* notes 49-53 *infra* and accompanying text.

49. The contribution of a governmental unit to the area-wide tax base is proportionate to the assessed valuation of the commercial-industrial property located within each municipality subject to that unit's taxing power. MINN. STAT. § 473F.03(2)(a) (1974). Thus, if one-half of the commercial-industrial property in a particular municipality were subject to taxation by the unit, one-half of the amount contributed by the municipality to the area-wide tax base would be subtracted from the unit's tax base. This procedure would be repeated for all municipalities in which the unit levies taxes.

50. The proportion of each municipality's distribution to which a governmental unit is entitled is calculated by dividing the assessed valuation of all residential property within a municipality subject to the unit's taxing power by the total assessed valuation of all residential property within that municipality. *Id.* § 473F.08(2)(b).

51. The area-wide levy is equal to that portion of the total levy represented by the unit's share of the area-wide tax base divided by the sum of the unit's local tax base and its share of the area-wide tax base. *Id.* §§ 473F.08(2), (3)(a). The local levy is equal to the difference between the total levy and the area-wide levy. *Id.* § 473F.08(3)(b). The ratio of the area-wide levy to the local levy is thus equivalent to the ratio that the unit's share of the area-wide tax base bears to the local tax base.

Minnesota Supreme Court had previously held that tax legislation must satisfy two requirements in order to be valid under this clause: similarly situated taxpayers must be treated alike,[57] and special benefits must accrue to the community that bears the tax.[58] Relying principally on the latter of these two requirements, the district court held that there was no reasonable relationship between the contribution made by a municipality to the area-wide tax base and the benefits that its citizens would derive from the distribution of funds under the Act.[59] In other words, the main issue of the case was whether those units of government within the metropolitan area which in a given year contribute more of their tax base to the pool than is redistributed to them are sufficiently benefited to meet the constitutional requirement of uniformity.[60]

In a four-three decision in *Village of Burnsville v. Onischuk*,[61] the Minnesota Supreme Court reversed, holding that the Act satisfies the requirements of the uniformity clause; an appeal to the United States Supreme Court was dismissed for want of a substantial federal question. The Minnesota court admitted that a "literal reading" of its prior decisions would have dictated invalidation of the Act because special benefits would not accrue to each governmental unit on which the tax was imposed.[62] Nonetheless, the court stated that requiring a special benefit to accrue to the governmental unit

> no longer adequately serves the constitutional requirement of uniformity. In a seven-county area which is heavily populated, . . . it is no longer necessary for units of government providing tax revenue to receive the kind of tangible and specific benefits to which our court has previously referred . . . to satisfy the uniformity clause.[63]

Instead, the court found that governmental units which contribute more than they receive under the Act derive benefits

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57. *See, e.g.*, Montgomery Ward & Co. v. Comm'r of Taxation, 216 Minn. 307, 310, 12 N.W.2d 625, 627 (1943).

58. *See* City of Jackson v. County of Jackson, 214 Minn. 244, 7 N.W.2d 753 (1943); Village of Robbinsdale v. County of Hennepin, 199 Minn. 203, 207, 271 N.W. 491, 493 (1937); Sanborn v. Comm'rs of Rice County, 9 Minn. (9 Gill.) 258, 262 (1864).

59. The statute "imposes a tax on some [units] for the benefit of others." 222 N.W.2d at 528, quoting the trial court memorandum.

60. *Id.* at 529.

61. 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975) (no substantial federal question). Burnsville, the municipality that challenged the Act, can be characterized as a developing suburb.

62. *Id.* at 530.

63. *Id.*

from the area-wide tax base by reason of the social and economic interdependence of the seven-county area. Hence, residents "of highly developed commercial-industrial areas . . . enjoy direct benefits from the existence of adjacent municipalities which provide open spaces, lakes, parks, golf courses, zoos, fairgrounds, low density housing areas, churches, schools, and hospitals."[64]

Two aspects of the court's decision deserve comment. First, the Fiscal Disparities Act is tax legislation and thus is entitled to a presumption of validity.[65] This deference is essential to allow the legislature to reform local property taxes in the most efficient and realistic manner.[66] In *Onischuk*, the Minnesota Supreme Court expressly accorded such deference to the legislature's scheme for reducing fiscal disparities.

Second, even though the court found that the "special benefit" requirement did not invalidate the Fiscal Disparities Act, that requirement was not completely abandoned: residents must still derive some threshold benefit from the allocation of taxes under a challenged statute.[67] The court in *Onischuk* merely revised its view of the uniformity clause to take into account what it called "a developing concept of the meaning of the word 'benefit.'"[68] That concept apparently centers around an implicit recognition that benefits can be derived from the social and economic interdependence of the seven-county area.[69] This percep-

64. *Id.* at 532.

65. Courts traditionally defer to the legislative judgment on tax legislation because the subject matter is complex, because courts tend to lack familiarity with local problems, and because a stricter standard of review would entail inquiry into the purpose of the statute, an especially difficult matter with respect to tax legislation. Tussman & tenBroek, *The Equal Protection of the Laws*, 37 CALIF. L. REV. 341, 370 n.68, 372-73 (1949). *See, e.g.*, General Mills, Inc. v. Division of Employment & Security, 224 Minn. 306, 310-11, 28 N.W.2d 847, 849-50 (1947).

66. *See* San Antonio Indep. School Dist. v. Rodriguez, 411 U.S. 1, 58 (1973)

67. 222 N.W.2d at 530-32.

68. *Id.* at 530. The court cited Visina v. Freeman, 252 Minn. 177, 89 N.W.2d 635 (1958), as the precursor of this "evolving" notion of benefit. *Visina* involved a challenge under the uniformity clause to the statute establishing the Port Authority of Duluth, an agency which was to finance the reclamation of land and the construction of a terminal port facility. In that case, the Minnesota Supreme Court found that all involved taxpayers received benefits sufficient to uphold the statute's constitutionality. Yet *Visina* concerned benefits that would be derived from a specific improvement, whereas *Onischuk* involved benefits to be derived from undetermined uses of redistributed revenues—benefits arising from the social-economic interdependence of the area.

69. *See* text accompanying note 64 *supra*. The court also acknowl-

tion of benefit is based on the realization that the political fragmentation of the seven-county area is artificial and that the area is actually a socially and economically integrated entity. In essence, the seven-county area can be viewed as a large city rather than as numerous, completely autonomous political subdivisions.

In ruling on the constitutionality of the Fiscal Disparities Act, the Minnesota Supreme Court did not explicitly address the equal protection issue raised by the plaintiffs.[70] Thus, it might be argued that the statute remains open to a constitutional challenge on that ground.[71] It seems likely, however, that the court

edged that commercial-industrial property can provide a windfall to the municipality in which it locates, and that competition for such property could lead to disorderly development of the seven-county area. 222 N.W. 2d at 532.

70. In their complaint, plaintiffs had alleged that the statute violated the equal protection provisions of the fourteenth amendment to the United States Constitution. 222 N.W.2d at 526. Both the district and supreme courts, however, ruled explicitly only on the uniformity ground. In passing over the equal protection issue, the supreme court seemed to indicate that its inattention was attributable to the fact that the uniformity clause has been construed "to be no more restrictive than the [federal] equal protection clause." *Id.* at 527. *See In re* Taxes on Property of Cold Spring Granite Co., 271 Minn. 460, 466, 136 N.W.2d 782, 787 (1965); Apartment Operators Ass'n v. Minneapolis, 191 Minn. 365, 366, 254 N.W. 443, 444 (1934); Reed v. Bjornson, 191 Minn. 254, 261, 253 N.W. 102, 105 (1934). *See also* Lake Superior Consol. Iron Mines v. Lord, 271 U.S. 577, 581 (1926).

71. There is a line of cases which suggests that the Act could not be successfully challenged under the federal equal protection clause. Thus, while the Minnesota Supreme Court has held that the uniformity required by the Minnesota Constitution in the distribution of tax benefits is achieved if there is a reasonable relationship between tax benefits and burdens, *see* Visina v. Freeman, 252 Minn. 177, 195, 89 N.W.2d 635, 650 (1958) (uniformity of distribution among several taxing districts); Village of Robbinsdale v. County of Hennepin, 199 Minn. 203, 271 N.W. 491 (1937) (uniformity of distribution within one taxing district); State *ex rel.* City of New Prague v. County of Scott, 195 Minn. 111, 261 N.W. 863 (1935) (uniformity of distribution within one taxing district), some courts have stated that the fourteenth amendment does not require that a tax bear a reasonable relationship to the benefits received. *See* Carmichael v. Southern Coal & Coke Co., 301 U.S. 495, 521-23 (1937); Thomas v. Gay, 169 U.S. 264, 278-80 (1897); Hess v. Mullaney, 213 F.2d 635, 639-40 (9th Cir.), *cert. denied*, 348 U.S. 836 (1954); Morton Salt Co. v. City of South Hutchinson, 177 F.2d 869, 891-92 (10th Cir. 1949); Lafayette Steel Co. v. City of Dearborn, 360 F. Supp. 1127, 1131 (E.D. Mich. 1973). The latter view, however, may not apply to the situation in *Onischuk*. Those cases involved general taxes, *see* Illinois Cent. R.R. v. Decatur, 147 U.S. 190, 196-97 (1892); Kelly v. Pittsburgh, 104 U.S. 78, 80-83 (1881), and the statute in each instance was challenged by a member of a community whose government was supported by the disputed taxes. The Fiscal Disparities Act, on the other hand, shifts local

implicitly ruled on this issue.[72] This fact, as well as the practical

property tax revenues from one governmental unit to another. Under the Act, a taxpayer in one community may be taxed for the benefit of a community of which he is not a member and from which he receives no general benefits. On this basis, the Act is distinguishable from the cases cited above and may be subject to scrutiny under the equal protection clause of the fourteenth amendment. *See Ad Valorem Financing*, *supra* note 16, at 81-83.

Two possible claims could be made under the equal protection clause. First, by limiting the area-wide tax base to commercial-industrial growth, the Act is arguably underinclusive since residential property above a certain value may provide as much of a windfall to the fiscal capacity of a governmental unit as does commercial-industrial property. Even though the capacity of high income housing for generating tax revenue may be less than that of commercial-industrial property, the former requires less expense for public services, and thus could provide a windfall to the governmental unit; residential suburbs with high fiscal capacities are examples of governmental units receiving such windfalls. It should be noted, however, that residential property lacks the "metropolitan" aspect of commercial-industrial property. *See* note 20 *supra* and accompanying text.

Second, the apportionment of the area-wide tax base among area municipalities is not necessarily linked to deficiencies in their fiscal capacities. Rather, the Act's distribution formula is based primarily on a municipality's population, *see* text accompanying notes 78-87 *infra*, a measure which fails to take into account the actual needs and costs faced by municipalities in the seven-county area. By allowing residential suburbs with relatively high fiscal capacities to share the area-wide tax base on the same basis as municipalities with lower fiscal capacities and greater public service costs, the Act might be overinclusive as to its class of beneficiaries.

72. The equal protection issue was raised in the pleadings, *see* 222 N.W.2d at 526, and was briefly referred to by the district and supreme courts, *see id.* at 527. The comment of the Minnesota Supreme Court that the uniformity clause has been construed to be "no more restrictive" than the equal protection clause, *see* note 70 *supra*, appears to indicate that the court felt it was resolving both issues. If, as seems likely, the issue was considered by the Minnesota court, it must have been resolved in favor of the statute's constitutionality; otherwise, the case could not have been decided as it was. Thus, a strong argument can be made that the equal protection issue was litigated and decided by implication in the *Onischuk* case.

If this argument is accepted, the *Onischuk* decision places two doctrinal obstacles in the path of a future taxpayer plaintiff. The first is that of traditional stare decisis. The other is that of res judicata, under which the parties to an action may be estopped from relitigating in a subsequent action issues that were raised and determined in the prior action. *See generally* Brooks Realty, Inc. v. Aetna Ins. Co., 263 Minn. 122, 123 N.W.2d 151 (1964). Specific findings are unnecessary; the doctrine applies to every issue which was actually litigated or raised by the pleadings in the original case. *See* Youngstown Mines Corp. v. Prout, 266 Minn. 450, 470, 124 N.W.2d 328, 342 (1963); Gollner v. Cram, 253 Minn. 8, 10-11, 102 N.W.2d 521, 523 (1960); Prendergast v. Searle, 81 Minn. 291, 292, 84 N.W. 107, 103 (1900); O'Brien v. Manwaring, 70 Minn. 86, 87-88, 31 N.W. 745 (1900). In the present situation, the doctrine of res judicata would have an effect beyond the original plaintiffs, since

unavailability of a federal forum,[73] makes it improbable that the Act will again be subjected to judicial review on equal protection grounds.

The holding in *Onischuk* may prove to be a narrow one. The court's emphasis on the social and economic interdependence of the seven-county area[74] suggests that its new interpretation of the term "special benefit"[75] may be limited by the requirement of such interdependence. Even so, the decision may have a far reaching impact on regionalism; similar statutory schemes could be established in other parts of the state where an area is found to be socially and economically interdependent. The interde-

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the determination in an action brought by one taxpayer binds other taxpayers to the same extent that it binds the original plaintiff. Oakman v. City of Eveleth, 163 Minn. 100, 102, 203 N.W. 514, 515 (1925); Driscoll v. Board of County Comm'rs, 161 Minn. 494, 500-02, 201 N.W. 945, 947-48 (1925).

73. A federal court would probably refuse to assume jurisdiction of a challenge to the Act under the federal equal protection clause for at least two reasons. First, when the *Onischuk* case was appealed to the United States Supreme Court on equal protection grounds, among others, the Court dismissed for want of a substantial federal question. 420 U.S. 916 (1975) (issues of taxation without representation and due process were also raised). It is unclear what effect the dismissal will have on future equal protection challenges to the Act. *Compare* Ohio *ex rel.* Eaton v. Price, 360 U.S. 246, 247 (1959) (Brennan, J., separate opinion); P. Bator, P. Mishkin, D. Shapiro & H. Wechsler, Hart and Wechsler's The Federal Courts and the Federal System 649 (2d ed. 1970); R. Stern & E. Gressman, Supreme Court Practice 233 (4th ed. 1969); Note, *The Insubstantial Federal Question*, 62 Harv. L. Rev. 488, 494 (1949) (taking the view that dismissal for want of a substantial federal question is a declaion on the merits), *with* Comment, *The Significance of Dismissals "For Want of a Substantial Federal Question": Original Sin in the Federal Courts*, 68 Colum. L. Rev. 765 (1968) (taking the view that such a dismissal is in many cases akin to a denial of certiorari, which lacks precedential weight).

Second, the Tax Injunction Act of 1937, 28 U.S.C. § 1341 (1970), may preclude a federal court from assuming jurisdiction. That statute provides that "the district courts shall not enjoin, suspend or restrain the assessment, levy or collection of any tax under State law when a plain, speedy and efficient remedy may be had in the courts of such State." *Id. See, e.g.*, Mandel v. Hutchinson, 494 F.2d 364 (9th Cir. 1974). The very occurrence of the *Onischuk* suit is strong evidence that such a remedy exists in Minnesota. Moreover, federal declaratory relief, though still technically available, 1A J. Moore, Federal Practice ¶ .207, at 2265 (2d ed. 1959), is a discretionary remedy governed by general equitable principles. It has usually been denied in cases attacking state tax legislation where an adequate remedy exists under state law. *E.g.*, Great Lakes Dredge & Dock Co. v. Huffman, 319 U.S. 293 (1943). *See* Lynch v. Household Fin. Corp., 405 U.S. 538, 542-43 n.6 (1972).

74. *See* text accompanying note 64 *supra*.

75. *See* text accompanying notes 68-69 *supra*.

pendence itself would appear to meet the threshold requirement of benefit necessary to validate the tax scheme.

The fact that additional use of this statutory scheme would be found constitutional, however, does not mean that it will come into common use. There is a basic political conflict between the sort of regionalism that the Fiscal Disparities Act represents and local autonomy. The Act itself was a compromise, partially introducing regional financing of governmental units while at the same time retaining local decisionmaking. Whether this compromise is likely to be repeated or not depends heavily on the effect of the present Act.

III. EFFECT OF THE FISCAL DISPARITIES ACT: A CRITICAL ANALYSIS

As previously noted,[76] the presence of fiscal disparities within the seven-county metropolitan area has had two major effects: inequities in the provision of public services and imbalance in area development. The success of the Fiscal Disparities Act will thus be largely contingent on the extent to which it eliminates those problems.

A. Provision of Public Services

Fiscal disparities produce inequities in the tax rates which residents of different governmental units must pay in order to obtain a given level of public services.[77] The effectiveness of the Act in equalizing those tax burdens will depend upon the degree to which the factors chosen to measure "fiscal capacity" relate to the problems that the Act is intended to solve, and also upon the extent to which a perceived fiscal capacity will influence the Act's distribution formula.

Fiscal capacity can be measured in two ways: through the use of economic indicators such as income levels, or by a comparison of the revenues that would be raised in different municipalities by a representative tax system.[78] The Fiscal Disparities Act relies on the second conceptual measure of fiscal capacity, defining the fiscal capacity of a municipality as the market value of the real property within its borders divided by its population,[79] and using the real property tax—the prime generator of

76. *See* text accompanying notes 8-24 *supra*.
77. *See* notes 11-20 *supra* and accompanying text.
78. *See* MEASURES, *supra* note 11, at 4-8, 13-52.
79. MINN. STAT. §§ 473F.02(13), (14) (1974).

local government revenues—as its representative tax. The use of the market value of real property rather than its assessed valuation is desirable, since it will eliminate inter-municipality differences which might arise from varying assessment practices as well as from Minnesota's property classifications.[80] Market values also serve as some indicator of the income received and produced within the municipality.[81] Nevertheless, the use of population as a divisor in the Act's definition of fiscal capacity renders that definition a per capita index, reflecting the assumption that a municipality's expenditure requirements vary directly with its population. This assumption, however, ignores the fact that the *composition* of a municipality's population may have an extraordinary effect upon that municipality's need for public services.[82] To some extent, the limitation on the Act's definition of fiscal capacity may be attributed to statistical deficiencies—a lack of data that impedes both the determination of an accurate measure of fiscal capacity and the usefulness of such a formula once it has been devised.[83] Even so, the Act's definition fails to account for grants-in-aid that a municipality may receive from outside sources, funds which are certain to affect fiscal capacity and which should be readily ascertainable.

Once determined, fiscal capacity may be at best a fractional part of the distribution formula of the Act. Under the Act, a municipality's area-wide tax base distribution index is proportional to its population and inversely proportional to its fiscal

80. METROPOLITAN COUNCIL, *supra* note 13, at 50. Minnesota classifies property and, based upon that classificatio., applies a particular percentage figure to the property's market value to arrive at the property's assessed valuation. *See* MINN. STAT. § 273.13 (1971).

81. METROPOLITAN COUNCIL, *supra* note 13, at 50. The market value of residential property serves as a fairly accurate measure of personal income, but commercial and industrial property values are less closely related to business income. MARGOLAS, *supra* note 4, at 4-5, 4-6, 4-11, 5-4.

82. For example, the age distribution of the population may affect public service requirements. If a municipality's population is relatively young (requiring schools) or relatively old (requiring assistance), the municipality's public service expenditures will be greater than if this were not the case. MEASURES, *supra* note 11, at 9, 97-105. Generally, central cities such as Minneapolis and St. Paul contain a greater percentage of these special populations than do the suburbs. *See* E. BRANDT, R. JACKSON & J. WHITE, THE PLIGHT OF THE CITIES (1972); E. BRANDT, THE PLIGHT OF THE CITIES (Supp. 1973).

83. *See* METROPOLITAN COUNCIL, *supra* note 13, at 51. Compare, for example, the recommendation of a fiscal capacity formula based on income received and produced within a community, MARGOLAS, *supra* note 4, at 3-9, with the Metropolitan Council's recommendation of a formula based on the market value of real property, METROPOLITAN COUNCIL, *supra* note 13, at 51.

capacity,[84] unless a municipality's fiscal capacity exceeds twice the average fiscal capacity of the area, in which case its distribution index equals its population.[85] Population is therefore actually utilized twice in the distribution formula: first, as an element in the determination of fiscal capacity; and, second, as a factor in the formula itself. Population alone, however, is not an accurate measure of a municipality's public needs.[86] Because of this reliance on population, the distribution formula of the Act will be of limited effectiveness in reducing fiscal disparities and the resulting inequities in tax burdens. Municipalities will still be unable to provide a given level of public services at a uniform cost.[87]

But this objection remains somewhat abstract. A more concrete understanding of the Act's relationship to the provision of public services can best be achieved by examining the possible effects of the statute in three types of communities.

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84. A municipality's area-wide tax base distribution index is equal to the product of its population, the average fiscal capacity for the area divided by the municipality's fiscal capacity, and two:

$$\text{Pop.} \times ((\text{avg. f.c.})/(\text{f.c.})) \times 2$$

MINN. STAT. § 473F.07(3) (1974). Since the average fiscal capacity, *id.* § 473F.02(15), is a constant for each municipality, if K is designated as 2 × (avg. f.c.), a municipality's share of the area-wide tax base equals:

$$\text{Pop.} \times ((\text{avg. f.c.})/(\text{f.c.})) \times 2 = K \times ((\text{pop})/(\text{f.c.})).$$

85. The formula used in the calculation of a municipality's area-wide tax distribution index does not take account of the amount by which a municipality's fiscal capacity exceeds twice the average fiscal capacity; the possibility exists, therefore, that a particular municipality could receive an unneeded additional amount of the area-wide tax base. This situation arises because of the presence of the numeral two as a factor in the formula and because the index is not allowed to be less than a municipality's population. *Id.* § 473F.07(3). For example, if r equals average fiscal capacity and s equals the fiscal capacity of a municipality, then where p equals the population of that municipality, $p > p \times (r/s) \times 2$, for any $s > 2r$. In 1970 only two small municipalities in the seven-county area, however, had fiscal capacities greater than twice the average fiscal capacity; thus the problem may be negligible. *See* Brief for Appellants at Add-31, Village of Burnsville v. Onischuk, 222 N.W.2d 523 (Minn. 1974), *appeal dismissed*, 420 U.S. 916 (1975).

86. *See* note 82 *supra*. A true measure of need may be impossible to express in any formula. *See Municipal Services*, *supra* note 19, at 112. *See also* McInnis v. Shapiro, 293 F. Supp. 327 (N.D. Ill. 1963), *aff'd mem. sub nom.* McInnis v. Ogilvie, 394 U.S. 322 (1969).

87. The discussion regarding municipalities also applies to other governmental units that calculate their distribution from the area-wide tax base according to the amounts municipalities within their taxing jurisdiction receive. Insofar as these units are larger in area than municipalities, however, costs and population composition tend to be more equally distributed.

1. Residential Suburbs with a High Fiscal Capacity

Residential suburbs generally have a low proportion of commercial-industrial to total assessed valuation. If a residential suburb has a high fiscal capacity—because, for example, of high property values—it may well benefit unduly from the operation of the Act. Such a municipality would contribute relatively little to the area-wide tax base; yet, because distribution is based primarily on population, it would almost certainly be assured of showing a net gain under the statute. Thus, an already superior ability to provide public services to residents would be further enhanced by the Act.[88]

2. Municipalities with Commercial-Industrial Development

Although a municipality with a high proportion of commercial-industrial to total assessed valuation may have a correspondingly high fiscal capacity, that municipality must provide services such as fire and police protection to the commercial-industrial property. Where the municipality also has a small population, however, it will receive less than it contributes to the area-wide tax base. If the cost of providing services to the commercial-industrial property is greater than the tax revenues that such property will generate after the redistribution mandated by the Act, the burden of providing the services will partially fall upon the residents of the municipality.[89] In this respect, the Act may actually hinder the provision of public services in those municipalities with a small population and a fiscal

88. *See* Village of Burnsville v. Onischuk, 222 N.W.2d 523, 538-39, 541 (Minn. 1974) (dissenting opinions), *appeal dismissed*, 420 U.S. 916 (1975). *Cf.* Stephens, *The Metropolitan Impact of Fiscal and Governmental Reforms: A Simple Model of the Metropolis*, 2 URBAN LAW. 495, 510 (1970). *But see* CITIZENS LEAGUE, *supra* note 14, at 16 (deemphasizing this problem because of the benefit to school districts encompassing residential suburbs with high fiscal capacities).

89. Before enactment of the Fiscal Disparities Act, those residents would not have been so burdened, if it is assumed that revenues from the commercial-industrial property would have covered the cost of providing services to the property. But it is difficult to estimate the true cost of serving commercial and industrial property. Usually commercial-industrial development is considered to be a fiscal advantage for a municipality, but a conservative view would be that the cost of services to such property consumes the tax revenues that it generates. Although some municipalities may benefit greatly from commercial-industrial property within their borders, there is no agreement that this will be true in the average case. *See* MARGOLIS, *supra* note 4, at 1-17 to 1-18, 5-8, 7-52.

capacity composed primarily of commercial-industrial assessed valuation.[90]

3. *Certain Governmental Units Noncoterminus with Municipalities*

Governmental units other than municipalities determine both their contribution to and their share of the area-wide tax base on the basis of the municipalities wholly or partly within their boundaries."[91] When the boundaries of a governmental unit do not coincide with municipal lines, the unit may be either the beneficiary or the victim of the uneven distribution of residential and commercial-industrial property in the divided municipality. For example, if a municipality is located within two governmental units so that one of the units possesses a large percentage of the residential valuation of the municipality while the other unit has a large percentage of the municipality's commercial-industrial valuation, the former unit will contribute little to the area-wide tax base but will receive a large share in the population-based distribution. For similar reasons, the latter unit will "lose" in the distribution. If the governmental unit in which the residential area is located also has a high fiscal capacity relative to the other unit, such a result would be contrary to the statute's intent. This effect will be significant, however, only when the governmental units cover a relatively small area; over large areas such uneven distributions should tend to balance out.

To the extent that these and other adverse consequences occur, the Act's success in reducing fiscal disparities will be undermined. Even if the Act ultimately equalizes the benefits that residents of the seven-county area receive for their tax dollars, however, inequities may nonetheless arise while the Act is being implemented. Before the passage of the Act, residents living in a municipality with a high fiscal capacity may have enjoyed a

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90. If poor people tend to live in municipalities with a high commercial-industrial valuation, a distribution of this nature may resemble a "befuddled Robin Hood," taking from the poor and giving to the individually wealthy who reside in the suburban municipalities with high fiscal capacities. *See A Statistical Analysis, supra* note 11, at 1337-38.

Recognizing the general problem illustrated by this example, the Metropolitan Council recommended a percentage equalization plan for municipalities and a sharing of commercial-industrial growth for school districts, which provide no direct services to commercial-industrial property. *See* METROPOLITAN COUNCIL, *supra* note 13.

91. *See* notes 49-50 *supra* and accompanying text.

high level of public expenditures at a relatively low tax rate. They may have found this advantage capitalized in their property values, whereas residents of a municipality with a low fiscal capacity may have suffered depressed property values.[92] Following implementation of the Act and the resulting equalization of these advantages and disadvantages, property values in a wealthy municipality should drop while those in a poor municipality should rise. During the interim, owners and lessees in the former locality will suffer from this adjustment, while occupants of the latter will benefit.[93] Inasmuch as the Act will have only a moderating impact on fiscal disparities in the seven-county area, however, these effects may be so gradual as not to be serious.

In discussing the impact of the Act on the provision of public services, consideration must go beyond the question whether the Act will indeed have its anticipated effect on the ability of

92. *See generally* MALCOLIS, *supra* note 4, at app. 1-A; Oates, *The Effects of Property Taxes and Local Public Spending on Property Values: An Empirical Study of Tax Capitalization and the Tiebout Hypothesis*, 77 J. POL. ECON. 957 (1969). *See also* Smith, *Property Tax Capitalization in San Francisco*, 23 NAT'L TAX J. 177 (1970).

Tax capitalization occurs where property values rise because a substantial number of prospective residents, in making their locational decision, consider the mix of tax rate and public services that various communities offer. A model based on this notion is the Tiebout hypothesis. *See generally* Tiebout, *A Pure Theory of Local Expenditures*, 64 J. POL. ECON. 416 (1956). Theoretically, if tax advantages are capitalized fully into property values, taxpayers who are residents of different municipalities having different fiscal capacities will pay equivalent sums for public services. The resident of the municipality with the higher fiscal capacity will find that his lower taxes force him to pay more for his housing, while the resident of the poorer municipality will find his taxes higher but his housing cheaper. Thus, the total payments of each for public services may be the same, merely being apportioned differently between tax and rent payments.

93. Oates, *supra* note 92, at 958-59, 959 n.3. For example, an individual who buys property in a municipality with a high fiscal capacity pays an inflated price because the municipality's tax advantages are capitalized in the market value of that property. After implementation of the Act, such a municipality's tax advantages will diminish. The individual will find not only that his tax dollar buys less public services, but also that his property is worth less than it formerly was. Conversely, a property owner in a municipality with a low fiscal capacity will find that his tax dollar will be worth more as reflected in the amount of public services it will purchase, and also that this advantage will be capitalized in the value of his property—a windfall increase to him. Exactly who will be benefited and who will be hurt, of course, depends upon one's view of the incidence of the property tax, a matter over which there is some controversy. *See* FINANCING SCHOOLS, *supra* note 22, at 131-33, app. C.

local governments to provide these services. The Fiscal Disparities Act expressly relies on existing local governmental structure and local decisionmaking; in effect, local governments retain discretion in both the raising and the spending of revenues received from the area-wide tax base. Because of this discretion, any increased ability to raise revenues for public services which results from the operation of the Act will not necessarily be converted into such services. Whether a governmental unit which loses under the Act will raise its tax rate to restore the previous level of expenditures for public services or simply reduce the quantum of those services is not controlled by the Act.[94] And a unit which gains under the Act could choose to lower its tax rate or spend the funds on other projects, rather than increase its level of public services.

Thus, if the Act is successful in reducing fiscal disparities, its effect will be to remove the size of the local tax base as a determining factor in local governmental spending decisions, allowing other considerations to be given more weight. The Act thereby enables a governmental unit to fund public services in an amount based to a greater degree on the unit's preference for those services. In this way, the Act tends to equalize the resources of communities, while allowing them the freedom to use their equalized resources as they see fit.

It might be argued, however, that in an urban area composed of a myriad of local governmental units lacking the size, population, and fiscal resources to provide public services rationally, the ideal of local self-determination is superseded—or at least outweighed—by notions of equality, in the sense of equal tax burdens for a uniform level of services.[95] On the basis of efficiency—and perhaps fairness, if benefit and cost spillovers are not otherwise recompensed—the present system of local self-determination should give way to an alternative local governmental structure that can provide a standard level of services throughout the metropolitan area at a uniform cost to all residents.[96]

94. *Cf.* R. Reischauer & R. Hartman, Reforming School Finance 88-90 (1973); *A Statistical Analysis*, *supra* note 11, at 1335 n.115.

95. *Cf.* San Antonio Indep. School Dist. v. Rodriguez, 411 U.S. 1 (1973); Areen & Ross, *The Rodriguez Case: Judicial Oversight of School Finance*, 1973 Sup. Ct. Rev. 33, 45; Bateman & Brown, *Some Reflections on* Serrano v. Priest, 49 J. Urban Law 701, 705-09 (1972).

96. For a list of criteria relevant to evaluating local governmental structure and also an enumeration of eleven approaches to local government reorganization, see *Metropolitan Government*, *supra* note 19, at 134-42. For a comprehensive analysis of public services and their efficiencies, see U.S. Advisory Comm'n on Intergovernmental Relations, Per-

Such an alternative structure could take the form of a special taxing district providing a single service;[97] a metropolitan government furnishing all public services;[98] or a federated metropolitan government, with the metropolitan government and its subdivisions each supplying certain public services.[99]

Opposing this argument is the contention that if local self-determination were to be substantially curtailed, not only would the traditional values of local political autonomy be sacrificed[100] but a source of public funds might also be lost.[101] Moreover, local autonomy may not be as inefficient as it has been argued to be. By retaining the existing local governmental structure, the Act preserves, and may in fact increase,[102] the freedom which both the residents of and newcomers to the seven-county area

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FORMANCE OF URBAN FUNCTIONS: LOCAL AND AREAWIDE (1963) [hereinafter cited as URBAN FUNCTIONS].

97. The formation of special districts is, however, subject to objection, because such districts diffuse local government accountability and also lack a balanced perspective. *See* Netzer, *supra* note 13, at 462-64; *Metropolitan Government*, *supra* note 19, at 135.

98. An area-wide government may not provide all public services in the most efficient manner, however, as different services have different economies of scale. In particular, a metropolitan government may not be as efficient as a local governmental unit in providing services that are local in nature, such as fire protection. *See* URBAN FUNCTIONS, *supra* note 96, at 9.

The consolidation of the city of Nashville and Davidson County in Tennessee illustrates this type of alternative. The city-county, however, was divided into two service districts: a general service district, which served the entire county, and an urban service district, which served the area that formerly was Nashville. *See* Lineberry, *Reforming Metropolitan Governance: Requiem or Reality*, 58 GEO. L.J. 675, 698-700 (1970).

99. Toronto has adopted this alternative, whereby the metropolitan government provides social services, water supply, sewage disposal, mass transit, regional parks, and complete financing of the educational system for the entire area. Toronto's six political subdivisions, however, continue to provide fire protection, garbage and local water and sewage service, and administration of the local schools. *See* U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS, IN SEARCH OF BALANCE—CANADA'S INTERGOVERNMENTAL EXPERIENCE 84-86, app. F (1971) [hereinafter cited as IN SEARCH OF BALANCE].

Other examples of a two-tiered system for providing services include Winnipeg, Canada, and Miami-Dade County, Florida. *See generally* IN SEARCH OF BALANCE, *supra* at 86-99; Lineberry, *supra* note 98, at 703-05.

100. These values have been said to be increased opportunity for political participation and greater knowledge of the local area. *See* STATE AID, *supra* note 19, at 8.

101. Carrington, *Financing the American Dream: Equality and School Taxes*, 73 COLUM. L. REV. 1227, 1250 (1973).

102. The Act could improve mobility within the seven-county area by encouraging each municipality to accommodate increased population. *See* notes 109-12 *infra* and accompanying text.

have had in selecting the municipality that they prefer in relation to its costs and services. In this way—ignoring economies of scale—the Act could prove more efficient than a political structure composed of only one or a few local governmental units.[103]

Ultimately, of course, the desired balance will probably lie between the extremes of complete local self-determination and the realization of the most equitable and efficient tax base for the provision of an equal level of services over the entire metropolitan area. The Fiscal Disparities Act resolves this conflict to a degree by forgoing absolute equality in favor of equal opportunity: since only resources are equalized, governmental units retain the discretion to determine the level of public services that they will provide. The Act's impact on the final balance will likely be slight and equivocal, however, since it preserves the present local governmental structure[104] while perhaps improving the efficiency of local tax bases.

Finally, it should be observed that the discretion left to governmental units by the Act cannot lead to a depredation of the area-wide tax base. The levy that officials of a local governmental unit choose is apportioned between the local and the area-wide tax base, with the funds derived from the latter available only in proportion to the unit's taxation of its own local assessed valuation. The procedure thus prevents communities from ravaging the area-wide tax base without enduring a corresponding burden.

B. Area Development

The Fiscal Disparities Act is almost certain to have profound effects upon the development of the seven-county metropolitan area, at both the local and regional levels. Just what those effects will be has not yet become clear; certain speculations, however, are possible.

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103. *See* Netzer, *supra* note 13, at 460-61. This efficiency is exemplified by the operation of the Tiebout model. By presenting a potential resident with a number of communities, each offering a varying mix of services and tax rates, his true preferences will govern his choice of location within the metropolitan area, resulting in a more efficient allocation of services. *See* Tiebout, *supra* note 92, at 417, 422.

104. The Twin Cities area is developing the outline of a two-tier system of government, with broad policy decisions being made on a regional level by the Metropolitan Council, and implementation of these policies being accomplished by local governmental units. *See* Kolderie, *Reconciling Metropolis and Neighborhood: The Twin Cities*, 62 Nat'l Civic Rev. 184 (1973).

At the local level, the Act is likely to affect the location of future commercial-industrial development. Inasmuch as any growth in the assessed valuation of commercial-industrial property is to be shared in part by the entire area, municipalities will have less incentive to attract commercial-industrial development, and therefore less desire to offer preferential assessments or to extend public services to areas not otherwise requiring them. Residential suburbs, in particular, should have little incentive to encourage commercial-industrial development, because under the Act they can share in the assessed valuation of such property while enduring none of the accompanying congestion or pollution.[105] Developing communities should also have less desire for additional commercial-industrial development, since 40 percent of its assessed valuation would be subject to the levies of other communities. Insofar as the tax revenues to be generated by the remaining 60 percent of the new property's assessed valuation—together with the amount received from the area-wide tax base—exceed the costs of services for the development and also offset the nuisance of the development to ear, eye, and lung, commercial and industrial concerns should not be unwelcome. A fine line exists, therefore, between desirable and undesirable developments, especially in view of the uncertainties inherent in the relationship between tax liabilities and service costs.[106] A municipality's decision may be influenced, however, by the employment opportunities that a new development might offer.

In the event that no municipality desires commercial-industrial growth, or if developers become too dissatisfied with the Act's effect, commercial-industrial development may well locate outside the borders of the seven-county area.[107] The Act could thus become a cause of urban sprawl.[108] For this to occur, however, the tax advantages of doing business outside the metropolitan area would have to significantly outweigh the added costs—especially transportation costs. Consequently, the possibility of

105. *See* Goldstein, *Interdistrict Inequalities in School Financing: A Critical Analysis of* Serrano v. Priest *and its Progeny*, 120 U. PA. L. REV. 504, 523 (1972).

106. *See* note 69 *supra*.

107. Nevertheless, since the area-wide tax rate is in some measure merely the average of all the tax rates levied in the seven-county area, its effect is unlikely to be decisive for developers.

108. *See* Village of Burnsville v. Onischuk, 222 N.W.2d 523, 539 (Minn. 1974) (Kelly, J., dissenting), *appeal dismissed*, 420 U.S. 916 (1975).

the Act's becoming a cause of extraregional development seems remote.

Residential development, too, may be affected by the Fiscal Disparities Act. Since the distribution of the funds collected from the area-wide tax base is proportional to a municipality's population, the Act provides some incentive for a municipality to encourage population growth. Because the distribution formula does not take into account the composition of a municipality's population, however, municipalities will probably still be unwilling to encourage high-service-cost persons, such as the poor and the elderly, to locate within their borders.[109]

In can be argued that by equalizing fiscal capacities, the Act has diminished suburban motives for maintaining exclusionary zoning practices.[110] Under this theory, low- and middle-income housing would no longer be a burden on the municipality if the additional service costs associated with such development could be satisfied out of funds received from a levy on the area-wide tax base. Realistically, however, the Act does little to aid development of low- and middle-income housing.[111] Many municipalities will still prefer wealthier people as residents, because they not only significantly raise the residential valuation that a municipality can retain for itself, but also do not require the "enabling" public services that the poor and elderly need. Furthermore, cost differentials in the provision of public services may favor the wealthier communities[112] so that even if expenditures were equalized on a per capita basis, a wealthy community could still enjoy a greater quantum of public services.

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109. *See* Hagman, *Property Tax Reform: Speculations on the Impact of the* Serrano *Equalization Principle*, 1 REAL ESTATE L.J. 115, 123-24 (1972).

110. *See id.* at 122; *Municipal Services*, *supra* note 19, at 120.

111. Other means, however, are available to encourage low- and middle-income housing development. For example, the Metropolitan Council discourages applications for federal aid for any purpose if the community applicant has not made reasonable efforts to find sites for federal housing programs. *See* Kolderie, *supra* note 104, at 186; Minneapolis Tribune, Dec. 9, 1974, § B, at 9, cols. 1-7.

112. The central cities are burdened with greater municipal service costs than are the suburbs. This condition is usually termed "municipal overburden." For example, Minneapolis and St. Paul spend two and one-half times as much per capita for police protection as do suburban municipalities. This expenditure per capita corresponds closely to the crime rate. Similar situations exist with respect to fire protection, public health, housing, park programs, and street maintenance. *See* E. BRANDT, THE PLIGHT OF THE CITIES 1-15 (Supp. 1973). Thus, merely equalizing expenditures per capita will not account for the different level of public services each community requires.

Local planners may also be affected by the Act, to the extent that it removes tax base considerations as a factor in urban planning. Rather than concentrating on whether a particular land use will generate maximum tax revenues while keeping service costs to a minimum, a municipality can base its planning decisions on nontax factors.[113] On the other hand, the tax revenue-service cost calculus may simply become more complicated under the Act. Local planners may attempt to weigh the loss of two-fifths of the incremental growth in a municipality's commercial-industrial assessed valuation against the implications of such development under the statutory distribution formula. In other words, the existence of the Act might simply result in the incorporation of its effects into the tax revenue-service cost balance. Nevertheless, to the extent that the Act shifts a municipality's focus from commercial-industrial development to a broader range of development by making the latter more economically feasible, it should remove tax base considerations as the primary determinant of that municipality's planning decisions.

On the regional level, the Fiscal Disparities Act should aid implementation of the Metropolitan Council's Development Guide[114] and promote local government cooperation[115] by reducing intergovernmental competition for commercial and industrial development. Viewed as part of an overall legislative scheme, therefore, the Act furthers the orderly growth of the seven-county area and may make possible the realization of other regional objectives. If successful, however, the Act may result in the elimination of one reason for local government reorganization,[116] since the problem of fiscal disparities will have been re-

113. Freilich & Ragsdale, *Timing and Sequential Controls—The Essential Basis for Effective Regional Planning: An Analysis of the New Directions for Land Use Control in the Minneapolis-St. Paul Metropolitan Region*, 53 MINN. L. REV. 1009, 1032 (1974).

114. *See* note 33 *supra*.

115. *See* Hagman, *supra* note 109, at 129-30. The initial response to the Act, however, has been resistance by most municipalities that must share their tax base with others. Burnsville's lawsuit challenging the validity of the Act exemplifies this hostility toward the implementation of the Act. In addition, the Minnesota Supreme Court's decision upholding the Act's validity resulted in the introduction in the legislature of a bill that would repeal the Act. Minneapolis Tribune, Jan. 25, 1975, § B, at 10, col. 1. This reaction was foreseen by the house subcommittee which considered the fiscal disparities bill. *See* HOUSE REPORT, *supra* note 8, at 28-29. That subcommittee suggested that the Act be combined with the Metropolitan Council's proposed percentage equalization program, under which all communities would be net beneficiaries.

116. *See* U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL RELATIONS,

moved or reduced. By so preserving the existing local governmental structure, the Act may thus incongruously prove to be an obstacle to regional government.

The Act may also further, on a more subjective level, the notion of regionalism in the seven-county area. An enunciated objective of the Act is "to establish incentives for all parts of the area to work for the growth of the area as a whole."[117] One such incentive is provided by the fact that when commercial-industrial development occurs anywhere in the seven-county area, many municipalities will share in its contribution to the area-wide tax base. The Act may thus broaden the focus of local officials from their own municipalities to the entire seven-county area.

IV. CONCLUSION

In terms of concrete accomplishment, the Fiscal Disparities Act is perhaps only a modest step toward improved local governmental finance. It continues the use of the much maligned property tax, which has been decried for its regressivity, inequitable administration, adverse land use consequences, and even unpopularity.[118] In recent years, however, the property tax has been looked upon with more favor,[119] and there now seems little doubt that it will continue as the mainstay of local finance.[120] For this reason, the Act's most significant achievement may be its redistribution over the seven-county area of possible tax windfalls, gained by a particular municipality from the location of commercial-industrial property within its borders.

Other deficiencies, however, detract from this achievement. Since the distribution formula is founded primarily on population, the shares that governmental units receive from the area-wide tax base are not necessarily related to the unit's needs.

METROPOLITAN SOCIAL AND ECONOMIC DISPARITIES: IMPLICATIONS FOR INTERGOVERNMENTAL RELATIONS IN CENTRAL CITIES AND SUBURBS 124-25 (1965).

117. MINN. STAT. § 473F.01(3) (1974).

118. *See generally* CITIZENS LEAGUE, *supra* note 14, at 18-19; FINANCING SCHOOLS, *supra* note 22, at 11-42, 69-74, 76; Glickstein & Want, *Inequality in School Financing: The Role of Law*, 25 STAN. L. REV. 335, 397-98 (1973).

119. *See* FINANCING SCHOOLS, *supra* note 22, at 12; Areen & Ross, *supra* note 95, at 49-50; Carrington, *supra* note 101, at 1244-46.

120. *See* HOUSE REPORT, *supra* note 8, at 11; Meon & Moon, *The Property Tax, Governmental Services, and Equal Protection: A Rational Analysis*, 18 VILL. L. REV. 527, 591-92 (1973) (property taxes should continue to support public services not producing significant spillovers).

Moreover, because the shared area-wide tax base is limited in nature and extent,[121] the Act can only partially reduce fiscal disparities. The Act could be revised either to broaden the character of property whose assessed valuation is shared,[122] or to supplement its operation with additional funds derived from a nonproperty tax source at the state or regional level.[123] Increased state aid to municipalities and school districts, for example, would lessen the reliance of governmental units on the property tax[124] and thus mitigate the deficiencies of the Act.[125] Without modification, however, the Act remains open to attack as being relatively ineffective in relieving inequities in the tax burden with respect to the provision of public services.

On other levels, the Fiscal Disparities Act may have a greater effect. One very important impact may well be that, in conjunction with the activities of the Metropolitan Council, the Act will serve to further the orderly development of the seven-county area. In this regard the Act's narrow focus on commercial-

121. The Act provides that the assessed valuation of only commercial-industrial property will be shared. Moreover, only 40 percent of the increase in this valuation since 1971 forms the area-wide tax base.

122. Even if the assessed valuation of other property—such as residential—were included in the redistribution scheme of the Act, merely requiring the area's tax base to be shared on a larger scale might not provide sufficient funds for all communities. If a high minimum level of public services were desired, additional funding would be necessary.

123. *See* CITIZENS LEAGUE, *supra* note 14, at 18-23. Of the five fiscal disparities proposals that were before the house subcommittee, all but the bill eventually enacted provided for additional revenues. *See* HOUSE REPORT, *supra* note 8, at 15-29. The house subcommittee felt that, with or without provision for additional revenues, a statute was needed which would allow local governmental units to share the property tax base. *Id.* at 14.

124. Municipalities in Minnesota are relying less on property taxes and more on state and federal aid. *See* Minneapolis Tribune, Jan. 31, 1975, § B, at 2, cols. 3-4 (37 percent of municipalities' revenue generated by property taxes in 1971; 29 percent in 1973). Nonetheless, property taxes continue to increase in most municipalities. *Id.*

125. The present state aid program, however, does little to equalize taxpayers' burdens. The legislature has concentrated on aiding education while doing little to alleviate municipal overburden. E. BRANDL, *supra* note 112, at 29-37. For example, in 1972 state-provided funds represented 70 percent of revenue for elementary and secondary schooling, but only 25 percent of municipal government revenue. *Id.* at 29. This pattern of state aid only increases the discrepancies between the fiscal position of the suburbs, whose primary financial burden is education, and that of the central cities, which are plagued by greater municipal costs. *See note 112 supra.* Minneapolis has been hurt by such a state aid program. *See* Minneapolis Tribune, Feb. 12, 1975, § A, at 4, cols. 1-2. *But see* Minneapolis Tribune, Feb. 21, 1975, § A, at 12, cols. 1-2 (suburbs' rebuttal).

industrial property may be appropriate, since such property is the prime object of municipal competition to improve the local tax base. Also, the Act may have major significance because its notion of funding governmental units in part on an area-wide basis recognizes the seven-county area as a single community. To this extent the statute may help foster a growing regionalism in the seven-county area. Conversely, it may serve to rescue those governmental units faced with a fiscal crisis from the fate of annexation, merger, or consolidation, and thus encourage the forces of decentralization.

The impact of the Fiscal Disparities Act will increase in the future.[126] For the present, however, its significance seems to rest in its function as an interim measure, a milestone in the regional development of the seven-county area.

126. In 1973, the shared commercial-industrial assessed valuation was to have been only about two percent of the area's total tax base. By 1985, this figure is expected to be 25 percent. Minneapolis Tribune, July 18, 1971, § A, at 14, cols. 1-2.

Appendix

ILLUSTRATION OF THE WORKINGS OF THE FISCAL DISPARITIES ACT

Consider a metropolitan area in which three municipalities, A, B, and C, comprise a county, W. For purposes of this illustration, these four entities will be assumed to constitute the only existing governmental units. A is a central city beset with urban problems, B is a highly developed inner ring suburb, and C is a developing outer ring suburb.* The following data is postulated:**

	A	B	C	W
Population 1971	50,000	20,000	5,000	75,000
1972	49,000	20,000	6,000	75,000
Valuation***1971	$400	$140	$60	$600
Assessed valuation 1972	$105	$50	$20	$175
C-I assessed valn. 1971	$23.0	$4.9	$3.0	
C-I assessed valn. 1972	$23.5	$5.0	$3.5	
C-I growth	$ .5	$ .1	$ .5	
40% C-I growth	$ .2	$ .04	$ .2	

The effect of the Fiscal Disparities Act on the metropolitan area can be studied through the use of this data.

1. Calculation of fiscal capacity and area-wide tax base: ****

Fiscal capacity for 1971 (f.c.=valn./pop.) (§473F.02(14))
for A = $400/50,000 = 8,000
for B = $140/20,000 = 7,000
for C = $60/5,000 = 12,000

Average fiscal capacity for 1971 (§473F.02(15))
($400 + $140 + $60)/(50,000 + 20,000 + 5,000) = 8,000

Area-wide tax base (§473F.07(1))
$.2 + $.04 + $.2 = $.44

2. Determination of a municipality's distribution from the area-wide tax base:

---

* A, B, and C have the approximate fiscal capacities of Minneapolis, Richfield, and Burnsville, respectively.

** All dollar amounts are in millions. Valn.=valuation; pop.=population; C-I=commercial-industrial; f.c.=fiscal capacity.

*** Valuation is the market value of real property within a governmental unit.

**** Throughout this statutory process, the burden of calculating the various figures is allocated between the administrative auditor and each county auditor.

The area-wide tax base distribution index (pop.× ((avg. f.c. 1971)/(f.c. 1971)) × 2) (§473F.07(3))

for A = 49,000 × (8,000/8,000) × 2 = 98,000
for B = 20,000 × (8,000/7,000) × 2 = 45,714
for C = 6,000 × (8,000/12,000)× 2 = 8,000

The sum of these indices = 98,000 + 45,714 + 8,000 = 151,714

The area-wide tax base for 1972 (((index)/(indices)) × (area-wide tax base)) attributable (§473F.07(4), (5))

to A = (98,000/151,714) × $.44 = $.2842
to B = (45,714/151,714) × $.44 = $.1326
to C = (8,000/151,714) × $.44 = $.0232

Therefore:

	Assessed Valuation		
	Contribution	Distribution	Net
A	$.2000	$.2842	$.0842
B	$.0400	$.1326	$.0926
C	$.2000	$.0232	−$.1768

C is a net loser to the area-wide tax base while A and B gain on balance.

3. Calculation of taxable value for each governmental unit:
((assessed valn.) — (contribution to area-wide tax base) + (distribution therefrom))

for A	for B	for C	
$105.0000	$50.0000	$20.0000	(§473F.03(2))
— .2000	— .0400	— .2000	(§473F.08(2)(a))
+ .2842	+ .1326	+ .0232	(§473F.08(2)(b))
$105.0842	$50.0926	$19.8232	

for W
$175.0000 (§473F.03(2))
—((.2 + .04 + .2) = .44) (§473F.08(2)(a))
+((.2842 + .1326 + .0232) = .44) (§473F.08(2)(b))
$175.0060

4. Determination of levy:

After the taxable value for their governmental unit has been calculated, officials can decide upon the amount they wish to levy. Suppose A decides on a levy of $12.6, B $2.25, C $.7, and W $17.5. These are total levies, which must be apportioned among the local and area-wide tax bases.

The taxable resources available to each unit (local tax base + area-wide share)

A = $104.8000 + $.2842 = $105.0842
B = $49.9600 + $.1326 = $50.0926
C = $19.8000 + $.0232 = $19.8232
W = $174.5600 + $.4400 = $175.0000

Unit's area-wide levy (((area-wide share)/(taxable value)) × (total levy)) (§473F.03(3)(a))

Unit's local levy ((total levy) — (area-wide levy)) (§473F.03(3)(b))

for A area-wide levy = (.2842/105.0842) × 12.6 = $.03403
local levy = 12.6 — .03403 = $12.56592

for B area-wide levy = (.1326/50.0926) × 2.25 = $.00596
local levy = 2.25 — .00596 = $2.24404

for C area-wide levy = (.0232/19.8232) × .7 = $.00082
local levy = .7 − .00082 = $.69918
for W area-wide levy = (.4400/175.0000) × 17.5 = $.04400
local levy = 17.5 − .04400 = $17.45600

5. Calculation of tax rates:

The local tax rate ((unit's local levy)/(unit's local tax base)) ($473F.03(4))

with respect to municipalities
for A = (12.56592)/(101.8000) = .11990 = 119.90 mills
for B = (2.24404)/(49.9600) = .04492 = 44.92 mills
for C = (.69918)/(19.8000) = .03531 = 35.31 mills
with respect to the county
W = (17.45600)/(174.5600) = .10000 = 100.00 mills

The local tax rate is the tax levied on all taxable property except commercial-industrial property. Thus, for noncommercial-industrial property, the tax rate is
in A 119.90 + 100.00 = 219.90 mills
in B 44.92 + 100.00 = 144.92 mills
in C 35.31 + 100.00 = 135.31 mills

The area-wide tax rate ($473F.03(5))
The area-wide levy = $.03403 + $.00595 + $.00032 + $.04400 = $.08486
The area-wide tax rate ((area-wide levy)/(area-wide tax base))
= (.08486)/(.44)
= .19286 = 192.86 mills

The tax rate on commercial-industry property (((40% C-I growth)/(C-I assessed valn. 1972)) × area-wide tax rate) + (((C-I assessed valn. 1972−40% C-I growth)/(C-I assessed valn. 1972)) × local tax rate) ($473F.03(6))
in A = ((.2/23.5) × 192.86) + ((23.3/23.5) × 219.90) = 219.67 mills
in B = ((.04/5) × 192.86) + ((4.96/5) × 144.92) = 145.30 mills
in C = ((.2/3.5) × 192.86) + ((3.3/3.5) × 135.31) = 138.60 mills

Prior to the passage of the Fiscal Disparities Act, tax rates would have been (unit's tax rate = unit's levy/unit's assessed valn.)

	municipal	county		
in A =	(12.6/105)	+ (17.5/175)	= .12000 + .10000	= 22.00 mills
in B =	(2.25/50)	+ (17.5/175)	= .04500 + .10000	= 14.50 mills
in C =	(.7/20)	+ (17.5/175)	= .03500 + .10000	= 13.50 mills

on both commercial-industrial and other property.

3:40 pm
2-22

TO: LISA

FROM: Mr. Bernier

RE: HB 87

Mr. Bernier would like you to return his call as he is having a bit of a problem drafting the amendment regarding dual majority in both borough and city. I told him that you'd get back to him 2/23 A.M.

J.

Introduced: 1/21/77
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE BY MALONE

HOUSE BILL NO. 87

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

vote on issue dual majority?

A BILL

For an Act entitled: "An Act relating to appropriations and grants from boroughs to service areas and cities; and providing for an effective date."

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

* Section 1. AS 29.63.090(b) is amended to read:

(b) The assembly may levy or authorize the levying of taxes, charges, or assessments in service areas to finance the special services or may by ordinance authorize appropriations from areawide taxes or other areawide revenues to finance all or part of the special service and, after enactment of an authorizing ordinance, may make appropriations for the purpose authorized.

* Sec. 2. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.070. REVENUE SHARING GRANTS BY BOROUGHS. A home rule or general law borough of any class may make grants from areawide taxes or other areawide revenues to cities within the borough or service areas of the borough for a function the city or service area is authorized to perform. Grants so made shall be authorized by borough ordinance.

* Sec. 3. AS 29.13.100 is amended by adding a new subsection to read:

(37) AS 29.73.070 (revenue sharing by boroughs)

* Sec. 4. AS 29.48.210 is amended to read:

Sec. 29.48.210. EXPENDITURE OF BOROUGH REVENUES. Borough revenues levied and collected on an areawide basis by a home rule or general law borough may be expended on general administrative costs, [AND] on areawide functions, and as authorized in AS 29.63.090(b) and 29.73.070 only.

Revenues levied and collected in the area outside cities only may be expended on general administrative costs and functions which render service to the area outside cities only.

* Sec. 5. AS 29.53.010 is amended to read:

Sec. 29.53.010. GENERAL PROPERTY TAX. Home rule and general law boroughs may levy (1) an areawide property tax for areawide functions, <u>for appropriations authorized under AS 29.63.090(b), for grants authorized under AS 29.73.070;</u> and (2) a property tax limited to the area outside cities for functions limited to the area outside cities. A property tax if levied must be assessed, levied and collected on real and personal property as provided in this chapter.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).

In short, this is a nice, neat way to impose a large borough tax on the remaining commercial and oil industry property with all functions of government (i.e., city, special district and borough) being paid for by the borough taxes. Such a plan also effectively gets around an annexation problem to reach the large industry properties in the borough.

One of the problems with this whole scheme, from a political standpoint, is that if the borough tax is raised significantly (for example, suppose it went from 5-mills to 12-mills), the amount of tax paid to Kenai borough becomes a credit against the 20-mill "hardware" tax imposed at the state level on oil and gas producing equipment and pipelines. Thus, as the Kenai borough takes more in taxes with respect to property taxable under the 20-mill hardware tax, the less revenue the state receives.

Politically, it is difficult to see how anyone outside the Kenai Borough would agree to such a scheme, because the people outside Kenai have everything to lose and nothing to gain by permitting the state, in effect, to subsidize homeowners at the expense of state revenue. This is probably one of the strongest arguments why such a scheme as this would not be acceptable.

The foregoing discussion perhaps cynically assumes that voters in Kenai would agree to take property taxes off their homes. This may or may not be what the author has in mind but it certainly would be a rather powerful force to reckon with if these changes ever became a law.

HB

110

February 17, 1977

The Honorable Hugh Malone, Speaker
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Hugh:

Attached to this letter is a proposed sponsor or committee substitute to HB 110 of draft legislation which would correct or otherwise clarify certain portions of Title 29 from a basically technical viewpoint. In preparing this draft legislation it was our intent not to, in any way, deal with issues involving policy or subjects that might be controversial in nature. I believe that as you read the draft legislation, most proposed changes will be self-explanatory; therefore, I will not attempt to go into detailed explanation as to the background for each of the changes.

By way of general background, Commissioner McAnerney had earlier requested that the Division assume responsibility for reviewing all of Title 29 and to make an attempt to correct those obvious errors or omissions which were apparent in the 1972 legislation or which have been caused by subsequent amendments to the original 1972 version of Title 29. In July, the Department sent a letter to all municipalities requesting their input or suggested amendments to Title 29. Additionally, four attorneys were invited to a meeting which included Billy Barrier and Greg Machyowski (of Legislative Affairs Agency), Jim Nordale (attorney for the Fairbanks North Star Borough), and Karl Walter (formerly city attorney for the City of Anchorage and now a private practitioner). The language of the attached draft legislation (with the exception of sections 1, 7, & 15) is the result of that all-day meeting between the Division of Local Government Assistance and the four attorneys who primarily drafted the 1972 version of Title 29.

Section 1 of the proposed draft may not be technically considered "clean-up" legislation but provides what we in this Division feel would permit a "streamlined" mechanism to allow earlier home-rule charter adoption of a municipality upon incorporation.

On November 15, 1976, the Division received a letter from Wes Howe, borough manager of the Matanuska-Susitna Borough, calling to our attention some technical

deficiencies in AS 29.23.310. Therefore, section 7 of the attached draft is the language proposed by the borough attorney from the Matanuska-Susitna Borough to correct that one problem area. Section 9 of the proposed draft achieves the same purpose as your HB 110.

Section 15 of the proposed draft re-enacts identical language passed by the legislature last year. However, the AG's office has ruled that this enactment would be held invalid since it was contained in a bill which amended Title 43 (thus violating the two subject rule). Ketchikan Gateway Borough administration reminded us of the need to have this provision re-enacted into Title 29. The AG's office has advised that re-enactment of the language is appropriate.

Representative Lisa Rudd has indicated a willingness to consider our proposal as a sponsor or committee substitute but requested that I meet with you for your concurrence.

I hope that you will be able to propose this additional language as a sponsor substitute or that, in the alternative, you will have no objection to allowing this proposal to be considered as a committee substitute for HB 110.

I look forward to discussing this with you at 3:30 tomorrow afternoon.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director

LMcA:PMcC:sg

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B — JUNEAU 99811

March 29, 1977

The Honorable Lisa Rudd
House of Representatives
Pouch V
Juneau, Alaska 99811

Re: Analysis of Legislation to "Clean-Up" Title 29

Dear Representative Rudd:

An analysis of the attached draft legislation amending Title 29 is made to explain the effects of the proposed amendments as well as identify the "sponsors" of same. When reference is made to "municipal attorneys" as sponsors, this refers to the group invited to attend a one day seminar in Juneau to review Title 29. The four involved were all active in the original Alaska Municipal League draft of the 1972 version of Title 29 and include Billy Barrier, Greg Machyowski, Jim Nordale and Karl Walter.

Section 1

Newly incorporated first class boroughs would be able to form home rule municipalities in a more timely manner than existing statutes allow. Currently, a region desiring to incorporate as a home rule borough must first incorporate as a first class borough and then proceed to pose the question of establishing a charter commission. This two-step process would be accelerated since a charter commission could be created at the incorporation election; individual commission members would be elected at a special election to be held "not less than 30 nor more than 90 days after the date of the election order". The Local Government Assistance Division (LGAD) has proposed this section to encourage the development of home rule, borough government.

Section 2

The new sentence clarifes the date that newly elected assemblymen assume office. This new language is the same as that for city councilmembers (AS 29.23.200(c)). This section was proposed by the municipal attorneys.

Sections 3, 4 and 5

Amend existing provisions of law by removing redundant language in Sections 29.23.130(c), 29.23.200(c) and 29.23.250 (d) providing that the regular date of election is "the first Tuesday of October...". This language is considered redundant because AS 29.28.020 already specifies that "the first Tuesday of October..." is the regular date for municipal elections. These amendments were suggested by the municipal attorneys.

Section 6

The amendment allows cities to conduct emergency meetings. Boroughs under AS 29.23.060, may conduct emergency meetings, and similar language has been introduced to permit cities the same privilege. LGAD was the sponsor of this amendment and the municipal attorneys have concurred.

Section 7

The election of school board members from zones within a school district is currently permitted under AS 29.23.310. However, AS 29.23.100 which implements the creation of the zones was repealed by section 16, chapter 118, SLA 1972. Section 7 describes a process which creates these zones. The sponsor of this section is the attorney for the Matanuska-Susitna Borough.

Section 8

The amendment removes what is considered to be unnecessary reference language, thereby clarifying the meaning of this particular section. The amendment is proposed by the municipal attorneys.

Section 9

Cities within 25 miles of the boundary of the borough seat may not be permitted to have their councils act as a board of adjustment or assume other planning responsibilities for the area within the city limits. This prohibition is eliminated. The municipal attorneys group sponsored this section as has Representative Malone through his introduction of HB 110 which has passed the House and is now in Senate C & RA.

Section 10

The amendment makes AS 29.33.110(a) consistent with the immediately preceding amendment by deleting the reference to 29.33.070(b)(1). The municipal attorneys sponsored this amendment.

Section 11

By removing the reference to "planning commission acting as the platting board" and substituting the term borough any ambiguities as to who is the final decision making authority is removed. (It has been argued that the planning commission is not subject to assembly review and approval when acting as the platting board). The municipal attorneys sponsored this amendment.

Section 12

Accomplishes the same purpose as the amendment in Section 11. Again, the municipal attorneys are the sponsor.

Section 13

This section essentially restates language contained in AS 29.48.200, which provides for required codification of ordinances. The municipal attorneys sponsored this amendment.

Section 14

Through the deletion of the six words "by the council" and "by the city" this section makes clear that which might otherwise appear to be unclear. Both cities and boroughs would now be covered by AS 29.48.180(C)(2). The sponsor is the municipal attorneys group.

Section 15

The proposed language reenacts the identical language passed by the legislature last year (SLA 1976, Chapter 56). However, the AG's office ruled that this enactment would be held invalid since it was contained in a bill which amended, Title 43 (thus violating the two subject rule). The AG's office has advised that reenactment of the language is appropriate. The Ketchikan Gateway Borough has requested this reenactment.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

LMC: PMC/pc

Attachment

HB

116

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS / 323 E. 4TH AVENUE – ANCHORAGE 99501

February 14, 1977

Representative Lisa Rudd
Pouch V
Juneau, AK 99811

Dear Lisa:

I've just reviewed a copy of House Bill 116, which you sponsored entitled "An Act Relating to the Classification of State Land and Providing for an Effective Date". I understand from Gary Thurlow that this was an attempt to bring pressure on municipalities to accomplish recreational trail designation within their boundaries. I believe that the authority to classify State land already exists and that the purpose of the legislation would not be met by this bill, since it pertains to classification of State Lands only. I suggest that if this purpose really is to accelerate municipal action it might be better to look to AS41.20.355 which authorizes grants for the establishment of trails and footpaths. There is a requirement there for a comprehensive plan for the establishment of the trails. It might be appropriate to include some language that requires dedication by the municipality prior to the grant being made. 61.10.070

As a matter of information, the statutory authority for classifying lands is found in AS38.05.300 and regulations adopted thereunder.

Give me a call if you have any questions about this or any other matter I may be able to assist you with.

Yours truly,

Ted

TED SMITH
Director

cc: Guy Martin
Russ Cahill

could I have copies of underlined statutes pls?

HB

133

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF LANDS

323 E. 4TH AVENUE – ANCHORAGE 99501

ALASKA MUNICIPAL LEAGUE
26th ANNUAL LOCAL GOVERNMENT CONFERENCE
November 4-6, 1976
Fairbanks, Alaska

MUNICIPAL LAND SELECTIONS

The attached information is presented to members of the Alaska Municipal League to share information developed or synthesized by the Alaska Division of Land Management pertaining to municipal land selections under AS 29.18.190-.200. In compiling this document the Division has drawn upon a number of sources. Specific data, therefore, represent a continuum from precise figures (e.g. accumulative Tentative Approval received by the State), through best estimates (population figures), to rough approximations for the sake of discussion (occupied, appropriated and reserved land acreage).

This information is not offered to prove any particular point, but rather to show the existing situation regarding municipal land selections and some relationships among the municipalities which have participated in this program to date.

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Explanatory Notes for Table A

Column 1 contains the cumulative total of tentatively approved ("T.A.") lands conveyed to the State of Alaska under Section 6(b) of the Alaska Statehood Act.

Column 2 is a consolidated cumulative total of occupied, appropriated and reserved lands comprised of the following:

a. Five Classifications (Timber, Grazing, Watershed, Public Recreation and Resource Management) which cover areas not available for transfer to boroughs. Only those above classifications covering areas of Section 6(b) lands (GS) in excess of 40 acres in size have been included.

b. Municipal approvals per date of issue.

c. State Parks were excluded upon the effective date for that portion then under BLM T/A or patent under Sec. 6(b). Additional title received within park areas after formation was excluded in the six month period in which title was received.

d. State Recreation areas are treated in a similar manner.

e. State Wildlife Refuges, except for Susitna Flats State Game Refuge and Trading Bay State Game Refuge.

f. Estimated tentatively approved Sec. 6(b) lands selected by village corporations. The totals given are only those lands selected as of December, 1973 rather than those lands within the 25 township withdrawal as of December, 1971.

g. Estimated lands obligated under the Cook Inlet Land Trade.

Column 2 does not include mineral or oil and gas leases, tidelands, submerged lands or shorelands.

Column 3 (Column 1 minus Column 2). These figures comprise the best available State estimate of net vacant, unappropriated and unreserved lands based upon the items included above. Some items (i.e., ANSCA and Cook Inlet Trade) include variables, both in amounts and as to the areas (Matanuska, Kenai or Anchorage) in which the natives can elect to receive their lands.

TABLE A-1

Net vacant, unappropriated and unreserved G.S. lands, by 6 month period, within boundaries of the Municipality of the Anchorage Borough.

Thru	Column No. 1 Tentative Approval Received by State (Cumulative)	Column No. 2 Occupied, Appropriated and Reserved Lands (Cumulative Total)	Column No. 3 Net Vacant Unappropriated and Unreserved Lands (Col. 1 minus Col. 2)	Column No. 4 Municipal Approvals* (Cumulative)
6/30/60	-	-	-	-
12/31/60	-	-	-	-
6/30/61	-	-	-	-
12/31/61	1766	-	1766	-
6/30/62	15746	-	15746	-
12/31/62	15746	-	15746	-
6/30/63	15766	-	15766	-
12/31/63	16346	-	16346	-
6/30/64	70084	-	70084	-
12/31/64	70886	-	70886	-
6/30/65	141008	-	141008	-
12/31/65	185154	-	185154	-
6/30/66	185186	1725	183461	125
12/31/66	210474	1859	208615	259
6/30/67	210474	1859	208615	259
6/31/67	211000	2875	208125	1275
6/30/68	211005	5060	205945	3060
12/31/68	211074	5190	205884	3880
6/30/69	213730	6277	207453	6277
12/31/69	213730	7633	206097	6323
6/30/70	213730	200938	12797	6323
12/31/70	213730	200928	12802	6314
6/30/71	213730	201021	12709	6328
12/31/71	213730	201021	12709	6328
6/30/72	213730	201021	12709	6328
12/31/72	213775	201360	12415	6368
6/30/73	213775	201950	11825	6957
12/3173	213795	201950	11845	6957
6/30/74	230746	201722	29024	6729
12/31/74	267326	255139	12187	6729
6/30/75	267326	255139	12187	6729
12/31/75	267326	255139	12187	6729
6/30/76	267326	255139	12187	6729
10/31/76	267326	255139	12187	6729

*Includes lands approved and patented to the former City of Girdwood.

Note: Columns 1 & 4 are accurate figures based on Division of Land Management Records

TABLE A-2

Net vacant, unappropriated and unreserved G.S. lands, by 6 month period, within boundaries of the Municipality of the Fairbanks North Star Borough.

Thru	Column No. 1 Tentative Approval Received by State (Cumulative)	Column No. 2 Occupied, Appropriated and Reserved Lands (Cumulative Total)	Column No. 3 Net Vacant Unappropriated and Unreserved Lands (Col. 1 minus Col. 2)	Column No. 4 Municipal Approvals (Cumulative)
6/30/60	-	-	-	-
6/31/60	18123	-	18123	-
6/30/61	59188	-	59188	-
12/31/61	85291	-	85291	-
6/30/62	194838	-	194838	-
12/31/62	221488	-	221488	-
6/30/63	232506	-	232506	-
12/31/63	470136	-	470136	-
6/30/64	657605	-	657605	-
12/31/64	689451	400	689051	-
6/30/65	705484	480	705004	-
12/31/65	705484	9138	696346	3678
6/30/66	723137	9380	713757	3920
12/31/66	736513	31018	705495	10123
6/30/67	736716	31008	705708	10123
12/31/67	904009	30828	873181	10123
6/30/68	994695	32381	962314	11676
12/31/68	994695	32161	962534	11676
6/30/69	994695	32732	961963	12144
12/31/69	994695	31772	962923	12144
6/30/70	994695	32089	962606	12144
12/31/70	994695	70084	924611	12126
6/30/71	994695	107229	887466	15326
12/31/71	994695	142854	851841	15326
6/30/72	994695	180658	814037	17391
12/31/72	994695	305381	689314	17391
6/30/73	994695	305235	689460	17405
12/31/73	995013	731110	263903	17547
6/30/74	995013	730995	264018	17547
12/31/74	1150547	731315	419232	17547
6/30/75	1151382	731315	420067	17547
12/31/75	1153734	802839	350895	17587
6/30/76	1443888	814954	628934	17587
10/31/76	1443888	814954	628934	17587

Note: Columns 1 & 4 are accurate figures based on Division of Land Management Records.

TABLE A-3

Net vacant, unappropriated and unreserved G.S. lands, by 6 month period, within boundaries of the Municipality of the Kenai Peninsula Borough.

Thru	Column No. 1 Tentative Approval Received by State (Cumulative)	Column No. 2 Occupied, Appropriated and Reserved Lands (Cumulative Total)	Column No. 3 Net Vacant Unappropriated and Unreserved Lands (Col. 1 minus Col. 2)	Column No. 4 Municipal Approvals (Cumulative)
6/30/60	30536	-	30536	-
12/31/60	63300	-	63300	-
6/30/61	710917	13765	697152	-
12/31/61	758938	24595	734343	-
6/30/62	839114	47121	791993	-
12/31/62	839318	51318	788000	-
6/30/63	886234	67952	818282	-
12/31/63	1472539	69925	1402614	-
6/30/64	1524224	131831	1392393	-
12/31/64	1684790	131831	1552959	-
6/30/65	1738005	132045	1605960	-
12/31/65	1664215	137937	1526278	5733
6/30/66	1671965	137974	1533991	5770
12/31/66	1672352	138873	1533479	6668
6/30/67	1683783	138915	1544868	6711
12/31/67	1683783	226029	1457754	6864
6/30/68	1683783	226413	1457370	7247
12/31/68	1683783	252636	1431147	26223
6/30/69	1683783	267811	1415972	32990
12/31/69	1683783	369449	1314334	35958
6/30/70	1683783	382669	1301114	38446
12/31/70	1683783	514264	1169519	38783
6/30/71	1683783	517011	1166772	41530
12/31/71	1683783	782542	901241	41620
6/30/72	1683783	930629	753154	41957
12/31/72	1683783	930869	752914	42277
6/30/73	1683783	1155052	528731	42432
12/31/73	1737254	1171888	565366	47335
6/30/74	1737802	1173190	564612	48718
12/31/74	1794987	1174164	620823	49814
6/30/75	1806187	1212418	593769	49895
12/31/75	1943965	1212418	731547	49895
6/30/76	1943968	1534204	409764	49895
10/31/76	1943968	1534204	409764	49895

Note: Columns 1 & 4 are accurate figures based on Division of Land Management Records.

TABLE A-4

Net vacant, unappropriated and unreserved G.S. lands, by 6 month period, within boundaries of the Municipality of the Matanuska-Susitna Borough.

Thru	Column No. 1 Tentative Approval Received by State (Cumulative)	Column No. 2 Occupied, Appropriated and Reserved Lands (Cumulative Total)	Column No. 3 Net Vacant Unappropriated and Unreserved Lands (Col. 1 minus Col. 2)	Column No. 4 Municipal Approvals (Cumulative)
6/30/60	75838	-	75838	-
12/31/60	741678	-	741678	-
6/30/61	880977	-	880977	-
12/31/61	1387582	-	1387582	-
6/30/62	2243924	-	2243924	-
12/31/62	2343215	5164	2338051	-
6/30/63	2765104	5164	2759940	-
6/31/63	3134435	5164	3129271	-
6/30/64	3295568	5212	3290356	-
12/31/64	3316170	6517	3309653	-
6/30/65	3338351	11730	3326621	4482
12/31/65	3478007	94175	3383832	19059
6/30/66	3723789	201397	3522392	99885
12/31/66	3793658	317985	3475673	202683
6/30/67	3892804	317985	3574819	202683
12/31/67	3975284	328820	3646464	202687
6/30/68	4002404	340457	3661947	202687
12/31/68	4003664	486210	3517454	202818
6/30/69	4008224	485370	3522854	202978
12/31/69	4008224	483250	3524974	202381
6/30/70	4008224	483141	3525083	203997
12/31/70	4008224	764664	3243560	217493
6/30/71	4008224	1097801	2910423	257298
12/31/71	4008224	1146942	2861282	251928
6/30/72	4008224	1180929	2827295	252198
12/31/72	4008224	1185344	2822880	253676
6/30/73	4053543	1243999	2809544	257472
12/31/73	4053543	3045878	1007665	259836
6/30/74	4076305	3055244	1021061	270233
12/31/74	4076592	3069114	1007478	285656
6/30/75	4076592	3078110	998482	288737
12/31/75	4076592	3138112*	938480	288737
6/30/76	4076592	3278043*	798549	288737
10/31/76	4076592	3255159*	821433	288737

*Includes 65,699 acres for lands classified for Willow Capital Site only.

Note: Columns 1 & 4 are accurate figures based on Division of Land Management Records.

TABLE A-5

Net vacant, unappropriated and unreserved G.S. lands, by 6 month period, within boundaries of the Municipality of the North Slope Borough.

Thru	Column No. 1 Tentative Approval Received by State (Cumulative)	Column No. 2 Occupied, Appropriated and Reserved Lands (Cumulative Total)	Column No. 3 Net Vacant Unappropriated and Unreserved Lands (Col. 1 minus Col. 2)	Column No. 4 Municipal Approvals (Cumulative)
6/30/60	-	-	-	-
12/31/60	-	-	-	-
6/30/61	-	-	-	-
12/31/61	-	-	-	-
6/30/62	-	-	-	-
12/31/62	-	-	-	-
6/30/63	-	-	-	-
12/31/63	-	-	-	-
6/30/64	-	-	-	-
12/31/64	1398927	-	-	-
6/30/65	1622713	-	-	-
12/31/65	1622713	-	-	-
6/30/66	1622713	-	-	-
12/31/66	1622713	-	-	-
6/30/67	1622713	-	-	-
12/31/67	1622713	-	-	-
6/30/68	1622713	-	-	-
12/31/68	1622713	-	-	-
6/30/69	1621827	1621246	581	-
12/31/69	1621827	1616791	5036	-
6/30/70	1621827	1616460	5367	-
12/31/70	1621827	1616460	5367	-
6/30/71	1621827	1615820	6007	-
12/31/71	1621827	1615820	6007	-
6/30/72	1621827	1615820	6007	-
12/31/72	1621827	1615820	6007	-
6/30/73	1621827	1615820	6007	-
12/31/73	1621827	1615820	6007	-
6/30/74	4154804	4148357	6447	-
12/31/74	4155259	4148812	6447	-
6/30/75	4155259	4148812	6447	-
12/31/75	4155739	4149292	6447	-
6/30/76	4155739	4149292	6447	-

Note: Columns 1 & 4 are accurate figures based on Division of Land Management Records.

Explanatory Notes

A total State Population figure of 404,634 is based upon the State Department of Labor "Estimates of Total Resident Population of Alaska By Census Divisions as of July 1, 1975 and Components of Population Change since April 1, 1970."

Individual city and borough totals are based upon population data from FY 1976 State Revenue Sharing as shown on "Organized Boroughs and Cities" January 1, 1976 map produced by the State of Alaska, Department of Community and Regional Affairs. These figures were amended by Community and Regional Affairs in the case of the following: North Slope Borough, Fairbanks North Star Borough, Matanuska Susitna Borough, Valdez and the correction of a typographical error in the case of Savoonga.

Based upon the above Community and Regional Affairs information, 306,967 comprises the population of the unified municipalities of Juneau, Sitka, Anchorage and the other eight organized boroughs.

The population total for those incorporated cities outside the area of the organized boroughs is 51,397.

UNIFIED HOME RULE MUNICIPALITIES

	*POPULATION	ESTIMATED SQ. MILES	INCORPORATION DATE
City and Borough of Juneau	17,356	3,109	July 1, 1970
City and Borough of Sitka	6,966	2,900	December 2, 1971
Municipality of Anchorage	175,697	1,500	September 25, 1975

ORGANIZED BOROUGHS

CLASSIFICATION	*POPULATION	ESTIMATED SQ. MILES	INCORPORATION DATE
Home Rule			
North Slope Borough	8,634	68,281	July 1, 1972
Second Class			
Bristol Bay Borough	1,147	1,200	October 2, 1962
Fairbanks North Star Borough	50,029*	7,500	January 1, 1964
Kenai Peninsula Borough	16,645	25,600	January 1, 1964
Ketchikan Gateway Borough	11,052	1,250	September 6, 1963
Kodiak Island Borough	6,627**	4,500	September 30, 1963
Matanuska-Susitna Borough	10,834	23,000	January 1, 1964
Third Class			
Haines Borough	1,980***	2,620	August 29,1968

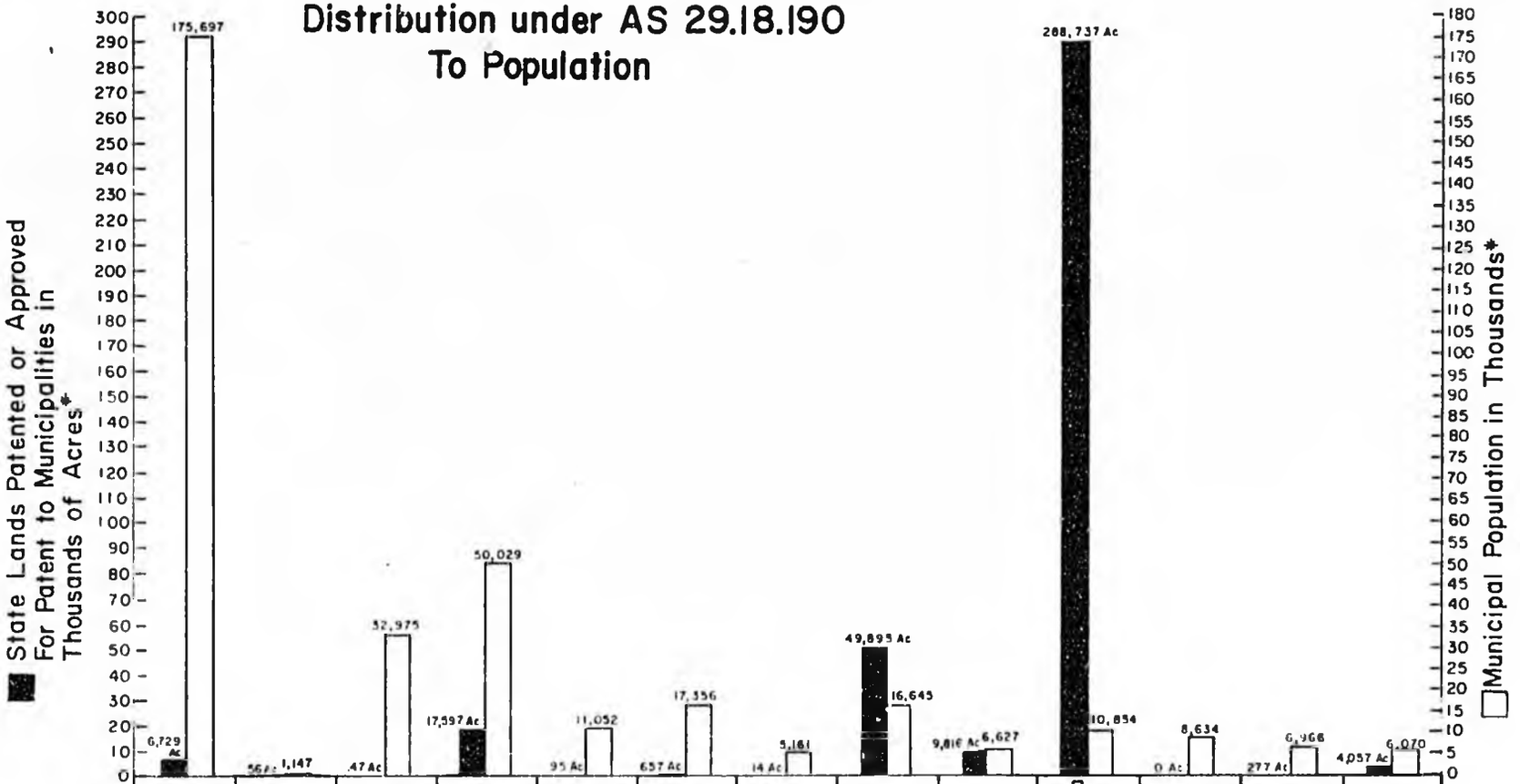
*Portions of Fort Wainwright have been annexed to the City of Fairbanks, Eielson Air Force Base is excluded from the Fairbanks North Star Borough.
**Excluding residents of Kodiak Coast Guard Station (base proper).
***Excluding residents of the Klukwan Indian Reservation and Petroleum Distribution office, Haines Terminal and Pumping Station (base proper).

CLASSIFICATION	*POPULATION	INCORP. DATE
Home Rule Cities		
Cordova	2,406	1909
Fairbanks	32,975	1903
Kenai	5,161	1960
Ketchikan	7,618	1900
Kodiak	3,923	1940
North Pole	462	1953
Palmer	1,409	1951
Petersburg	2,126	1910
Seward	1,823	1912
Valdez	6,070	1901
Wrangell	3,152	1903
First Class Cities		
Barrow	2,307	1959
Craig	467	1922
Dillingham	1,025	1963
Galena	631	1971
Haines	1,366	1910
Homer	1,449	1964
Hoonah	848	1946
Hydaburg	371	1927
Kake	679	1952
King Cove	359	1947
Klawock	281	1929
Nenana	486	1921
Nome	2,585	1901
Pelican	169	1943
Saint Mary's	415	1967
Selawik	521	1963
Seldovia	612	1945
Skagway	695	1900
Soldotna	1,800	1967
Unalaska	510	1942
Yakutat	348	1948
Second Class Cities		
Akhiok	102	1972
Aklachak	371	1974
Akiak	192	1970
Akolmiut	608	1969
Alakanuk	512	1969
Aleknagik	227	1973
Allakaket	164	1975
Ambler	217	1971
Anaktuvuk Pass	135	1957
Anderson	463	1962
Angoon	475	1963
Aniak	273	1972
Anvik	87	1969
Bethel	2,291	1957
Brevig Mission	120	1969
Buckland	119	1966
Chefornak	182	1974
Chevak	447	1967
Chuathbaluk	122	1975

CLASSIFICATION	*POPULATION	INCORP. DATE
Second Class Cities		
Clark's Point	98	1971
Deering	87	1970
Delta Junction	892	1960
Diomede	90	1970
Eagle	172	1901
Eek	195	1970
Ekwok	103	1974
Elim	205	1970
Emmonak	545	1964
Fort Yukon	637	1959
Fortuna Ledge	200	1970
Gambell	412	1962
Golovin	118	1971
Goodnews Bay	248	1970
Grayling	167	1969
Holy Cross	212	1968
Hooper Bay	556	1966
Houston	170	1966
Hughes	98	1973
Huslia	207	1969
Kachemak	151	1961
Kaktovik	141	1971
Kaltag	240	1969
Kiana	314	1964
Kivalina	208	1969
Kobuk	60	1973
Kotlik	284	1970
Kotzebue	2,431	1958
Koyuk	127	1970
Koyukuk	124	1973
Kupreanof	42	1975
Kwethluk	409	1975
Larsen Bay	111	1974
Lower Kalskag	195	1969
Manokotak	230	1970
McGrath	296	1975
Mekoryuk	209	1969
Mountain Village	513	1967
Napakiak	296	1970
Napaskiak	210	1971
New Stuyahok	230	1972
Newhalen	89	1971
Nightmute	123	1974
Nikolai	120	1970
Nondalton	226	1971
Noorvik	527	1964
Nuiqsut	140	1975
Nulato	330	1963
Old Harbor	327	1966
Ouzinkie	173	1967
Pilot Station	315	1969
Platinum	65	1975
Point Hope	384	1966
Port Alexander	36	1974
Port Heiden	66	1972
Port Lions	227	1966
Quinhagak	369	1971
Ruby	155	1973
Russian Mission	138	1970
Saint Michael	222	1969
The Aleut Community of St. Paul Island	456	1971
Sand Point	509	1966
Savoonga	38	1969
Saxman	272	1930
Scammon Bay	221	1967
Shageluk	172	1970
Shaktoolik	160	1969
Sheldon Point	136	1974
Shishmaref	309	1969
Shungnak	175	1967
Stebbins	272	1969
Tanana	447	1961
Teller	219	1963
Tenakee Springs	101	1971
Tojiak	419	1969
Tokeook Bay	317	1972
Tuluksak	202	1970
Tununak	291	1975
Unalakleet	577	1974
Upper Kalskag	164	1975
Wainwright	341	1962
Wales	134	1964
Pasilla	747	1974
White Mountain	89	1969
Whittier	186	1969
Organized Under Federal Law		
Metlakatla	1,051	1944

*Population data from FY 1976 State Revenue Sharing in most cases

Relationship of Municipal Land Distribution under AS 29.18.190 To Population



	Municipality of Anchorage	Bristol Bay Borough	City of Fairbanks	Fairbanks North Star Borough	Gateway Borough	City & Borough of Juneau	City of Kenai	Kenai Peninsula Borough	Kodiak Island Borough	Matanuska-Susitna Borough	North Slope Borough	Greater Sitka Borough	City of Valdez
ACRES PER PERSON	0.04	0.05	0	0.35	0.01	0.04	0	3.00	1.48	26.65	0	0.04	0.67

*These figures based on data found elsewhere in this report. (10)

Alaska Division of Land Management Current to 10/31/76

ACTIVITY FOR MONTH ENDING October 24, 1976				CURRENT TOTALS		
GRANT	APPLIED FOR	TENTATIVE APPROVAL	PATENT	APPLIED FOR	TENT. APPROVAL	PATENT
General Grant	*97,059.00	0	209.92	67,612,119.81	16,086,927.09	19,168,144.82
Mental Health	0	0	0	1,017,550.06	186,919.22	787,590.86
Community Grant	0	0	0	83,612.99	11,957.03	10,215.96
University Grant	0	0	0	99,303.32	0	99,414.28
Univ.-Tanana	0	0	0	11,371.81	0	11,210.96
Forest Grant	0	0	0	37,208.63	15,169.67	3,881.97
School Grant	0	0	0	109,211.19	0	101,562.26
TOTAL IN ACRES	97,059.00	0	209.92	68,970,377.81	16,300,973.01	20,182,021.31

ADJUSTMENTS:

*Amend to include 97,059.00 acres
Ref: S-1573, F-492 - 1280.00 acres
S-1581, F-600 - 11,040.00 acres
S-1582, F-601 - 21,440.00 acres
S-1584, F-598 - 1079.00 acres
S-1585, F-609 - 500.00 acres
S-1586, F-608 - 9600.00 acres
S-1587, F-607 - 20,390.00 acres
S-1569, F-488 - 13,000.00 acres
S-1570, F-489 - 11,520.00 acres
S-1571, F-490 - 5,760.00 acres
S-1572, F-491 - 1,450.00 acres

BOROUGH LAND ACTIVITY REPORT

ACTIVITY FOR THE MONTH ENDING October 24, 1976				CURRENT TOTALS		
BOROUGH	APPLIED FOR	APPROVED	PATENT	APPLIED FOR	APPROVED*	PATENT*
Greater Anchorage Area Borough	0	0	0	15,496.42	2,475.11	3,960.81
Bristol Bay Borough	0	0	0	56.13	0	56.13
Gateway Borough (Ketchikan Area)	0	0	0	95.00	95.00	0
Fairbanks North Star Borough	0	0	0	68,630.57	11,283.51	6,313.78
City & Borough of Juneau	0	0	0	657.07	0	657.07
Kenai Peninsula Borough	0	0	0	142,706.41	36,906.36	12,988.37
Kodiak Island Borough	0	0	0	36,773.65	7,695.29	2,120.67
Matanuska-Susitna Borough	40.00	0	0	386,175.56	205,183.84	83,553.34
Greater Sitka Borough	0	0	0	502.06	0	277.06
Haines Borough	0	0	0	16.68	0	16.68
North Slope Borough	0	0	0	197,354.95	0	0
TOTAL IN ACRES	40.00	0	0	848,469.50	263,639.11	109,943.91
~~TOTALS~~ IN ~~ACRES~~	* Figures in "Approved" and "Patent" columns are separate, and must be combined to reach the cumulative total of lands approved to a municipality.					

CITY LAND ACTIVITY REPORT

ACTIVITY FOR THE MONTH ENDING Oct. 24, 1976.				CURRENT TOTALS		
City XXXXXXXXX	APPLIED FOR	APPROVED	PATENT	APPLIED FOR	APPROVED*	PATENT*
Fairbanks	0	0	0	.47	0	.47
Valdez	0	0	0	8,128.00	4,057.00	0
St. Mary's	0	0	0	27,000.00	0	0
Homer	0	0	0	15.00	15.00	0
Girdwood	0	0	0	,182.71	0	292.58
Kenai	0	0	0	13.74	13.74	0
Houston	0	0	0	167.50	167.50	0
Cordova	0	0	0	208.05	0	0
*Figures in "Approved" and "Patent" columns are separate, and must be combined to reach the cumulative total of lands approved to a municipality.						
TOTAL IN ACRES	0	0	0	36.715.47	4,253.24	293.05

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / POUCH M — JUNEAU 99811

May 2, 1977

The Honorable Lisa Rudd
Chairman, House Community and
Regional Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Representative Rudd:

In response to several questions from members of your committee concerning the necessity for action on your committee substitute for HB 133, I thought it appropriate to document those needs and explain some of the significant problems if the Legislature does not act on this bill this session.

As you know, this bill represents a compromise consensus among the State and most of the major municipalities within the state to finally establish a "settlement" of the existing, outmoded land selection legislation passed 14 years ago. Hammering out comprehensive legislation of this magnitude is not an easy task, but the State and the municipalities have been doing just that since last August. Like you, we wish the bill had been in this form earlier in the session, however, that was simply not possible considering the tremendous diversity of needs that had to be met for the many varied communities involved. The bill before you represents a rational compromise for all parties and testimony has been offered in its support by virtually all municipalities involved.

Below are listed the seven reasons why the State and the municipalities feel it imperative for the Legislature to act this session on the municipal land selection bill.

1. Judicial action--The State is presently being sued by two municipalities concerning interpretations of the original act. If the Legislature does not act this session, some judge will interpret the Legislature's intention of 14 years ago. Why leave to the judicial process the role of interpreting an outdated land selection law when a document of settlement exists with which all parties concur?

2. Land exchange mandates--Under the terms of the Cook Inlet land exchange, the State must identify large acreages of land for conveyance to that regional corporation. Without the vested entitlement rights which this legislation would provide, the Kenai and Matanuska-Susitna Boroughs will be at a very significant disadvantage during the process by which the State and Cook Inlet Region determine which lands should go into private ownership. This problem could be critical to these two municipalities.

3. Further exchanges prevented--Both the villages of Eklutna and Seldovia, which have selected large portions of Chugach and Kachemak Bay State Parks, repsectively, have approached the State seeking to initiate a land exchange to "trade out" of these State Parks. Both the Legislature and the Administration are receptive to these approaches, however, without a specific land entitlement defined for the municipalities in whose borders these lands lie, no such exchange is possible. These corporations have indicated an increasing reluctance on the part of some members of their boards of directors that their private corporate ownership of these parks may ultimately be more favorable to them than such an exchange. If we cannot initiate such exchanges in the near future while these coproations are interested, we may foreclose forever the opportunity of such exchanges.

4. Land disposals halted--Some municipalities, particularly the Kenai Borough, have indicated that they will vigorously object, and may even consider legal action, to prevent the State from classifying or disposing of state lands within their boundaries until such time as they receive a specific land entitlement. Such municipalities have few alternatives since without a specific entitlement state land disposals may be robbing them of land entitlement rights which they may already have under the original legislation.

5. National forest land selection--The Department of Natural Resources has begun an intensive program to identify and select the majority of our remaining entitlement within the National Forests. This will have profound impact upon Southeast Alaska, particularly the Boroughs of Juneau, Ketchikan and Sitka. Under existing law, these three communities combined possess an entitlement of only about 1,000 acres. The present bill would grant them a total of 32,000 acres. Without legislative action this session, these communities will not know their ultimate land entitlement since, under existing law, they are entitled to only 10 percent of the vacant, unappropriated, unreserved land within their municipal boundaries. Thus, without legislative

action, these communities will be forced to fight amongst themselves to insure that the State selects a maximum acreage within the municipal borders of each community from which they will obtain a 10 percent entitlement. This would be the very worst environment within which the State and its forest communities could make the decisions for future state selection.

6. Effective resource management stopped--The municipalities have been waiting 14 years to receive their land. Without legislative action, a continuation of this lack of coordination and proper land management will continue. Under existing law, the State and the municipalities are forced to become protagonists in a battle for land ownership. At a time when State and municipal cooperation in land and resource management is so desperately needed, and when a document has been agreed upon to provide such coordination, the continuance of the conflicts engendered under the original legislation is simply untenable.

I hope this will convey some of the urgency which both the State and the municipalities feel with respect to solving this longstanding problem. Eight months ago no one would have thought that rational legislation could have been drafted which would be supported by all parties--we trust the Legislature will see fit to pass that legislation this session.

Sincerely,

Michael C.T. Smith
Assistant Commissioner

cc: The Hon. Sally Smith, Vice Chairman
The Hon. Al Ose
The Hon. Randy Phillips
The Hon. Kris Lethin
The Hon. Tim Kelly
The Hon. Merle Snider
The Hon. Bill Miles
The Hon. Nels Anderson

ANALYSIS OF SENATE C&RA VERSION OF HB 133

This CS, passed out 5/25/78, contains 4 main changes from the Senate Resources version:

Sec.29.18.201 P. 1

1). General grant land entitlement for Anchorage is changed. Anchorage is increased from 20,865 to 44,893 acres. The increase for Anchorage is based on the Municipality's argument that their previous entitlement did not take into account 240,893 acres selected by the state in the Anchorage area but not yet given formal approval by the Feds. Anchorage should receive 10% of that land as well.

This land is not usable by the municipality because it is primarily on the back side of the Chugach Mts., however, it does have the advantage of (1) qualifying the municipality to receive "deficiency payments;" and (2) allowing for the possibility of selecting land which may be made available at a future date in the area of Ft. Richardson and Elmendorf.

The State, in a letter to Senator Orsini dated May 19, 1978, commented on Anchorage's argument for more land. Mike Smith stated the 240,893 acre figure is erroneous because it includes roughly 72,000 acres which have been double-filed over the years. This leaves only 168,000 acres for the total entitlement of 37,665 acres for Anchorage.

I was not able to get anyone to tell me whether or not any other boroughs may have the same situation within their boundaries, ie, where the state has selected additional land but not given the borough credit for it in its entitlement computations. Presumably, it is up to each municipality to sleuth out the real story and present it to the legislature.

Sec. 29.18.204(g) P. 5

(2) The development of the concept of lands "appropriate" for municipal purposes. On page 5 , Sec. 204 (g), the criteria for municipal selection is broken out as follows:

(1) Land suitable for residential, commercial and industrial needs; and
(2) Other responsibilities of the local government, including but not limited to, support of municipal services,; education; local transportation; private recreation; public recreation, natural, historical and archaelogical areas of local concern; and other responsibilities authorized or delegated by the state to the municipality.

What is new is 204 (g)(1). This comes into play in the sections pertaining to selection of trust lands and payments in lieu of land.

Sec.29.18.205 P. 6 (3) Trust Lands. This section has been restricted somewhat as to what municipalities can take advantage of trust lands selection.

There are apparently a substantial amount of trust lands available in Anchorage, 10,300 acres, some of which would be "appropriate" for municipal selection. Some Southeast communities also could not get close to fulfulling their entitlement without access to trust lands. The new elements therefore are: (1) a municipality's entitlement must be less than 1 1/2 acre/capita before it can qualify to select trust lands; and (2) the trust boards have no approval or disapproval authority.

The Senate Resources version had given the option of selecting trust lands to all municipalities, given approval by the appropriate trust board. The Senate C&RA version has precluded some municipalities from selecting trust lands where land is not a problem, while allowing Anchorage and Southeast where there is an apparent land crunch, to select trust lands without the risk of being disapproved by the trust boards.

The DNR is to trade land of equal value to the trusts for those trust lands selected by municipalities. The trust boards must agree to the transfer. If they do not agree, the DNR keeps trying until they do. Identification of lands suitable for trade is to be accomplished within 6 months of a municipal selection. In Mike Smith's letter of May 19, he states no time limit should be set for this land exchange because he feels that the work load involved in the identification of all these alternative suitable lands would be more than the department could handle.

Sec.29.18.207 P. 9 + 10 (4) Payment for Land Deficiency. This is a difficult section to explain.

The committee was working with 4 things here:
(1) The fact that Anchorage cannot fulfill its entitlement in land regardless of whether it has a 20,000 acre entitlement or a 45,000 acre entitlement;
(2) The argument that Anchorage has not received anywhere near its equitable entitlement given its large population;
(3) The possibility that Kodiak will not be able to fulfill its entitlement given the extensive top fillings on their selections by area Native corporations;
(4) The administration's position that the total payments to all communities must not exceed $20 mil and that the amount to be received by any one municipality should not be more than $10 million. (Mike Smith's letter of 5/19/78) It is estimated only Anchorage and Kodiak would be qualifying for payments.

Under this section a municipality may only receive a payment if it meets one of two criteria: It either cannot fulfill its entitlement because there are not sufficient "suitable/appropriate" lands available, or because those lands have been conveyed to a Native corporation under ANCSA.

By the first criteria, a municipality with an entitlement of less than 1/3 acre per capita of land "suitable for residential, commercial and industrial needs" (204(g)(1)), can receive $1,000/acre for that land which is not appropriate as described above. The total payment to any one municipality may not be more than $9,000,000.

The way this subsection (b) is worded it appears that Anchorage will be credited for 60,000 acres. Less any appropriate land under 204(g)(1), say, approximately, 20,000 acres.

1/3 X 180,000 = 60,000
-20,000 selectable
40,000 X $1,000/acre = $40,000.00

9,000,000 limit; 15,000 acres payment request

25,000 acres to be selected later

A $9 million limit encourages Anchorage to request payment for only 9,000 acres or at the most 15,000, leaving 25,000 still available for selection should more land become available. There is no time limit for selecting land. DNR has mentioned that land from Elmendorf and Ft. Rich may come available in the future.

Subsection (c) addresses the situation in Kodiak: If a municipality is unable to select its full entitlement because its lands were ultimately conveyed to a Native corporation under ANCSA it may request payment at $1,000 per acre for a maximum of 8,000 acres. $1,000,000/FY; $8,000,000 total.

In lieu payments received under this subsection (c) are deducted from the total entitlement. Not so for subsection (b); there is no deduction.

I believe the rationale for this difference is that in Kodiak there is other land available although it is not particularly appropriate. In Anchorage there is no other land available.

OTHER CHANGES IN THE SENATE CRA COMMITTEE SUBSTITUTE ARE:

Sec.29.18.212 P. 13

1) The definition of vacant, unappropriated state land is changed to accommodate "appropriate" land for municipal purposes as outlined in 204 (g)(1).

Sec.38.05.321 (b) and (c) P. 16

2) The section on agricultural lands is tightened up. P. 16, lines 5-7 bring in the provisions of 38.05.069 when the state determines to transfer rights other than agricultural rights to a municipality. This section seems to say that the public auction procedure will come into play here. The intent of putting in this language was to have the Director use procedures now in effect for other lands. Without this there would be too much discretionary authority to the Director.

Also, the date of April 1, 1978 is inserted as a grandfather clause for selections already made by a municipality. This date is apparently to avoid any last minute land transfers by the Department between the date of passage and the effective date. This is also intended to shield any municipalities who have gotten land under different auspices.

Some of the testimony given at the Senate CRA final hearing may be of interest.

The municipality of Juneau pointed out that emphasis is placed on developable land. Reference is constantly made to 204 (g)(1). Municipal selections need not be just for development. Juneau plans several selections which would not be developable.

Stewart Bowdin of the Bristol Bay Borough testified the Bristol Bay Borough is in dire need of land for utility purposes such as for sanitary landfills. They perferred the entitlement contained in the House Finance version, but would be content with that contained in the Senate CRA CS.

Phil Holdsworth, representing the Southeastern Conference of municipalities, noted that a formula based on per capita was just aimed at certain municipalities. He was referring to the qualifying formula for selecting trust lands. Before being amended at the close of the meeting ,this section limited qualification to 1/2 acre per capita. Holdsworth was concerned that this left out Southeastern communities where there was a real land shortage due to the presence of trust lands within municipal boundaries.

Pat Conheady spoke for DNR and although he was not able to finish his testimony before the motion was made to move

the bill, he did make four points:

1) DNR does agree that trust land selection should be an option for all municipalities;
2) The Anchorage entitlement should be 37,665 acres.
3) The criteria of lands suitable for development contained in 204(g)(1) should be eliminated. The provision is open to interpretation and could be interpreted to allow all municipalities to collect a payment in lieu of land. DNR suggests returning to a general definition of vacant, unappropriated, appropriate lands since there are other legitimate uses of municipal land than just strictly for development.

4) The date of January 1, 1981 (p.9, line 20) should be eliminated. Conheady stated with regard to the 6A selections there is an uncertainty as to the time involved in their turnover to the state; enough so that the 1.5 acre criteria could open it up to payments to more municipalities.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / 323 E. 4TH AVENUE – ANCHORAGE 99501

May 19, 1978

The Honorable Joesph Orsini
Chairman
Senate Community and Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Joe:

Following the completion of testimony before your committee on the Municipal Land Selection Bill (SCS CSHB 133), I felt it appropriate to forward some comments from the Administration based upon information brought out at the hearings, as well as discussions with the representatives of individual municipalities.

As I suggested at the hearings, and as has been echoed by several of the municipalities, we feel that it is important that the Senate Resources Committee Bill be used as the "mark-up vehicle." While your committee may wish to make several amendments to the legislation, the Resources Committee Substitute represents the most finely honed version to date and is certainly the most suitable version upon which to build at this time.

In reviewing the May 5, 1978 letter to you from Theodore D. Berns of the Anchorage Municipality, I believe several comments on the suggested amendments in Exhibit D of that letter are appropriate. With respect to suggested amendments nos. 3 and 5, Ted is addressing the need to clarify the difference between land that is merely "vacant, unappropriated, unreserved," and land which is vacant, unappropriated, unreserved which is actually appropriate for municipal ownership. In other words, there might be mountaintops, glaciers, and coastlines which are by definition vacant, unappropriated, unreserved, yet are clearly not appropriate for municipal ownership. The State supports a clarification of this issue, but we would do so in a slightly different manner than the language suggested in Exhibit D of Ted's letter.

We suggest that the definitions section (29.18.212) be amended by the addition of a new definition no. (1) which would read:

> (1) "Appropriate vacant, unappropriated, unreserved land" means vacant, unappropriated, unreserved land which meets the criteria for municipal selection under Section 204(g) of this chapter;

In referring to Section 204(g) the definition incorporates the specific municipal criteria found in that subsection and therefore clearly differentiates between all vacant, unappropriated, unreserved land and land in that category which is actually appropriate for municipal ownership. By using this new definition, the suggested amendments nos. 3 and 5 in Exhibit D of Ted's letter may be changed to merely refer to this definition. Specifically, with respect to suggested amendment no. 3 on page 2, line 28 (SCS CSHB 133) the language would read:

> "or to that portion of an entitlement that cannot be satisfied by such date due to a lack of appropriate vacant, unappropriated, unreserved land."

The intent of suggested amendment no. 5 may then be manifested by adding on page 9, line 1, between the words "the" and "vacant," the word "appropriate."

Ted's suggested Amendment no. 4 on page five, at line 12, is acceptable to the State and we would not object to its inclusion in the bill. Likewise, with respect to suggested amendment no. 1 on page 1, at line 17-18, the State would not object to this deletion.

Suggested amendment no. 2 on page 1, at line 24, which would increase Anchorage's entitlement by 115 percent, causes us concern. While we again question, as has Senator Hackney, when the continual spiral of increases for municipal entitlements in this legislation will end, our specific concern here is that the 240,280 acres of selected land cited as being within the Anchorage Municipality is incorrect. That figure, as brought before your committee, includes substantial "double filed" acreage--land which has been filed on for selection by the State at different times or under different selection entitlements. While an exact determination of the degree of double filing would be a very time consuming effort, our best estimate of this double filing, giving Anchorage the benefit of any doubt, is approximately 72,000 acres. Reducing the 240,000 figure by 72,000 acres leaves approximately 168,000 acres of state

selected land. Ten percent of this total yields a figure of 16,800 acres. When added to Anchorage's existing entitlement of 20,865 acres, a more correct total of 37,665 acres is obtained.

Although not listed in Exhibit D of Ted's May 5 letter, Anchorage has requested that language found in Section 29.18.210(c) of the House bill (CSHB 133 (Finance) am) be reinserted in the Senate version (page 12, lines 8-11). This language, which refers to land conveyed to the State under Section 12(d)(2) of Public Law 94-204 is acceptable to the State provided that the ultimate entitlement for Anchorage is not in excess of the 37,665 acre figure addressed above.

With respect to Section 29.18.207, concerning payments in lieu of land, I have indicated several times that the Administration feels that the cumulative total of payments to all communities under this section should not total more than 20 million dollars. At present it appears that only the municipalities of Anchorage and perhaps Kodiak will qualify for payments under this section. I also understand that these municipalities are amenable to amendatory language, probably in Subsection (f), which would limit the total amount of in lieu revenue payments any one municipality could receive to a maximum of 10 million dollars. If language is included in that subsection which limits the total cumulative payments to all municipalities under this act to a total of 20 million dollars, and limits the total cumulative payments any one municipality can receive under this act to 10 million dollars, the Administration can support this section. Our suggested language is as follows:

> Once the total of cumulative in lieu revenue payments to a municipality under this section has reached 10 million dollars, there exists no obligation on the part of the State to provide further in lieu revenue payments to that municipality for any of its remaining entitlement. Once the total accumulative in lieu revenue payments to all municipalities under this section has reached 20 million dollars, there exists no obligation on the part of the State to provide further in lieu revenue payments for any remaining entitlement of any municipality.

The purpose of this language is to ensure that the artificially inflated entitlements of communities, whose appropriate state land for municipal selection may not exist, do not return to haunt the State for additional revenue payment in the future. The remaining entitlements would, however, remain effective should additional appropriate land be received by the State within a municipality.

A major problem which we have all wrestled with throughout consideration of this legislation has been that of the trust lands. Your suggestion that appropriate trust lands be made available for municipal selection without the need for concurrence of the respective trust board has considerable merit in that it would significantly speed up the conveyance process. There are, however, two corollary considerations which must be addressed. First, if the trust boards are not to be formally approached for their approval, trust land selected by a municipality should be treated no differently than general selection lands selected by a municipality. That is, they should be subject to the same processes found in subsections (e) through (i) of Section 204. Second, while there may be a requirement to identify other lands of equal value for exchange with the municipally-selected trust lands, no specific time limit for identification or culmination of an exchange should be given. If the trust boards do not have approval authority, the rapidity of the conveyance process would simply outstrip the capability of the Department of Natural Resources to formally execute exchanges. Specific identification and accounting of all trust lands conveyed to municipalities would of course be kept for the execution of exchanges at a later time.

I would like to take this opportunity to thank you for your diligent and detailed review of this legislation. If I can supply any further information please do not hesitate to let me know.

Sincerely,

MICHAEL C. T. SMITH
Assistant Commissioner

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER 11TH FLOOR, STATE OFFICE BLDG.
POUCH M – JUNEAU 99811

April 19, 1973

Honorable Clem Tillion
Alaska Senate
Pouch "V"
Juneau, Alaska 99811

Dear Senator Tillion:

This letter is in response to your request for information about the number of acres of land the State of Alaska owns within the municipality of Anchorage which could be made available to fulfill Anchorage's municipal land entitlement of 20,865 acres.

The figures below, for lands to which the State presently has either patent or tentative approval, are for lands which are not in Chugach State Park and are not affected by Eklutna Native Village land selections under ANCSA. The acreages listed as selected are for lands which the State has already selected and has a high probability of receiving from the federal government within the next few years. They also are not included within Chugach State Park and will not be affected by Native selections.

The lands listed as coming to the State under the Cook Inlet Land Exchange will definitely come to the State, and are generally of a nature more suitable for municipal management than State management.

Types of Land	Acres	
I. General Selection		
A. Patent and Tentative Approval	6,728	
B. Selected	240,280	
		247,008
II. Trust		
A. Patent or Tentative Approval	28,475	
B. Selected	6,998	
		35,473

Types of Land		Acres	
III.	Cook Inlet Land Exchange		
	A. Goose Lake	20	
	B. Point Woronzoff	325	
	C. Campbell Tract	4,892	
	D. Point Campbell	1,282	
			6,519
IV.	Totals		
	A. Presently Available for Early Transfer	6,720	
	B. Available After Exchange for Trust Lands*	28,475	
	C. Available Upon Receipt via Cook Inlet Land Exchange	6,519	
			41,714
	D. Selected Lands Available When Transfered From Federal Government	247,278	
V.	Anchorage's Existing Situation		
	A. Entitlement	20,865	
	B. Patented or Approved to Anchorage	6,728	
	C. Remaining Entitlement	14,137	
	D. Remaining Entitlement After Conveyance of Existing Lands Available for Early Transfer	7,417	

It should also point out that in the future the State will certainly receive substantial land from the Elmendorf and Fort Richardson military bases within the municipality. In most cases, these lands will be more suitable for municipal than State ownership. As an example, as part of their land exchange entitlement Cook Inlet Region, Inc., is currently working with the Departments of Interior and Defense, as well as the State, to have a parcel of about 5,700 acres removed from Fort Richardson. Since portions of that parcel are not suitable for private ownership, the State will seek to receive title to those areas (e.g., green belts, aquifer recharge, etc.).

*Approx. 3,000 acres are prime lands within the Anchorage Bowl.

Because of their location and local importance, these lands would be best conveyed to the Anchorage municipality for management. The acreage would probably be a minimum of 500 to 800 acres.

I hope this information answers your requests. Please let me know if you have any questions.

Sincerely,

Michael C. T. Smith
Assistant Commissioner

HOUSE BILL NO. 133

Municipal Land Selection

COMPARISON OF COMMITTEE SUBSTITUTE BILLS

House C&RA CS

Sec. 1: Statement of Purpose: short statement "..provide for timely patent."

Sec. 202 Determination f Entitlement

(a) Anchorage	20,865
Juneau	13,600
Sitka	9,200
B B Boro	1,940
Fairbanks	112,000
Haines	1,080
Kenai	155,780
Ketchikan	9,200
Kodiak	45,200
Mat-Su	355,210
North Slope	645

(b) Entitlement for cities 10% of VUU land.

(c) Director to determine city entitlement w/in 6 months.

(d) Vested property rights as in 205 & 208.

(e) Time limit on selections: 2yrs following deadline of Statehood Act, Sec. 6(a) & (b) except no time limit on in lieu paments.

House Finance CS am

"...provide for expeditious patent; in lieu payments for less than full entitlement to assist with costs of acquisition of land to meet the public needs."

	Sec. 201 Determination of Entitlement	Sec. 202 In-Lieu Entitlements*
Anchorage	20,865	90,863
Juneau	440	19,584
Sitka	25	11,593
B B Boro	1,940	2,898
Fairbanks	112,000	---
Haines	1,080	3,985
Kenai	155,780	---
Ketchikan	295	11,593
Kodiak	45,200	---
Mat-Su	355,210	---
North Slope	645	89,850

* New figures by Meekins formula using population and total acreage within a municipality.

Municipality may choose this option; but must do so within 60 days; and must dispose of 30% of this extra land to private ownership, residential or commercial. There is an opt out clause for Anchorage.

Sec. 203 Determination of Entitlement to Cities.

Same as (b) and (c) from House C&RA 202.

Sec. 204 Status of Entitlements.

Same as (d) and (e) from House C&RA 202.

Senate Resources CS

Same as House Fin.

Sec. 201 Determination of Entitlement.

Anchorage	20,865
Juneau	13,600
Sitka	9,200
B B Boro	1,940
Fairbanks	112,000
Haines	1,080
Kenai	155,780
Ketchikan	9,200
Kodiak	56,500
Mat-Su	355,210
North Slope	89,850

Sec. 202 Determination of Entitlement to Cities.

Same as (b) and (c)House C&RA

Sec. 203 Status of Entitlements.

Same as (d) and (e) House C&RA

Senate C&RA

*... provide payment for land for less than full entitlement in appropriate, vacant, unappropriated, unreserved land.

Sec. 201 Determination of Entitlement.

Anchorage	44,843
Juneau	13,600
Sitka	9,200
B B Boro	1,940
Fairbanks	112,000
Haines	1,080
Kenai	155,780
Ketchikan	9,200
Kodiak	56,600
Mat-Su	355,210
North Slope	89,850

Sec. 202 Determination of Entitlement to Cities.

Same.

Sec. 203 Status of Entitlements.

(b) 2 year time limit past fulfillment of Sec. 6(a) does not apply where there is a shortage of "appropriate" land available.

* 1. Senate Finance CS returns Kodiak's entitlement to 56,600 acres.

2. Senate Finance CS inserts a section on Determination of Entitlements for Newly Incorporated Municipalities which was included in Senate C&RA version but at the end of the bill Section 4.

3. Senate Finance adds a provision to Status of Entitlements providing how new municipalities are to receive their entitlements. (p.3)

House C&RA CS	House Finance CS am	Senate Resources CS	Senate C&RA CS
Sec. 204 Fullfillment of Land Entitlements.	Sec. 205 Fullfillment of Land Entitlements.	Sec. 204 Fulfillment of Land Entitlements.	Sec. 204 Fullfillment of Land Entitlements.
(a)(b)(c) Same	(a)(b)(c) Same	(a)(b)(c) Same	(a)(b)(c) Same
(d) no classification of state land more than 3,200 acres is effective unless municipality agrees with classification.	(d) ...this subsection only applies to to state lands before the effective date of this Act.	(d) Resored to House C&RA version.	(d) Same as House Finance CS.
(e) Cooperative planning process; Director approval or disapproval within 9 months; patent within 3 months.	(e) Cooperative planning process Deleted. Director disapproval Deleted. *	(e) Cooperative planning process Restored. Director approval/disapproval Restored.	(e) Cooperative planning Restored.
(f) State concerns.	(f) State concerns Deleted. Director has 9 months and 3 months for approval and patent. *	(f) Director has 9 months and 3 months for approval & patent	(f) Same as Senate Resources CS.
(g) Approval/disapproval procedure.	(g) Municipality may appeal through superior court.	(g) State concerns. (h) Approval/disapproval procedure	(g) State concerns with emphasis on local concerns. New language: ll 3-5 "Land considered appropriate for municipal selection is suitable & appropriate for an identifiable persent or future municiple use or for disposal to private use by the municipality by sale or other means." "When the interests of the state may be protected thru conveyand of title that is less than fee simple, the munic at its option may accept the title in acre for acre fullfillment of its entitlement." Introduction of 204(g)(1) "lands suitable for residential, commercial, industrial needs."
	Sec. 206 Trust Lands. *	Sec. 205 Trust Lands. *	Sec. 205 Trust Lands. *
	(a) authorizes selection of trust lands provided they are VUU within the definitic of the Act.	(a) Same	(a) Municipality must have an entitlement of less than 1.5 acres/capita to qualify to select trust lands.
	(c) DNR to determine approval of these selections.	(c) approval of DNR deleted.	(c) approval of DNR Deleted.
	(d) approval of trust board required.	(d) Same	(d) Approval of trust boards Deleted. (d) is now DNR replacement procedure; within 6 months; trust boards must approve trade.
	(e) DNR to designate replacement land of equal value within 3 years.	(e) DNR to identify replacement land within 6 months. Trust boards must approve.	

House C&RA CS

Sec. 206 Selection & Conveyance Procedure.

(a) Selections in reasonably compact tracts; approved selections may be relinquished.

(b) reference to ANCSA 11 (a)(2)

(c) surveys

(d) conditional sales & leases before patent only with consent of director

(e) recognition of prior rts. & claims.

Sec. 208 In-Lieu Payments.

(a) Establish AK municipal land acct.

(b) Qualifications: Director certifies status of land selections by Aug.1.

Ratio of remaining entitlement to the amount of VUU land within the municipality is greater than 2:1 or there is less than 1,000 acres VUU land within the municipality.

Payment in lieu is an option.

No payment to Juneau, Sitka or Ketchikan until after cumulative approps. in land acct are $12 mil or until 1984.

(c) Each municipality is not to receive more than 15% of its entitlement/yr.

Max 10,000 acres/yr.

Paymert: 10,000 acres -- $1,500/acre
10,001-20,000 -- 750/acre
20,001 + -- 350/acre

Sec. 210 Authorization for Land Exchanges.

DNR can exchange lands of equal value if municipality prefers.

Sec. 212 Public Purpose Expansion Needs

(a) Where needed, DNR to select federal lands for municipal purposes.

(b) municipality to auction state lands

(c) no limit or consideration needed to transfer lands.
lands transferred are credited agst entitlement.
except land conveyed under (d)(2) not credited agst municipality.

House Finance CS am

Sec. 207 Selection & Conveyance Procedure.

(a) Same as House C&RA

(b) Deleted

(c)(d)(e) Same but renumbered

Sec. 208 In-Lieu Payments. *

(a) thru (e) Same

(f) $100/person ceiling designed to prevent Anchorage from receiving well in excess of $20 million cuz would have to take most of its entitlement in payments.

Same payment schedule

Sec. 209 Authorization for Land Exchanges.

Same

Sec. 210 Public Purpose Expansion Needs.

Same

Senate Resources CS

Sec. 206 Selection & Conveyance Procedure.

Same as House Finance CS.

Sec. 207 In-Lieu Payments.

(a) thru (e) same
except in (c) allowance is made for Kodiak, "...or on the number of acres which were selected and to which title was vested in another entity under (g) of this section."

(f) $250/capita payment ceiling.

(g) qualification of Kodiak for payments.

Same payment schedule.

Sec. 208 Authorization for Land Exchanges.

Same

Sec. 209 Public Purpose Expansion Needs.

Same
except (c) -- deleted phrase on (d)(2)

Senate C&RA CS

Sec. 206 Selection & Conveyance Procedure.

Same as House Finance CS

[redacted] for

Sec. 207 Payment for Land Deficiency. *

(a) Municipal land acct designed for Anchorage & Kodiak for payments for deficiency due to insufficient "suitable" lands; lands selected by native corporations.

(b) qualifications: On 1/1/81 entitlement is less than 1/3 acre/capita/ o land suitable under 204(g)(1).

$1,000/acre limit to a total limit of $9,000,000.

(c) Kodiak - payment of $1,000/acre for land top-filed & deeded to Native corps., $8,000,000 limit.
$1 mil/yr.

(c) is payment in lieu of land;
(b) is not.

(e) appropriations authorized for 4 mil/yr for (b), $10 mil limit.

Sec. 208 Authorization for Land Exchanges.

Same

Sec. 209 Public Purpose Expansion Needs.

Same as Senate Resources

* 1. Senate Finance CS adds (g) to Sec. 207, Payment for Land Deficiency, which provides that these payments may not be made to future municipalities. New municipalities may get only land unless they at some point can convince the legislature otherwise.

House C&RA CS	House Finance CS am	Senate Resources CS	Senate C&RA CS
Sec. 214 Election of Benefits. With regard to litigation.	Sec. 211 Election of Benefits. Same with addition of (c) does not affect any litigation regarding the former AS 29.18.190-200 or 29.18.420.	Sec. 210 Election of Benefits. Same as House Finance version.	Sec. 210 Election of Benefits, Same as House Finance.
Sec. 216 Administration. Regulations	Sec. 212 Administration. Same	Sec. 211 Administration. Same	Sec. 211 Administration. Same
Sec. 218 Definitions.	Sec. 213 Definitions. adds mental health, school and university lands.	Sec. 213 Definitions. adds phrase in VUU land designed for Anchorage and Kodiak situations. 11 26.28, p. 14.	Sec. 212 Definitions. (1) "appropriate" VUU land, p. 13.
Sec. 3. 38.05.321 Restriction on Disposal of Agricultural and Grazing Lands. (a) transfers agricultural & grazing rights only. (b) commissioner may determine to transfer additional rights to municipality. (c) section does not apply to land transferred before enactment of this act.	Sec. 3. 38.05.321 Restriction on Disposal of Agricultural and Grazing Lands. Same as House C&RA.	Sec. 3. 38.05.321 Restriction on Disposal of Agricultural and Grazing Lands. Grazing lands deleted.	Sec. 3. 38.05.321 Restriction on Disposal of Agricultural Land. Grazing deleted.
Sec. 4. 38.05.290 Policy of state to make maximum land available for municipalities to select.	Sec. 4. Statement of benefit of Sec. 2 for future municipalities: time deadlines set for implimentation.	Sec. 4. Statement of benefit of Sec. 2 for future municipalities time deadlines, 180 days. Statement on policy of state to make maximum land available for municipal selection.	Sec. 4. Future cities entitled to 10% VUU lands. DNR has 6 months after incorp. to certify entitlements.
Sec. 5. Repealer 29.18.190,29 18.200,29.18.420.	Sec. 5. Repealer.	Sec. 5. Repealer.	Sec. 5. Policy statement to make maximum land available for municipal selection.
	Sec. 6. Report to Legislature.	Sec. 6. Report to Legislature	Sec. 6 Repealer. Sec. 7 Report to Legislature

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / POUCH M — JUNEAU 99811

May 4, 1977

The Honorable Steve Cowper
Chairman, House Finance Committee
Pouch "V"
Juneau, Alaska 99811

Dear Representative Cowper:

Re: CS for HB 133

Representative Lisa Rudd, Chairman of the House Community and Regional Affairs Committee, requested that this department provide additional information to the fiscal note for CS for HB 133. Representative Rudd was specifically interested in the amount of money which might be appropriated to eligible municipalities as payment in lieu of land titlement under Section 208 of the subject bill.

As there are several variables which would influence such estimates, firm figures are impossible to predict. However, I believe the following projections to be fairly accurate. One of the assumptions made here is that the Legislature will fund the requests of eligible municipalities in their entirety for each fiscal year.

ESTIMATED APPROPRIATIONS (Millions)

FY	MAX	MIN.
79	4	4
80	4	3
81	7	3
82	6	2
83	5	-
84	4	-
85	3	-
86	3	-
87	2	-
88	1	-
	39	12.0

As these figures represent the estimated maximum and minimum values, actual appropriations will undoubtedly lie somewhere between these figures and will almost surely take approximately ten years to accomplish.

Sincerely,

Michael C.T. Smith
Assistant Commissioner

ANALYSIS OF SCS CSHB 133

Assume: Average land values equal $1,500 per acre

Population equals most recent revenue sharing data

Total Value of Land Transferred to Municipalities Under SCS CSHB 133

1. Kenai Peninsula Borough

Entitlement = 155,780 acres
Land value = $233,670,000
Population = 24,611

Per capita value = $9,495 Per capita acreage = 6.33

2. Fairbanks North Star Borough

Entitlement = 112,000 acres
Land value = $168,000,000
Population = 60,227

Per capita value = $2,789 Per capita acreage = 1.86

3. Mat-Su Borough

Entitlement = 355,210 acres
Land value = $532,815,000
Population = 16,724

5,250 acres = 1/3 acre per capita

Per capita value = $31,859 Per capita acreage = 21.24

4. Ketchikan Gateway Borough

Entitlement = 9,200 acres
Land value = $ 13,800,000
Population = 11,490

Per capita value = $1,201 Per capita acreage = .8

5. Kodiak Borough

Entitlement = 56,500 acres
Land value = $ 84,750,000
Population = 7,901

Per capita value = $10,726 Per capita acreage = 7.15

6. Bristol Bay Borough

Entitlement = 1,940 acres
Land value = $ 2,910,000
Population = 1,311

Per capita value = $2,220 Per capita acreage = 1.48

7. City and Borough of Juneau

Entitlement = 13,600 acres
Land value = $20,400,000
Population = 20,465

Per capita value = $997 Per capita acreage = .66

8. Haines Borough

Entitlement = 1,080 acres
Land value = $ 1,620,000
Population = 1,924

Per capita value = $842 Per capita acreage = .56

9. Anchorage

Entitlement = 20,865 acres
Land value = $31,297,500
Population = 180,863

Per capita value = $173 Per capita acreage = .12 .25

10. North Slope Borough

Entitlement = 89,850 acres
Land value = $134,775,000
Population = 9,140

Per capita value = $14,333 Per capita acreage = 9.83

11. City and Borough of Sitka

Entitlement = 9,200 acres
Land value = $13,800,000
Population = 7,650

Per capita value = $1,803 Per capita acreage = 1.20

5-12.

LISA —

You asked for the previous DNR Total estimate of land available in Anchorage.

This is from a report to Municipal League dated Nov. 4, 1976.

The latest figures Anchorage claims are in the letter distributed at the Sunday meeting.

AS

FROM DNR REPORT Nov. 4-6, 1976 HB133

TABLE A-1

Net vacant, unappropriated and unreserved G.S. lands, by 6 month period, within boundaries of the Municipality of the Anchorage Borough.

Thru	Column No. 1 Tentative Approval Received by State (Cumulative)	Column No. 2 Occupied, Appropriated and Reserved Lands (Cumulative Total)	Column No. 3 Net Vacant Unappropriated and Unreserved Lands (Col. 1 minus Col. 2)	Column No. 4 Municipal Approvals* (Cumulative)
6/30/60	-	-	-	-
12/31/60	-	-	-	-
6/30/61	-	-	-	-
12/31/61	1766	-	1766	-
6/30/62	15746	-	15746	-
12/31/62	15746	-	15746	-
6/30/63	15766	-	15766	-
12/31/63	16346	-	16346	-
6/30/64	70084	-	70084	-
12/31/64	70886	-	70886	-
6/30/65	141008	-	141008	-
12/31/65	185154	-	185154	-
6/30/66	185186	1725	183461	125
12/31/66	210474	1859	208615	259
6/30/67	210474	1859	208615	259
6/31/67	211000	2875	208125	1275
6/30/68	211005	5060	205945	3060
12/31/68	211074	5190	205884	3880
6/30/69	213730	6277	207453	6277
12/31/69	213730	7633	206097	6323
6/30/70	213730	200938	12797	6323
12/31/70	213730	200928	12802	6314
6/30/71	213730	201021	12709	6328
12/31/71	213730	201021	12709	6328
6/30/72	213730	201021	12709	6328
12/31/72	213775	201360	12415	6368
6/30/73	213775	201950	11825	6957
12/3173	213795	201950	11845	6957
6/30/74	230746	201722	29024	6729
12/31/74	267326	255139	12187	6729
6/30/75	267326	255139	12187	6729
12/31/75	267326	255139	12187	6729
6/30/76	267326	255139	12187	6729
10/31/76	267326	255139	12187	6729

*Includes lands approved and patented to the former City of Girdwood.

Note: Columns 1 & 4 are accurate figures based on Division of Land Management Records

Explanatory Notes for Table A

Column 1 contains the cumulative total of tentatively approved ("T.A.") lands conveyed to the State of Alaska under Section 6(b) of the Alaska Statehood Act.

Column 2 is a consolidated cumulative total of occupied, appropriated and reserved lands comprised of the following:

a. Five Classifications (Timber, Grazing, Watershed, Public Recreation and Resource Management) which cover areas not available for transfer to boroughs. Only those above classifications covering areas of Section 6(b) lands (GS) in excess of 40 acres in size have been included.

b. Municipal approvals per date of issue.

c. State Parks were excluded upon the effective date for that portion then under BLM T/A or patent under Sec. 6(b). Additional title received within park areas after formation was excluded in the six month period in which title was received.

d. State Recreation areas are treated in a similar manner.

e. State Wildlife Refuges, except for Susitna Flats State Game Refuge and Trading Bay State Game Refuge.

f. Estimated tentatively approved Sec. 6(b) lands selected by village corporations. The totals given are only those lands selected as of December, 1973 rather than those lands within the 25 township withdrawal as of December, 1971.

g. Estimated lands obligated under the Cook Inlet Land Trade.

Column 2 does not include mineral or oil and gas leases, tidelands, submerged lands or shorelands.

Column 3 (Column 1 minus Column 2). These figures comprise the best available State estimate of net vacant, unappropriated and unreserved lands based upon the items included above. Some items (i.e., ANSCA and Cook Inlet Trade) include variables, both in amounts and as to the areas (Matanuska, Kenai or Anchorage) in which the natives can elect to receive their lands.

Fadel

NOTES OF KGB POSITION CONCERNING THE
COMMITTEE SUBSTITUTE FOR SENATE BILL 241

CSSB 241

1) Wholehearted support of the purposes to which ~~this Bill~~ is directed, i.e., "to remove uncertainties in the existing municipal land selection law of the state", to determine municipal entitlements, and to provide for expeditious transfer of lands from state to municipal ownership.

It is the policy of both the state and the Ketchikan Gateway Borough that the disposal of lands intended for residential and commercial expansion should be managed by local governments. However, in Southeast Boroughs, the 10% entitlement incorporated into the Mandatory Borough Act has failed to provide an effective means for the state to convey lands to local governments for expansion purposes. In the area's 3 most populous boroughs less than 1000 acres in total have been made available using this method. State residents in these areas, as well as throughout the state, have a right to know how much land is to be made available, to know that these lands will be adequate for their areas' future needs, and to know that local government is responsible for managing the pattern of development and timeliness and manner of conveyance of these lands to private uses. Upon thorough review of the provisions of CSSB 241 (~~HB 133~~), it is our conclusion that its enactment will rectify these current and past uncertainties.

2) The method of determining municipal entitlements in CSSB 241 (~~HB 133~~) is equitable and in keeping with the intent of the 10 percent entitlement guaranteed by the Mandatory

Borough Act. The entitlements for southeast boroughs located in the national forest fairly reflects the state's ultimate right to select up to 400,000 acres of land for community expansion and development purposes. There are 16,000,000 acres of forest lands in the Tongass National Forest compared to less than 5,000,000 acres in Chugach. Using this as a rule-of-thumb basis for distributing the state's national forest entitlement geographically, this would mean 310,000 acres of state selected lands would be allocated to the Southeast region. However, more than 60% of the southeast region's population reside in the 3 major boroughs located in the Tongass National Forest - Ketchikan, Juneau, and Sitka. As they are today, in the future these boroughs are likely to play even stronger roles as regional population and economic centers. An aggregate entitlement of lands designated for community expansion of 32,000 acres for these boroughs is an adequate allocation considering the existing and future land needs of these areas. This fair allocation has been arrived at jointly by the Alaska Division of Lands and those communities.

3) Finally, it is understood that the "payment in lieu of land" provisions is immediately addressed to special circumstances in other boroughs in which additional land ownership might not be the highest priority need for their community development programs. In Ketchikan, land is the top priority need and for this reason, we can support that subsection which would delay Ketchikan's participation in the "payments in lieu of land" program until after the cumulative appropriations to

the municipal land account exceeds $12,000,000 or until the fiscal year beginning July 1, 1984, which ever comes first.

C. G. Fader
Mayor
Ketchikan Gateway
Borough.

Cape Fox Neg. Swap With KGB

1. Munic. have been waiting long
2. Cook Inlet exchange talks from Mat-Su & Kenai, so they must know their entitlement
3. Seldovia & Ekluta want to ~~be~~ trade for their selections in state parks.

5. Vg remain in court w/ present cases prob. cannot do anything w/ land in those boros.
6.

7. SE - state will select from national forests. SE must know entitlements 'cause no acreage avail. "vacant & ak."
8. No Nagpost state - communities because of present confusion, lands

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

11TH FLOOR, STATE OFFICE BLDG.
POUCH M – JUNEAU 99811

April 27, 1977

The Honorable Lisa Rudd
Chairman, House Community &
Regional Affairs Committee
Pouch "V"
Juneau, Alaska 99801

Dear Representative Rudd:

Attached is the fiscal note for the draft sponsor substitute for HB 133.

Just as the final federal determination of the "d(2)" question will decide which federal land shall be permanently retained by the United States, so too will the implementation of SB 241 decide the ultimate land ownership patterns on present state lands. Unlike the d(2) lands, however, the land ownership determined as a result of SB 241 will be for those lands upon which 80 per cent of the human use and activity will occur within Alaska in perpetuity. At a time when state government is wrestling with the question of what to do with its future revenue surpluses, we cannot think of a better way to use a small portion than for our greatest renewable natural resource - our land. This department feels strongly that the relatively insignificant monies needed to implement the municipal selection requirements of SB 241, for lands whose values are in the billions, are more than justified. We cannot provide the cooperative resource analysis and joint planning so desperately needed between the state and its municipalities without this funding.

Yours sincerely,

Mctsmith

Michael C.T. Smith
Assistant Commissioner

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 133
Title General Grant Land Entitlements for Municipalities
Requested by House Community and Regional Affairs Committee Date April 27, 1977

II. FISCAL DETAIL
Agency Affected DEPARTMENT OF NATURAL RESOURCES
Program Category Affected NRM&EC
Budget Request Unit(s) Affected Land Management; and District Operations

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES		232.0	210.9	223.6	237.0	251.0
200	TRAVEL		17.3	15.1	16.0	17.0	18.0
300	CONTRACTUAL see p. 4		88.8	120.5	57.1	45.9	9.9
400	COMMODITIES		9.4	4.1	4.3	4.6	4.9
500	EQUIPMENT		7.1	-	-	-	-
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		354.6	350.6	301.0	304.5	283.8

FUNDING (Thousands of Dollars)

GENERAL FUND		354.6	350.6	301.0	304.5	283.8
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		7.0	7.0	7.0	7.0	7.0
PART TIME		2.0	-	-	-	-
TEMPORARY						

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

HB 133
~~SB 241~~ directs the Department of Natural Resources to accomplish a number of tasks within some relatively stringent time frames. Those requirements, and necessary personnel and fiscal needs to accomplish them, are shown below.

I. Short Range:

A. Review, within six months, for every municipality in Alaska, state land status and certify each municipality's entitlement under Section 202(b).

B. Review, within six months, 263,000 acres of approved selections within all municipalities and certify acreage to be patented under Section 204(b).

C. Publish public notice, conduct necessary public hearings, and complete and issue patented documents for approximately 255,000 acres of approved selec-

tions within 90 days of survey.

Fiscal Requirement: Three positions required: land management officer III (Anchorage), land management officer II (Anchorage), and a cartographer III (Anchorage). The cartographer will also be used to accomplish medium range objectives shown below.

II. Medium Range:

With each municipality:

A. Review approximately 12,000,000 acres of vacant, unappropriated, unreserved state land within all municipal boundaries to determine appropriate municipal selections for remaining 465,000 acres of entitlement.

B. Review all remaining federal land (20,000,000 plus acres) within municipalities to determine municipal needs for future state general grant selections.

Fiscal Requirement: Four positions are needed to work closely with each municipality to accomplish the joint cooperative land planning and identification process mandated in Section 204(e). These are a principle planner (Anchorage), two land management officer III positions (one each Fairbanks and Juneau), and a land management officer II (Anchorage).

III. Southeast Forest Selection:

To accomplish approximately 200,000 acres of forest community grant selections within FY 78, a total of 24 man months of temporary time is needed. This will be a onetime FY 78 expense only. This temporary time is needed to insure municipal input to state selections to guarantee the 32,000 acres of entitlement for Juneau, Sitka, and Ketchikan.

FISCAL BREAKDOWN

PERSONAL SERVICES:

New Positions	Annual Salary	Annual Benefits	Total
Principal Planner	28,272	7,209	$ 35,481
Land Mgmt. Officer III (Anchorage)	22,668	5,780	28,448
Land Mgmt. Officer III (Juneau)	22,668	5,780	28,448
Land Mgmt. Officer III (Fairbanks)	26,244	6,692	32,936
Land Mgmt. Officer II (Anchorage)	19,560	4,988	24,548
Land Mgmt. Officer II (Anchorage)	19,560	4,988	24,548
Cartographer III (Anchorage)	19,560	4,988	24,548
		Sub-Total New Positions	$198.9

Temporary Positions	Annual Salary	Annual Benefits	Total
Research, Analysis and Municipal Contact	15.7	1.5	17.2

FISCAL NOTE
Municipal Land Selection Bill (HB 133)
April 21, 1977

TRAVEL:

Per Diem	7.2
Transportation	10.1
	17.3

Total Travel $17.3

CONTRACTUAL:

Socio-economic Analysis for Regional Plan	$62.0
Editing of Regional Plan	8.0
Public Participation for three (3) Regional Plans	13.5
Communication	2.3
Advertising	.8
Transportation of things	.4
Equipment Rental	.6
Printing	1.2
Total Contract	$88.8

where mentioned in bill? p. 4 Sec. (e)

COMMODITIES:

Cartographic Supplies	$ 5.1
Other Supplies	4.3
Total Commodities	$ 9.4

EQUIPMENT:

Desks	5 @ 350 each	$1,750
Desk	1 @ 450	450
Light Table	1 @1500	1,500
Chairs	6 @ 120 each	720
Draftsman's chair	4 @ 115 each	460
Drafting machine	1 @ 235	235
Leroy letting set	1 @ 160	160
Layout tables	3 @ 350 each	1,150
File cabinets	4 @ 160 each	640
	Total Equipment	$7,065

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

April 28, 1977

Community and Regional Affairs Committee
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

RE: Municipal Land Selection Legislation

As you know, the Mandatory Borough Act adopted by the Alaska Legislature in 1963 provided for the selection by municipalities of ten percent (10%) of the "vacant, unappropriated and unreserved" state lands located within their boundaries. See AS 29.18.190-218. Among the purposes of the municipal land selection program were to provide a source of revenue for municipalities lacking an established tax base and to make available a "resource and community development tool" which would give local governments a measure of control over development within their boundaries.[1]

Unfortunately, the passage of time coupled with radically changing economic conditions in Alaska have created numerous problems in attempting to implement the municipal land selection program. Because the 1963 legislation was silent concerning the proper relationship between statewide land management goals, and municipal land interests, disputes arose between the state and municipalities concerning which lands were appropriate for transfer to local governments. Also, the lack of any consistent administrative or legislative definition of "vacant, unappropriated and unreserved" lands added to the controversy. For the past several years, the process of land transfers to municipalities under AS 29.18.190-218 has ground to a halt, and it has become apparent that only a final legislative settlement of the municipal land selection program can achieve the purposes of the original legislation.

1. Senator John Rader, Chapter 2 in The Metropolitan Experiment in Alaska, Praeger, London, (1968) p 113.

CSSB 241 is the product of a series of meetings between representatives of local governments and the Alaska Division of Lands. The purpose of these meetings was to produce legislation which would specify municipal land entitlements and provide an equitable and efficient settlement of those entitlements by taking into account both statewide and local interests in land management. The proposed bill establishes land entitlements for various local governments and mandates orderly procedures for the fulfillment of those entitlements.

Several municipalities, including the Municipality of Anchorage, have experienced substantial losses of state land available for local selection under existing statutes. These losses have been caused by a variety of factors including the impact of native claims and state classification of land for various statewide purposes such as state parks and mineral resource development. The effect of such actions has been that Anchorage, together with several other municipalities, will probably not be able to receive enough state land to satisfy their entitlements.

On the other hand, the need for municipally owned land in Anchorage and other communities has never been greater. Faced with increasing population and demands for services, Anchorage has pursued an aggressive program of land acquisition for parks, recreation and other public purposes. For example, in 1976, voters in Anchorage approved $7.5 million in bonds for park and recreation developments. Land acquired from private owners in Anchorage costs taxpayers thousands of dollars per acre and places yet another burden on already strained municipal tax revenues.

The proposed bill would deal with the unavailability of state land in Anchorage and other communities by allowing such local governments to exchange their unsatisfied land entitlements for payments in lieu of land. The bill would create the Alaska Municipal Land Account and establish procedures for receiving payments in lieu of land. Funds received under the proposed AS 29.18.208 could be used by local governments such as Anchorage to offset burdens on municipal taxpayers in acquiring private lands for public uses.

It is important to reemphasize that the proposed bill (CSSB 241), including those sections providing for payment in lieu of land, has been arrived at through numerous meetings and compromises among Anchorage, other municipalities and the Alaska Division of Lands. The Municipality of Anchorage therefore strongly requests your support for the passage of a House bill that is identical or very similar to CSSB 241. Since Representative Parr has introduced a bill (HB 133) dealing with municipal land selection, perhaps a committee substitute incorporating the language of CSSB 241 would be the most expeditious way to secure passage of the proposed legislation by the First Session of the Tenth Legislature. If members of the Committee have any questions concerning the Municipality's position on the proposed bill, they may contact Ted Berns, Assistant Municipal Attorney at 264-4443.

Sincerely yours,

George M. Sullivan
Mayor

TB:GMS:kc

cc: Representative Rudd (Chairman
Representative Smith (Vice Chairman)
Representative Ose
Representative Phillips
Representative Lethin
Representative Kelly
Representative Snider
Representative Miles
Representative Anderson

April 28, 1977

TO: HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

FROM: WAYNE KOTULA, MAYOR OF KODIAK ISLAND BOROUGH

RE: CSSB 241

Per telephone conversation with the Kodiak Island Borough's secretary on 4/28/77 at 11:00 a.m.

The Kodiak Island Borough wishes to register their full support for CSSB 241.

LR/ds

FAIRBANKS NORTH STAR BOROUGH
Box 1267, Fairbanks, Alaska 99707

April 29, 1977

Representative Lisa Rudd, Chairman
House Community and Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Representative Rudd:

In response to your letter of April 26th, reference SB 241 and the work draft for HB 133, I want to go on record as being in support of this legislation and encourage its early passage. This piece of important legislation is necessary for orderly development and disposition of lands within the Fairbanks North Star Borough and other affected municipal governments.

Our staff has been working with the other boroughs, the Division of Lands and our local representatives in developing a bill which would be acceptable. The determination of entitlement of 112,000 acres, we feel at this time, is a justifiable amount.

Very truly yours,

John A. Carlson

JOHN A. CARLSON
Borough Mayor

JAC:nic

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: April 30, 1977

FILE NO. SB 241/HB 133

SUBJECT: Municipal Land Entitlements

The Honorable Lisa Rudd, Chairman
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

Your letter to Mayor Overstreet requesting comment on proposed municipal land selection legislation has been referrred to my office. The legislation which is currently proposed as a committee substitute for SB 241 has been presented to the assembly of the City and Borough of Juneau. The assembly endorses the legislation and requests your committee report it out as a committee substitute for HB 133 as quickly as possible. The legislation would settle troublesome entitlement questions and would deal with municipal land entitlements in a much more rational manner than the current ten percent system as applied to the three boroughs in Southeast Alaska which are completely surrounded by national forest.

Under section 6(a) of the Statehood Act the state was given a right to select 400,000 acres in the national forest

> for the purpose of furthering the development of and expansion of communities . . . all of which [land] shall be adjacent to established communities or suitable for prospective community centers and recreational areas.

Thus, congress recognized that the communities which were surrounded by the national forest had a problem which should be dealt with by allowing the state to select up to 400,000 acres in the national forest for community development and expansion purposes. This 400,000-acre entitlement is in addition to the 102,550,000 acres which the state may select outside the national forest for general state purposes. Thus, those lands selected within the national forest should be for community purposes and should either be conveyed to adjacent municipalities or held by the state for the development of communities which will come into existence in the future. National forest land selections may not be used for general state purposes other than, perhaps, for recreational purposes. Thus, a substantial part of the land selected in the national forest should be selected for community purposes and conveyed to existing communities.

The question which arises is, how much of the state's 400,000-acre community purposes entitlement should be conveyed to the City and Borough of Sitka, the Ketchikan Gateway Borough and the City and Borough of Juneau, the three largest municipalities in the state which are completely surrounded by the national forest. The Division of Lands has indicated that it believes that only 32,000 acres is the appropriate combined amount that should be conveyed to the three municipalities. Using this figure of 32,000 acres the three municipalities have agreed that this amount or any additional amount made available should be divided among the three communities on a ratio of 2:2:3 for Sitka, Ketchikan and Juneau. It was using this method that the entitlements which appear in the proposed CSSB 241 were arrived at. This division of the 32,000 acres has been approved by all three communities.

These three Southeast communities also face another critical land problem. Immediately after statehood, the state came into these communities and selected almost all the developable land which was within or immediately adjacent to the populated areas. These selections were made for the mental health trust. Sitka has a particularly critical problem created by mental health trust selections. Juneau and Ketchikan are also afflicted by a mental health lands problem. Within the populated area of the City and Borough of Juneau, there are over 11,000 acres of mental health lands. These lands can be put into public or private ownership only when the mental health land trustees believe it is appropriate to do so and only when the trust will receive market value or more for such lands. The municipalities do not have the resources to effect the release of mental health lands. Giving these three Southeast communities a reasonable entitlement to other lands will provide them with one resource which could be used to free up some of the mental health lands and ease a general land shortage problem.

Section 208 of the bill, beginning on page 7 of CSSB 241 sets up a system of in-lieu payments where there is insufficient land to meet entitlements. You will note that subsection (b) of that section makes the three Southeast communities ineligible to go into the fund until 1984 or until a total of $12 million have been appropriated to the fund. This limitation has been placed in the bill with the agreement of the three communities involved. The communities recognize that there are other communities which have little hope of obtaining their full entitlement through land selections. The three Southeast communities fully anticipate that the state will select sufficient lands within their boundaries to meet the entitlement set forth in section 202. At present, however, the state has selected very little land within these communities. Because the three Southeast communities are much more interested in receiving land than in-lieu payment (presuming the land can be made available) these communities have agreed to the deferred

eligibility for in-lieu payments as set forth in section 208(b). This will give those municipalities with an immediate selection problem an opportunity to cash in a substantial part of their entitlement without the threat of having to compete with the Southeast municipalities for the limited dollars that will be available in the fund.

There is one minor change which I suggest should be made to section 204(f) on page 5 of proposed CSSB 241 at line 7. The sentence involved sets out the factors to be considered by the state as being primarily of local concern. One of the elements is "other responsibilities delegated by the state to the municipality." As it can be very easily argued that the state has "delegated" only the three mandatory powers of education, assessment collection, and planning and zoning, this phrase should be changed to indicate that all functions which are municipal in nature are to be considered. I believe this can be accomplished by merely adding the words "authorized or" between the words "responsibilities" and "delegated" in line 7.

Michael Smith of the Division of Lands discussed several reasons for the need to have this legislation on the books this year. We echo his statement of need. As he pointed out, the state will be making its major selections in the national forest of Southeast Alaska this year. In fact, the state has indicated that our nominations are to be in to them in the very near future. It is extremely difficult for any municipality to make rational nominations under the ten percent system which is now in effect. That system forces a municipality to suggest nominations which are in excess of local needs in order to ensure that there will be sufficient ten percent lands available to the municipality. If the proposed legislation does not pass this session of the legislature, the Southeast communities will be in a quandary as to whether the nominations which they make in the near future should be based upon a ten percent rationale or should be related to a known specific entitlement in which case the municipality may make rational selections based upon the perceived needs of the community. Passage this session will resolve the question in favor or rational nominations.

Again, we urge your early approval and support of legislation such as that proposed in CSSB 241.

Very truly yours,

Lee Sharp

Gerald L. Sharp
City and Borough Attorney

cc: Representatives Smith, Ose, Phillips,
Lethin, Kelly, Snider, Miles, Anderson,
Miller, Duncan, Eliason, Freeman and Gardiner
Honorable Bill Overstreet, Mayor, City and Borough of Juneau
Steve Reeve, Planning Director, Ketchikan Gateway Borough
"Rocky" Gutierrez, Administrator, City and Borough of Sitka
Don Berry, Executive Director, Alaska Municipal League

GLSmmb

Matanuska-Susitna Borough, Inc.

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

DEPARTMENT OF ADMINISTRATION

April 28, 1977

Ms. Lisa Rudd, Chairman
Alaska State Legislature
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

Subject: Senate Bill 241

This is to follow up on our telegram expressing support for CSSC 241. We have worked closely with Michael Smith, Director, Division of Lands and representatives of other municipalities in an attempt to reach consensus on a bill which we can all support. I believe we have reached that consensus.

The copy of CSSC 241 which accompanied your letter of April 26, 1977, should be changed in two respects.

Section 29.18.202 (d) should read as follows: "General grant land entitlements provided in this section constitute vested property rights which shall be fulfilled as provided in sec. 204 or sec. 208 of this chapter, but no municipal selection vests any interest in or right to receive a particular tract of land except as provided by sec. 204 of this chapter."

Section 38.05.321 (c) should be amended to read as follows: "The provisions of (a) and (b) of this section do not apply to state land classified as agricultural or grazing land which has been selected by a municipality under the provisions of AS 29.18.190 - 29.18.200 if the selection is an approved selection valid under AS 29.18.204 (b)."

If you desire to discuss the details of these changes, you might want to contact Director Smith or Tom Meacham, legal counsel in ADL.

We hope CSSC 241 will be enacted.

Very truly yours,

Wesley M. Howe

Wesley M. Howe
Borough Manager

WMH:er

May 2, 1977

TO: HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

FROM: GARY BRADFORD - MAYOR OF BRISTOL BAY BOROUGH

RE: CSSB 241

Gary Bradford, Mayor of Bristol Bay Borough telephoned the House Community and Regional Affairs Committee office on 5/2/77 at 3:35 p.m.

He stated for the record that he had reviewed the committee substitute for SB 241 and that it "looks satisfactory to us and we have nothing to add".

MOENING-GREY & ASSOCIATES, INC.
GEOLOGISTS AND ENGINEERS
715 L STREET, SUITE 8 ANCHORAGE, ALASKA 99501
TELEPHONE 274-2314

August 23, 1977

Mr. Stuart Denslow
Borough Manager
Kodiak Island Borough
Box 1246
Kodiak, Alaska 99615

Re: Kodiak Island Borough Land Selections - 77-209

Dear Mr. Denslow:

An acreage count of state tentative approved and patented land within the Kodiak Island Borough is approximately 619,000 acres. This base will give the borough a 61,900 acre selection right. According to my recap of the existing selections 38,187 acres have been selected to date. This figure includes some acreage that is not available and will be rejected. In addition, if the borough selected acreage is rejected in areas selected by eligible native villages the 38,187 acre figure will be reduced accordingly.

At present the difference between the selected and the selectable acreage is 23,713 acres. This differs considerably from the 9000 acres indicated by the Alaska Division of Lands. [The Division of Lands based their figures only on land that was vacant, unappropriated and unreserved. We are taking the position that the entire state acreage is to be used in determining the borough selection base.]

Sincerely,

MOENING-GREY & ASSOCIATES, INC.

Dale P. Tubbs

DPT/lv

RECEIVED NOV 7 1977

ANCHORAGE:
HOYT M. COLE
ROBERT L. HARTIG
JAMES D. RHODES
JOHN K. NORMAN
ROBERT J. MAHONEY
BERNARD J. DOUGHERTY

G. RODNEY KLEEOEHN
J. MICHAEL ROBBINS
ROGER H. BEATY
STEPHEN D. ROUTH

KODIAK:
MICHAEL W. SHARON

COLE, HARTIG, RHODES, NORMAN & MAHONEY
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SUITE 201
717 K STREET
ANCHORAGE, ALASKA 99501
(907) 274-3575

KODIAK OFFICE:
KODIAK PLAZA, BOX 503
KODIAK, ALASKA 99615
(907) 486-3143
(907) 486-3144

November 3, 1977

REPLY TO: Anchorage

Mr. Dale P. Tubbs
Moening-Grey & Associates, Inc.
715 "L" Street, Suite 8
Anchorage, AK 99501

Re: Legislation
Our File 101-28

Dear Dale:

Last year legislation was introduced in the State Legislature to compensate municipalities for lands which they were entitled to select under state statutes but which, however, were not available for selection. As you are well aware, the Kodiak Island Borough faces serious deficiency in the availability of lands for selection under the Alaska Native Claims Act.

Assuming that legislation is passed, providing for their compensation for these lands, it may be that this procedure not only is a fair approach to the problem, but is the only method by which the problem can be resolved.

In a meeting with Mike Smith, Jack Roderick, representatives from each of the municipal governments of Kenai, Matanuska-Susitna and Fairbanks, and myself, on October 30, 1977, the group was unanimous in its desire to again pursue passage of legislation during this session.

The purpose of my letter is to ask that you review the maps prepared by the Division of Lands which depict some 450,000 acres of state land within the Kodiak Island Borough which, in turn, would mean that the borough's eligibility under the 10% clause of the applicable statute would be 45,000 acres. Mr. Smith stated that it was the Division's estimate that the 450,000 acres was the total amount of land which was ever selected, and that the 45,000 acres then available for selection by the borough was a

top figure. I remember, in our earlier discussions, that you expressed the opinion that, rather than 45,000 acres, it may be slightly higher. Mr. Smith requested that we bring to his attention any errors which we may have found with regard to the maps and that we do this as soon as possible, in order that, if it becomes necessary, we can change the total figures in the legislation.

For your information, I have also enclosed a copy of the proposed legislation so that you might know what is attempted to be accomplished. Should you have any questions concerning it or have comments, I would appreciate receiving them.

Yours truly,

COLE, HARTIG, RHODES,
NORMAN & MAHONEY

By: RLH
Robert L. Hartig

RLH:kh

Enclosure

cc: Client

MOENING-GREY & ASSOCIATES, INC.
GEOLOGISTS AND ENGINEERS
715 L STREET, SUITE 8 ANCHORAGE, ALASKA 99501
TELEPHONE 274-2314

December 20, 1977

Mr. Robert L. Hartig, Attorney
Cole, Hartig, Rhodes, Norman & Mahoney
717 K Street - Suite 201
Anchorage, Alaska 99501

Re: Kodiak Island Borough Land Selection Entitlement.

Dear Bob:

My meeting with Ron Swanson, employee of the Alaska Division of Lands, on December 19, 1977 was brief and to the point. He had reviewed my acreage figures relating to the total number of acres tentatively approved and/or patent to the State in the Kodiak Island Borough. His recalculations of the state documents indicate 600,765.31 acres have been conveyed. This compares to the 618,957 acres I used. My figures were based on a combination of T.A. documents and dot counting the land configuration on the state status plats. Mr. Swanson indicated a number of the T.A. documents have been modified by BLM to exclude some of the water. The true acreage will never be known until survey is completed. This will not be known in many instances because some state T.A. is being revoked to benefit the native village selections. The 18,191.69 acre difference between his and my figures can stand without challenge. The 600,765.31 acre figure is within acceptable limits with the present data.

Mr. Swanson stated the Division of Lands would be notifying the Kodiak Island Borough of the increased total state acres within the borough boundary. From the new total they will then deduct the following acreages to determine the boroughs base:

Land classified Grazing & Timber	11,070.00 acres
Land classified Timber	50,342.00 acres
Land classified Public Recreation	214.62 acres
Land classified Watershed	11,821.00 acres
Land classified Resource Management	18,897.00 acres
	92,344.62 acres

These acreage deductions must be challenged for the following reasons:

Grazing-Timber - This is the acreage for Marmot Island. The island was classified prior to borough existence. A grazing lease was issued for the island but has since been terminated. The lessee did not place any stock on the lease. The classification was never reviewed with the borough.

Timber - This classification is for Shuyak Island. The island was classified timber to authorize the sale of timber from lands selected by the borough. The Borough-State Management Agreement states, "All leases, sales or other disposals which are made by the State on behalf of the Borough pursuant to this agreement - - - - - shall be conducted in accordance with the Alaska Land Act and the regulations promulgated by the State pursuant thereto." The borough had selected lands on the island to benefit from a timber sale that was advertised but did not sell at auction. The State did not approve the selection but only because of lag in paper work. When the sale did not receive an acceptable offer there was no urgency to approve the selection to validate the transfer of timber revenue to the borough.

Watershed - This acreage is made up of the Port Lions and Monashka Bay-Pillar Creek Watersheds. Again the classification was made by borough request to protect values and conform to the Borough-State Management Agreement.

Resource Management - This acreage was placed on lands that were once open-to-entry. When the OTE lands were closed to entry the state in an overnight action, without consultation with the borough, reclassified the lands to resource management. No input was requested of the borough or indication given by the division the reclassification would take the acreage out of reach from borough selection.

Public Recreation - No challenge is necessary for the public recreation lands at Fort Abercrombie (182.72 acres), however, the remaining public recreation lands are included in lands already conveyed to the Borough.

It is apparent the division also figures any of the acreage conveyed to the state with an existing grazing lease are not available for selection. No acreage deduction has been made for those leases to date but may surface once a borough selection is adjudicated.

I am available to discuss the above points at your convenience.

Sincerely,

MUENING-GREY & ASSOCIATES, INC.

Dale P. Tubbs

Dale P. Tubbs

DPT/lv
encl.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER / 323 E. 4TH AVENUE – ANCHORAGE 99501

January 31, 1978

The Honorable Steve Cowper
Chairman, House Finance Committee
Pouch "V"
Juneau, AK 99811

Re: Fiscal Note for CSHB 133

Dear Representative Cowper:

Since the 1977 Legislature did not act upon the Municipal Land Selection Bill (CSHB 133), certain changes need to be made in the fiscal note which was submitted by the Department of Natural Resources for this bill in April 1977. A copy of the new fiscal note is attached and is fairly self explanatory.

While the amounts remain fairly similar, two changes are apparent. First, in the April 1977 fiscal note a request was made for a one-time cost of $33.1 for the purpose of working with communities within the national forests in Alaska to enable the State to select a substantial portion of its national forest community grant land entitlement. Since this bill did not move last year, that money was granted elsewhere in the budget. Since this program, which was highly successful, has already been completed, that portion of the fiscal note request has been dropped.

The other change is an increase in salaries and benefits due to the APEA contractual agreements which automatically raised the salary levels during the current fiscal year.

If you have any questions concerning this fiscal note, please contact me.

Sincerely,

Michael C. T. Smith
Assistant Commissioner

Attachment

10-J2LH

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS HB 133
Title Grant Land Entitlements for Municipalities
Requested by House Finance Committee Date January 24, 1978

II. FISCAL DETAIL
Agency Affected DEPARTMENT OF NATURAL RESOURCES
Program Category Affected NR&EC
Budget Request Unit(s) Affected Land Management; and District Operations; and Land Administration and Support

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		227.0	240.6	255.0	270.3	286.5
200 TRAVEL		17.3	15.1	16.0	17.0	18.0
300 CONTRACTUAL		88.8	120.5	57.1	45.9	9.9
400 COMMODITIES		9.4	4.1	4.3	4.6	4.9
500 EQUIPMENT		7.1	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		349.6	380.3	332.4	337.8	319.3

FUNDING (Thousands of Dollars)

GENERAL FUND		349.6	380.3	332.4	337.8	319.3
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		7.0	7.0	7.0	7.0	7.0
PART TIME						
TEMPORARY						

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

CS HB 133 directs the Department of Natural Resources to accomplish a number of tasks within some relatively stringent time frames. Those requirements, and necessary personnel and fiscal needs to accomplish them, are shown below.

1. Short Range:

A. Review, within six months, for every municipality in Alaska, state land status and certify each municipality's entitlement under Section 202(b).

B. Review, within six months, 263,000 acres of approved selections within all municipalities and certify acreage to be patented under Section 204(b).

C. Publish public notice, conduct necessary public hearings, and complete and issue patented documents for approximately 255,000 acres of approved selec-

IV. DATE January 24, 1978 PREPARED BY MICHAEL SMITH
AGENCY Division of Lands
PHONE 279-5577

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

Mtt 1/31/78

33-001 (Rev. 12/77)

tion: within 90 days of survey.

Fiscal Requirement: Three positions required: land management officer III (Anchorage), land management officer II (Anchorage), and a cartographer III (Anchorage). The cartographer will also be used to accomplish medium range objectives shown below.

II. Medium Range:

With each municipality:

A. Review approximately 12,000,000 acres of vacant, unappropriated, unreserv ' state land within all municipal boundaries to determine appropriate munic[illegible] pal selections for remaining 465,000 acres of entitlement.

B. Review all remaining federal land (20,000,000 plus acres) within municipalities to determine municipal needs for future state general grant selections.

Fiscal Requirement: Four positions are needed to work closely with each municipality to accomplish the joint cooperative land planning and identification process mandated in Section 204(e). These are a principle planner (Anchorage), two land management officer III positions (one each Fairbanks and Juneau), and a land management officer II (Anchorage).

FISCAL BREAKDOWN

PERSONAL SERVICES:

New Positions	Annual Salary
Planning Supervisor	32,268
Land Mgmt. Officer III (Anchorage)	25,872
Land Mgmt. Officer III (Juneau)	25,872
Land Mgmt. Officer III (Fairbanks)	29,952
Land Mgmt. Officer II (Anchorage)	22,332
Land Mgmt. Officer II (Anchorage)	22,332
Cartographer III (Anchorage)	22,332
TOTAL SALARY	$180,960

Benefits $180,960 X 17.25% =	$31,216	
FICA $1143 X 7 =	8,001	
Health Insurance 84 PM X 82.18 =	6,903	
TOTAL BENEFITS		46,120
TOTAL PERSONAL SERVICES		$227,080

TRAVEL:

Per Diem	7.2
Transportation	10.1
	17.3
TOTAL TRAVEL	$17,300

CONTRACTURAL:

Socio-economic Analysis for Regional Plan	$62.0	
Editing of Regional Plan	8.0	
Public Participation for three (3) Regional Plans	13.5	
Communication	2.3	
Advertising	.8	
Transportation of things	.4	
Equipment Rental	.6	
Printing	1.2	
TOTAL CONTRACTURAL		$88,800.00

COMMODITIES:

Cartographic Supplies	$ 5.1	
Other Supplies	4.3	
TOTAL COMMODITIES		$9,400.00

EQUIPMENT:

Desks	5 @ 350 each	$1,750	
Desk	1 @ 450	450	
Light Table	1 @1500	1,500	
Chairs	6 @ 120 each	720	
Draftsman's chair	4 @ 115 each	460	
Drafting machine	1 @ 235	235	
Leroy letting set	1 @ 160	160	
Layout tables	3 @ 350 each	1,150	
File cabinets	4 @ 160 each	640	
TOTAL EQUIPMENT			$7,065.00

DALE P. TUBBS
LAND MANAGEMENT CONSULTANT
715 L STREET, SUITE 8 ANCHORAGE, ALASKA 99501
TELEPHONE (907) 274-2314

February 2, 1978

Mr. Stuart O. Denslow
Kodiak Island Borough
P. O. Box 1246
Kodiak, Alaska 99615

Re: Meeting with ADL - Land Selection Base

Dear Mr. Denslow:

This capsulizes the meeting held with the Alaska Division of Lands to resolve the acreage base to be used in determining Kodiak Island Borough's land selection entitlement.

Persons in attendance:
Michael C.T. Smith - Director, Division of Lands
Thomas Meachum - Assistant District Attorney
Ronald Swanson - Staff employee - ADL
Robert L. Hartig - Attorney representing Kodiak Island Borough
Dale Tubbs - Land Management Consultant representing Kodiak Island Borough

Date and Place of Meeting:
January 30, 1978 - Division of Lands

Reason for meeting:
The meeting was held to express KIB's disagreement with the 45,200 acres entitlement as stated in ~~House~~ Senate Bill 241 and get it adjusted.

Prior to the meeting I had several meetings with Ron Swanson to substantiate the total acres tentative approved to the State within the KIB. This resulted in more than 24,000 acres being added to the States total T.A. acreage figures. The State then calculated an acreage figure for vacant, unappropriated and unreserved land at six month intervals. The six month interval began in 1962. With refinement the State now arrived at a maximum of 521,844.97 acres to be used to determine KIB's base. (See attach table.)

The new base figure takes into account a reduction in acreage based on lands being classified Timber, Grazing-Timber, Watershed, Public Recreation, Resource Management and acres already conveyed to the borough. Our argument at this point was, the reduction is a "Catch 22" to the borough. Reason: The State-Borough land management agreement required the land be classified prior to disposal action or to implement management. The total acres classified is 92,000+ acres. Most of these classifications were requested by the borough or to assist in the States procedures to conduct a disposal for the borough's interest. Smith admitted the "Catch 22" and agreed to change the figures where classification were for borough managment. I am to work with Ron Swanson to present evidence of the boroughs involvement in the classifications.

18,897 acres were classified resource management. This was done in an overnight exercise by ADL to close the open to entry program. No consultation was made with the borough. At that time, lands classified as resource management were borough selectable. Now ADL's interpretation is they are not. If the borough had known this was going to happen they would have opposed the reclassification as such. This battle is not won.

The maximum selectable acreage remains reduced by acreage conveyed to the borough. This point needs to be discussed with you and Hartig to determine if it should be challenged. If the high point in column 2 was 1967 I would say forget it. However, the high point is now in 1975 and reflects a 10,000 acre base reduction due to borough title. (1000 acre selection right)

Smith was upset over the KIB land selection made September 6, 1977. He accused the borough of bad faith in not holding a status quo while the present legislation is being considered. Hartig explained the legal rationale but didn't phase Mr. Smith.

Final resolution of the meeting is to recalculate the acres involved in the "Catch 22" and adjust upward in favor of the borough. I'm not convinced at this point both parties are on the same wave length. As Mr. Smith learns more about anything the more adept he becomes in burying it with further study.

Sincerely,

Dale P. Tubbs

Dale P. Tubbs

DPT/lv
attachment

BOROUGH

Tentative Approval — Occupied (Because of Classification: Timber-Growing, Public Use, Reservation, Part Timber, Entirely Timber) — Net Vacant

	Tentative Approval	Occupied	Net Vacant
6/30/60	0		0
12/31/60	"		"
6/30/61	"		"
12/31/61	"	"	"
6/30/62	"	"	"
12/31/62	11,070.00	11,070.00	"
6/30/63	"	"	"
12/31/63	229,897.55	"	218,827.55
6/30/64	361,757.62	"	350,687.62
12/31/64	435,176.52	"	424,106.52
6/30/65	435,194.38	"	424,124.38
12/31/65	"	11,315.49	422,878.89
6/30/66	435,425.38	19,115.80	416,309.58
12/31/66	446,785.38	19,220.96	425,567.42
6/30/67	505,496.12	19,426.21	505,910.21
6/31/67	"	19,875.92	505,520.19
6/30/68	"	17,625.29	447,710.85
12/31/68	"	17,672.29	447,722.83
6/30/69	525,396.12	17,694.50	447,701.62
12/31/69	"	82,023.35	445,317.77
6/30/70	"	82,341.81	443,054.31
12/31/70	"	"	443,054.31
6/30/71	"	82,342.92	443,053.39
12/31/71	"	"	443,053.39
6/30/72	"	95,622.92	429,773.39
12/31/72	"	"	429,773.39

BOROUGH (Cont)

	Tentative Approval	Occupied	Net Vacant
6/30/73	525,396.12	96,545.15	428,850.97
12/31/73	"	102,152.15	423,243.97
6/30/74	"	"	423,243.97
12/31/74	"	"	423,243.97
6/30/75	"	"	423,243.97
12/31/75	623,997.12	"	521,244.97
6/30/76	620,165.12	"	518,012.97
10/31/76	"	"	518,012.97
6/30/77	611,734.29	N/A	N/A
12/31/77	"	N/A	N/A

Note: These figures do not reflect the acreage affected by the ANCSA

DALE P. TUBBS
LAND MANAGEMENT CONSULTANT
715 L STREET, SUITE 8 ANCHORAGE, ALASKA 99501
TELEPHONE (907) 274-2314

February 8, 1978

Mr. Robert L. Hartig, Attorney
Cole, Hartig, Rhodes, Norman & Mahoney
717 K Street, Suite 201
Anchorage, Alaska 99501

Re: Kodiak Island Borough Land Selection Entitlement.

Dear Mr. Hartig:

Following our meeting with Michael Smith, Director, Division of Lands, January 30, 1978, I have been furnished a new summary of TA'ed, occupied and vacant lands within the Kodiak Island Borough. Four new columns have been added proporting to show lands classified at the borough request and selected, lands classified at the borough request but not selected by the borough and a new summary column in each case to show a new net vacant acreage. I do not follow the logic or significance of the borough selecting or not selecting acreage that it requested the classification thereof.

In reference to the occupied column (A) of the summary sheet, the division has included acres approved to the borough. The impact amounts to approximately 9800 acres. Therefore, the occupied column acreage is made up of lands classified as grazing-timber, timber, public recreation, watershed, resource management and acres conveyed to the borough. The inclusion of the borough TA'ed acres is reducing its own entitlement. I do not follow the logic put forth by the division and it is not the understanding I had on determining the base acreage.

The following list summerizes the classification orders affecting the land selectability.

Item #	Classification Order #	Date of Class. Order	Total Acres Involved	Classification
1	130	10/31/62	11,070	Grazing-timber (Marmot Island)
2	315	10/28/65	183	Public Recreation (Fort Abercombie)

3	380 ~~138~~	5/19/66	7,630	Watershed (Monashka Bay)
4	479	1/18/68	50,342	Timber (Shuyak Island)
5	656	9/7/69	4,316	Watershed (Port Lions)
6	715 (A-2)	4/15/71	15,548	OTE to Res. Mgmt.
7	715 (A-4)	1/24/72	1,990	OTE to Res. Mgmt.
8	805	3/10/72	10,980	Resource Mgmt. (Red Meat Lease)

My interpretation of classifications that may preclude borough selectability are Items 1, 2 and possibly 8. Item #1 established a land classification prior to the formation of a borough; Item #2 involves the classification of the State Park at Fort Abercrombie; and Item #8 classifies the area involved in the Red Meat lease to the University. Item #8 was done without consultation with the borough to legalize the lease to the University of Alaska. At the most, I would say 22,233 acres could be used to reduce the 623,997 acres TA'ed to the State. By accident this closely corresponds to the net vacant column (NV3) for 12/31/75.

Ron Swanson indicated to me Mike Smith does not concur in the 12/31/75 date for establishing entitlement. My understanding is, he is picking the high point prior to ANCSA. I do not concur in this logic as the new acres TA'ed to the State after ANCSA do not involve village withdrawal acreage. We should discuss these points with Mr. Denslow to formulate a stand we can fall back on.

Sincerely,

Dale P. Tubbs

Dale P. Tubbs

DPT/lv
encl.
cc: Stuart O. Denslow

DALE P. TUBBS
LAND MANAGEMENT CONSULTANT
715 L STREET, SUITE 8 ANCHORAGE, ALASKA 99501
TELEPHONE (907) 274-2314

February 10, 1978

Honorable Merle G. Snider
Pouch V
Juneau, Alaska 99811

Dear Representative Snider:

Mr. Stuart Denslow, Manager, Kodiak Island Borough, has asked I forward you a copy of CSSB 241 relating to selection and transfer of land to municipalities. Also included is correspondence regarding the selection entitlement to the Kodiak Island Borough. As stated in the February 2nd letter to Denslow, the Division of Lands used a "Catch 22" in computing the borough's entitlement. They excluded acreage from being eligible that was classified at the request of the borough and as required in the Borough-State Management Agreement. The borough is looking for a 60,000 acre entitlement as opposed to the 45,200 acres indicated in the bill.

Sincerely,

Dale P. Tubbs

Dale P. Tubbs

DPT/lv
encl.
cc: Stuart O. Denslow

STATE OF ALASKA
JAY S. HAMMOND, GOVERNOR
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF THE COMMISSIONER
11TH FLOOR, STATE OFFICE BLDG.
POUCH M — JUNEAU 99811

March 3, 1978

The Honorable Steve Cowper
Chairman, House Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Cowper:

Re: Payment in lieu of land projected costs for CSHB 133 (Finance)

In view of the amendments to CSHB 133 which have occurred since my last estimate of projected in lieu payment in my February 15, 1978, letter. I have stated below my best estimate of the maximum and minimum values. This estimate is based upon the draft which will be submitted to the House Finance Committee on Friday, March 3, 1978.

The projections below are based upon the following assumptions:

1. The land entitlements presently found in CSHB 133 will remain constant (any upward change of entitlement will probably increase the projected request).

2. The U. S. Forest grant selections made by the State in December, 1977, will be conveyed to the State by July 1, 1984 (so that they would be available for municipal selection).

3. 75% of boroughs which form in the future, and which automatically receive an entitlement of 25,000 acres, will receive that entitlement in land. 25% of future boroughs will have the same entitlement, but will not be able to fulfill it completely with land and will take payments in lieu of land under section 208.

Under the above assumptions, the maximum and minimum total projected requests (in millions of dollars) by qualified municipalities is:

Minimum	Maximum
19.0	23.0

The maximum request in any one year would be approximately 5.7 million.

Section 29.18.208 permits qualified municipalities to request up to the above maximum amounts, but the actual appropriation could be less in any particular year. Thus, the time period during which in lieu payments might be made is under legislative control.

Sincerely,

Michael C.T. Smith

Michael C.T. Smith
Assistant Commissioner

OFFICE OF THE MAYOR
MUNICIPALITY OF ANCHORAGE
POUCH 6-650
ANCHORAGE, ALASKA 99502

3/13/78

This is to confirm the telecopy sent to you on this same date at 1:15 P.M., Anchorage time.

Lova J. O'Shea

Lova J. O'Shea
Secretary to Mayor

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MAYOR

3/13/78
Deliver to Rep. Rudd
ASAP.

Representative Lisa Rudd
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

You have asked for comment concerning CSHB 133 (Finance) relating to selection of state land by municipalities. In general, the Municipality of Anchorage strongly supports this legislation and urges its expedited approval by the House and Senate. However, a number of problems and ambiguities should be addressed in order to make the proposed legislation an equitable settlement of land entitlements between local governments and the state.

AS 29.18.202(C)(D) in the proposed bill would, in essence, require some municipalities to promise that large amounts of land received from the state would be "committed to disposal to private ownership." Although such a proposal may have merit with respect to boroughs with large amounts of available vacant land, it is manifestly unreasonable for a municipality such as Anchorage that does not possess enough vacant land to satisfy even its own governmental needs. Anchorage is presently engaged in an on-going land acquisition program to provide land for streets, utilities, and park and recreation purposes. This land is being acquired at a tremendous cost in order to provide critically needed municipal facilities and services. Faced with such a situation, the idea of requiring Anchorage to give away vacant land for private ownership is, at best, unreasonable.

I realize that proposed AS 29.18.202(E) authorizes the director to waive the above-described requirements in certain cases. However, the Municipality feels that it should not be left to the director to decide on a waiver of a provision that is, on its face, unreasonable with respect to some local governments. I would suggest that a specific exemption for municipalities such as Anchorage be inserted in place of the proposed AS 29.18.202(E).

With respect to the proposed AS 29.18.206 (school, university and mental health lands) the Municipality strongly supports this concept and urges its retention in the proposed bill. However, I would like to call your attention to some confusion in subsection (D) and (E) of this provision. Subsection (D) provides:

> No selection of school, university or mental health land may be approved by the director under this section without the concurrence of (1) the State Board of Education, for school lands; (2) the Board of Regents of the University of Alaska, for university lands; or (3) the members of the Mental Health Land Board specified in AS 38.05.035(13), for mental health land.

However, subsection (e) states that:

> Within three years after the approval under (D) of this section of a municipal selection of school, university or mental health lands, the director, with the concurrence of the respective board, shall designate appropriate state general grant land of approximately value as school, university or mental health replacement land.

It seems to me that school, university or mental health land officials are not going to concur in the transfer of their lands until after the state has identified alternative equal value land and obtained their approval. I would suggest that the Director of Lands be required, at the request of a municipality, to initiate an active program of identifying alternative equal value lands and to obtain the approval of the necessary school, university or mental health board officials within a specified time period in order to implement the policies expressed in proposed AS 29.18.206. For example, the Director could be required to identify a specific amount of land and present a proposal to school, university or mental health officials within one year from a request by a municipality. This would allow the municipality some degree of certainty in determing whether or not it would be able to acquire school, university or mental health lands.

Finally, the Municipality of Anchorage continues to support the proposed AS 29.18.208 (payment in lieu of land). This section is the only hope for Anchorage to obtain something approaching equitable treatment under the old municipal land selection program. For example, I call your attention to the fact that, under the old system, Anchorage, with a population of close to 200,000, was entitled to at most 20,865 acres. On the other hand, the Mat-Su Borough, with a small fraction of the Anchorage population, is

entitled to 355,210 acres of extremely valuable state land. The in lieu payment system proposed by CSHB 133 would at least allow Anchorage to receive in lieu payments to be used in aid of its own acquisition programs or for other important municipal purposes. Faced with the extreme inequity of the old land selection formula, the Municipality has serious objection to proposed AS 29.18.208(F) that would limit payments in lieu of land to no more than $100 per capita. Since the Municipality is willing to take its in lieu payments over a number of years, I see no reason why Anchorage should be arbitrarily denied a major portion of its in lieu entitlement by the $100 per capita limit. Such a provision should be seen as an outrage by Anchorage taxpayers, and should be deleted from the proposed legislation.

Thank you for the opportunity to comment on CSHB 133 (Finance). The Municipality will have representatives available to testify on this bill at any time, and will provide whatever data or other assistance you may require. If you have any questions concerning the above, please contact Mr. Ted Berns, Municipal Attorney, at 264-4237.

Sincerely yours,

MUNICIPALITY OF ANCHORAGE

George M. Sullivan
Mayor

GMS:TDB:gml

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-1525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

April 4, 1978

Senator Kay Poland, Chairman
Senate Resource Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Poland:

Thank you for the recent opportunity to testify before your committee on CSHB 133 Finance am. The Municipality of Anchorage continues to strongly support this legislation and urges its expedited approval by your committee. However, as I indicated during my testimony, the Municipality believes that a number of amendments should be made in order to make the proposed legislation an equitable settlement of land entitlements between local governments and the state.

AS 29.18.202(C)(D) in the proposed bill would, in essence, require some municipalities to promise that large amounts of land received from the state would be "committed to disposal to private ownership." Although such a proposal may have merit with respect to boroughs with large amounts of available vacant land, it is manifestly unreasonable for a municipality such as Anchorage that does not possess enough vacant land to satisfy even its own governmental needs. Anchorage is presently engaged in an on-going land acquisition program to provide land for streets, utilities, and park and recreation purposes. This land is being acquired at a tremendous cost in order to provide critically needed municipal facilities and services. Faced with such a situation, the idea of requiring Anchorage to dispose of a fixed amount of vacant land for private ownership is, at best, unreasonable. Although it may be desirable to sell municipal lands not needed for public purposes, such a decision should be left to the sound discretion of local elected officials.

I realize that proposed AS 29.18.202(E) authorizes the director to waive the above-described requirements in certain cases. However, the Municipality feels that it should not be left to the director to decide on a waiver of a provision that is, on its face,

unreasonable with respect to some local governments. I would suggest that a specific exemption for municipalites such as Anchorage be inserted in place of the proposed AS 29.18.202(E).

With respect to the proposed AS 29.18.206 (school, university and mental health lands) the Municipality strongly supports this concept and urges its retention in the proposed bill. However, I would like to call your attention to some confusion in subsection (D) and (E) of this provision. Subsection (D) provides:

> No selection of school, university or mental health land may be approved by the director under this section without the concurrence of (1) the State Board of Education, for school lands; (2) the Board of Regents of the University of Alaska, for university lands; or (3) the members of the Mental Health Land Board specified in AS 38.05.035(13), for mental health land.

However subsection (e) states that:

> Within three years <u>after the approval under (d) of this section</u> of a municipal selection of school, university or mental health lands, the director, with the concurrence of the respective board, shall designate appropriate state general grant land of approximately equal value as school, university or mental health replacement land. (emphasis added)

It seems to me that school, university or mental health land officials are not going to "concur" in the transfer of their lands until <u>after</u> the state has identified alternative equal value land and obtained their approval. I would suggest that the Director of Lands be required, at the request of a municipality, to initiate an active program of identifying alternative equal value lands and to obtain the approval of tne necessary school, university or mental health board officials within a specified time period in order to implement the policies expressed in proposed AS 29.18.206.

For example, the Director could be required to identify a specific amount of land and present a proposal to school, university or mental health officials within six months from a request by a municipality. This would allow municipalities some degree of certainty in determining whether or not they would be able to acquire school, university or mental health lands. The following is suggested language for such an amendment:

29.18.206(e) (replacement for existing subsection (e))

(e) Within six months after request by a municipality for selection of school, university or mental health land, the director shall identify state general grant land of approximately equal value to the land requested by the municipality, and shall propose such replacement land for the concurrence of the appropriate board under (d) of this section. If a proposal by the director is rejected by the board, the director shall meet with the board as often as necessary to determine the type and amount of equal value replacement land that would be required to obtain the board's concurrence under (d) of this section, and shall propose such land for consideration by the board. The replacement land shall thereafter be managed for the purposes for which the land selected by the municipality was acquired by the Territory and the State of Alaska.

In regard to the proposed AS 29.18.206(c), the present language provides that, "upon receipt of a selection by a municipality of school, university or mental health land, the director shall determine whether the land selection should be approved." The Municipality believes that, if the appropriate board concurs in a proposed exchange of land under AS 29.18.206, the director should not have the unfettered discretion to deny approval.

Finally, the Municipality of Anchorage continues to support the proposed AS 29.18.208 (payment in-lieu of land). This selection is the only hope for Anchorage to obtain something approaching equitable treatment under the old municipal land selection program. For example, I call your attention to the fact that, under the old system, Anchorage, with a population of close to 200,000, was entitled to at most 20,865 acres. On the other hand, the Mat-Su Borough, with a small fraction of the Anchorage population, is entitled to 355,210 acres of extremely valuable state land. The in-lieu payment system proposed by CSHB 133 would at least allow Anchorage to receive in-lieu payments to be used in aid of its own acquisition programs or for other important municipal purposes. However, faced with the extreme inequity of the old land selection formula, the Municipality has serious objection to proposed AS 29.18.208(F) that would limit payments in-lieu of land to no more than $100 per capita.

A brief analysis will reveal the inequity of the $100 per capita limit. Under the present bill, the in-lieu entitlement for Anchorage is 90,863 acres. Although the precise amount of land

that Anchorage may be able to obtain is difficult to compute, our staff estimates that the figure will almost certainly be less than 12,000 acres. This leaves an unfulfilled entitlement of 78,863 acres to be satisfied by the payment in-lieu of land provision of CSHB 133. Under the payment schedule contained on page 10 of the bill, Anchorage should therefore be able to obtain a total of $43,102,050 over a period of not less than eight (8) years. However, Anchorage would not object to taking its in-lieu payments over a period of from 10 to 15 years, if the per capita limit of $100 is increased.

Under the arbitrary $100 per capita limit however, Anchorage would be entitled to a total of not more than $20,000,000, which amounts to payment on 46% of its actual, unfulfilled entitlement. In other words, the $100 per capita limit would have the effect of arbitrarily denying payment for 54% of the 78,863 acres that Anchorage cannot obtain in the form of land. Moreover, it appears from our research that Anchorage may be the only municipality that would be denied a major portion of its in-lieu entitlement through the proposed $100 per capita limit.

I can understand why some per capita limit is necessary as a safeguard to protect the state treasury. However, I suggest that a limit of not less than $250 per capita would serve this function and yet allow Anchorage to receive at least a major portion of its entitlement either as land or payment in-lieu of land. I strongly urge your committee and the entire Senate to amend CSHB 133 to increase the present $100 per capita limit to not less than $250.

At the committee hearing, some objection was raised to the effect that the payment in-lieu of land provision would constitute an unjust enrichment of Anchorage at the expense of the State. However, as I noted in my testimony, the proposed bill would have the effect of transferring a truly incredible amount of valuable land to Alaska municipalities. Given the ever increasing demands for land and ever increasing land prices in Alaska, the State must view land transferred to local governments at least in part as the equivalent of money. Using what I feel are very conservative assumptions of average land value, it is not difficult to see that in terms of total value received, expressed in monetary terms, the proposed bill is far from any sort of unjust enrichment of Anchorage. The attached chart lists some of the comparisons that I mentioned to the committee during my testimony.

By revealing the comparisons shown on the attached chart, the Municipality does not object to the entitlement of any other borough under the proposed bill. By allowing Anchorage to take its entitlement in the form of in-lieu payments perhaps over a substantial period of time, the needs of all municipalities can be met and an equitable final settlement of the long standing controversy over land selections can be achieved.

Thank you for the opportunity to comment on CSHB 133 (Finance)am. The Municipality will have representatives available to testify on this bill at any time, and will provide whatever data or other assistance you may require. If you have any questions concerning the above, please contact me at 264-4237.

DEPARTMENT OF LAW

Theodore D. Berns
Municipal Attorney

TDB:gml
Attachment

cc: Members of the Committee
Senator Orsini
Representative Rudd

ANALYSIS OF CSHB 133 (FINANCE)AM

Assume: Average land values equal $1,500 per acre

Population equals most recent revenue sharing data

Total Value of Land Transferred to Municipalities Under CSHB 133

1. Kenai Peninsula Borough

Entitlement	=	155,780 acres
Land value	=	$233,670,000
Population	=	24,611

Per capita value = $9,495

2. Fairbanks North Star Borough

Entitlement	=	112,000 acres
Land value	=	$168,000,000
Population	=	60,227

Per capita value = $2,789

3. Mat-Su Borough

Entitlement	=	355,210 acres
Land value	=	$532,815,000
Population	=	16,714

Per capita value = $31,859

4. Ketchikan Gateway Borough

Entitlement	=	11,500 acres
Land value	=	$17,939,500
Population	=	11,490

Per capita value = $1,513

5. Kodiak Borough

Entitlement = 45,200 acres
Land value = $67,800,000
Population = 7,901

Per capita value = $8,581

6. Bristol Bay Borough

Entitlement = 2,898 acres
Land value = $4,347,000
Population = 1,311

Per capita value = $3,316

7. City and Borough of Juneau

Entitlement = 19,584 acres
Land value = $29,376,000
Population = 20,465

Per capita value = $1,435

8. Haines Borough

Entitlement = 3,985 acre
Land value = $5,977,500
Population = 1,924

Per capita value = $3.107

9. Anchorage

Entitlement = 90,863 acres
Land value = $136,294,500
Population = 180,363

Per capita value = $754 1/

1/ Note that Anchorage in fact would be able to exchange only approximately 78,000 acres for payment in-lieu of land. Under the formula in HB 133, this works out to less than $250 per capita.

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

May 5, 1978

Senator Joseph Orsini, Chairman
Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

On May 2, 1978, the Anchorage Assembly adopted Resolution AR 78-61 (copy attached as Exhibit A) dealing with SCS CS HB 133, presently before your Committee. In this resolution, the Assembly, together with the Municipal Administration, point to the inequitable treatment received by Anchorage under the present version of HB 133. The following is a brief summary of the major points:

With respect to land entitlement figures, at least seven, and probably more, of the municipalities listed on pages 1-2 of the bill have had their entitlements substantially increased over a literal application of the 10% VUU formula contemplated by existing law. For example, one municipality has been increased from 25 acres to 9,200, another has gone from 440 acres to 13,600 acres, and another has been adjusted from 645 acres to 89,850 acres. Anchorage, on the other hand, has remained at its 10% figure of 20,865 acres even though this entitlement results in by far the lowest per capita entitlement of any local government in the state.

SCS CS HB 133 also deleted language that would have prevented the area known as the "Campbell Tract" (approximately 5,000 acres) from being deducted from the Anchorage entitlement if that land eventually is transferred to the Municipality. Use of the Campbell Tract is restricted, by federal act, to a specific park plan that contemplates management by the state and federal governments as well as the Municipality. Any change in use from that listed in the federally recognized plan, even for such things as necessary expansion of local roads, may well require approval by the Congress. To my knowledge, no other municipality has had

land that is so restricted and encumbered counted against its land selection entitlement. Anchorage should not be forced to decide whether to reject a transfer of the Campbell Tract in order to prevent using a major part of its remaining entitlement for land that is subject to severe use restrictions.

In the Senate Resources Committee, a great deal of rhetoric was addressed to the point that Anchorage should not be entitled to receive any payments in lieu of land under A.S. 29.18.207 in the proposed legislation. The Committee reviewed figures from the Alaska Division of Lands (ADL) attempting to create the impression that there is ample available land to meet the Anchorage entitlement of 20,865 acres. As discussed later in this letter, subsequent investigation has revealed that these figures are, at best, misleading, and in fact, have been acknowledged to be in error by ADL staff. The figures presented by the State speak in large part to land for which the State does not even have tentative approval or lands that are otherwise clearly not presently available for local selection. Of the small amount of land that might be available for selection by Anchorage, most is clearly inappropriate and therefore unavailable for municipal use under the criteria advanced by the State on pages 4-5 of SCS CS HB 133. (See Exhibit B)

The figures advanced by ADL to the Senate Resources Committee are an attempt to create the illusion of adequate, appropriate state land in Anchorage that would, I can assure you, disappear once the bill is enacted into law. The simple fact is, as anyone who is even remotely familiar with Anchorage land clearly knows, the Municipality cannot expect with any assurance to obtain any appreciable amount of its entitlement in the form of land in the forseeable future. It is, however, the Municipality's position, as stated in the Assembly's Resolution, to accept any appropriate state land within the Municipality in partial satisfaction of its entitlement.

It is the position of the Municipality that Anchorage be entitled to payment in lieu of land for any portion of its entitlement that cannot be satisfied through a timely transfer of appropriate state land. Hollow promises concerning various types of land that "might" be available "sometime" for use by the Municipality are unacceptable. It is my belief that a majority, if not all, municipalities in the state support the in lieu payment schedule in SCS CS HB 133 as at least a small attempt to achieve equity for Anchorage taxpayers in a final settlement of the land selection program.

Based on the attached analysis (Exhibit B) of appropriate state land in Anchorage, it is anticipated that Anchorage might eventually request payment in lieu of land for up to 12,500 acres of entitlement. This would mean that Anchorage would receive approximately $16,875,000 in payments over approximately four

years under the present entitlement figure of 20,865 acres. In the Resources Committee, great concern was expressed over any payment to Anchorage. However, that Committee added language to the bill that may result in payment to Kodiak Island Borough of up to $26,000,000 based on a legal argument concerning the Native Claims Act (ANCSA) which is tenuous at best. The logic of such action is difficult to fathom.

The State Administration has indicated that it will not accept an in lieu payment system that would commit the State to payment of over approximately $20,000,000. Apparently this figure is advanced as the Administration's "bottom line" regardless of the time period over which municipalities are willing to accept payment. Again, the logic of this position is difficult to understand when the value of state land to be transferred to other municipalities under the bill could be over one billion dollars ($1,000,000,000.). (See attached analysis, Exhibit C). The Administration apparently either believes that Alaska land does not readily translate into money (a position so naive it cannot be accepted) or (more likely) that by attempts to frighten the Legislature with large dollar figures and veiled threats of veto, it can force Anchorage legislators to accept less than an equitable settlement for their municipality.

One other alternative that has received some discussion is to force Anchorage to select state land in other boroughs or in the unorganized borough in satisfaction of its entitlement. Although it is conceivable that such a plan could have merit, it would clearly force the Municipality into a speculative gamble on the availability of suitable land not already subject to selection by other boroughs or native claims. The potential administrative expense and land management problems that such a proposal would entail are substantial. The Municipality could not know beyond mere speculation what land it might receive or what the costs associated with such land might be. Although the Assembly's resolution did not specifically address this option, as the Municipal Attorney, I would be forced to advise against such an uncertain solution to an equitable settlement for Anchorage.

Attached to this letter as Exhibit D, are suggested specific amendments to SCS CS HB 133 together with brief explanations of the reasons for such amendments. It should be noted that Anchorage has not and does not begrudge other boroughs their relatively large entitlements under the proposed bill. Certainly no one would argue that all of the circumstances existing when the land selection program was started exist today. Consequently, it could be argued that it would be in the best interests of Anchorage to propose a simple repeal of the old program. The sale of state land could then be used to fund local government programs on some sort of equitable, per capita basis. The Municipality has not taken such a position and has instead agreed to work toward an equitable settlement of the old land selection program. With this

in mind, I urge your committee and all Anchorage legislators to adopt the attached amendments to SCS CS HB 133.

If you have any questions concerning the above, please contact me at 264-4237. Thank you for the opportunity to comment on this legislation.

Sincerely yours,

DEPARTMENT OF LAW

Theodore D. Berns
Municipal Attorney

TDB:ah

Enclosures

Exhibit A

Submitted by: Chairman of the Assembly
at the request of the Mayor
Prepared by: Department of Law
For Reading:

ANCHORAGE, ALASKA
AR NO. 78-61

A RESOLUTION REQUESTING EQUITABLE TREATMENT OF ANCHORAGE IN SETTLEMENT OF THE MUNICIPAL LAND SELECTION PROGRAM.

WHEREAS, the Alaska Legislature has had House Bill 133 entitled, "An Act relating to selection and transfer of state land to municipalities; and providing for an effective date" under consideration, and the Senate Resources Committee has recently reported out SCS CSHB 133 for further consideration by the Senate Community and Regional Affairs Committee; and

WHEREAS, the intent of the present version of HB 133 is to provide for an immediate, equitable settlement of municipal land entitlements under the municipal land selection program existing pursuant to AS 29.18.190 - .200; and

WHEREAS, land entitlements confirmed under HB 133 have been substantially adjusted upward for several municipalities other than Anchorage from the actual figure of ten percent (10%) of state vacant, unappropriated and unreserved land within local boundaries as contemplated by AS 29.18.190 - .200; and

WHEREAS, Anchorage has been denied any similar adjustment of its land entitlement notwithstanding the fact that the Municipality is already scheduled to receive by far the lowest per capita land entitlement of any local government in the state; and

WHEREAS, there exists no justification in law or fact for such inequitable and discriminatory treatment of Anchorage in the settlement of disputes over the municipal land selection program; and

"A"

WHEREAS, there is a serious shortage of appropriate and available state land for municipal selection in the Anchorage area as well as a shortage of funds available for land acquisition and other land related needs of municipal residents; and

WHEREAS, HB 133 provides for payment in lieu of land to municipalities such as Anchorage that are unable to obtain sufficient, appropriate state land to meet their entitlements; and

WHEREAS, such in-lieu payments are desperately needed to assist in meeting the land related needs of the Municipality but are threatened by the discriminatory and inequitable treatment of the land entitlement established for Anchorage in HB 133;

NOW, THEREFORE, the Anchorage Assembly in conjunction with the Municipal Administration hereby resolves:

Section 1. That the position of Anchorage with respect to HB 133 is to accept every available acre of appropriate state land within the Municipality in partial satisfaction of its land entitlement; and

Section 2. That Anchorage residents are entitled to equitable, nondiscriminatory treatment with respect to other municipalities in the upward adjustment of land entitlement figures under HB 133 over the entitlements authorized by a strict application of AS 29.18.190 - .200; and

Section 3. That land, such as the area commonly known as the Campbell tract, that is subject to preexisting federal or state restrictions on use or management not be counted toward the Municipality's land entitlement, and that the Municipality

"A"

be required to count against its entitlement only land that is appropriate for municipal selection, and subject exclusively to municipal control.

Section 4. That Anchorage be entitled to payment in-lieu of land for any portion of its land entitlement that cannot be satisfied through a timely transfer of appropriate state land, and that such payment, as a minimum, follow the payment scale and other payment provisions expressed in SCS CSHB 133; and

Section 5. That the Governor and Legislature be reminded that both the total and per capita dollar value of state lands to be transferred to many other municipalities under HB 133 far exceeds the amount that could possibly be awarded to Anchorage as payment in-lieu of land, and that equity demands the Administration's support for funding any in-lieu payment system established by HB 133.

Section 6. That the Senate Community and Regional Affairs Committee address the inequities and discriminatory treatment of Anchorage under the present SCS CSHB 133 and that all Anchorage legislators make the expeditious passage of an acceptable version of HB 133 a matter of highest priority for the present legislative session.

Passed and approved by the Anchorage Assembly, this _____ day of _____, 1978.

_____
Chairman

ATTEST:

_____
Municipal Clerk

"A"

EXHIBIT B

ANCHORAGE LAND STATUS

It should be noted that the following figures are the result of a cooperative effort between municipal staff and ADL personnel to determine the status of government owned land in Anchorage. Data and records at both the State and local level is at best imprecise. However, the figures below represent the best possible estimates to date.

State Land

Trust Lands
(not presently available
for selection)

Mental Health		1,806 acres
School		2,294
University		6,200
	TOTAL:	10,300

It should be noted that a great deal of these trust lands would probably not be suitable for land exchanges under the proposal contained in SCS CS HB 133.

Vacant, Unappropriated, Unreserved Lands	6,720 acres

Of the 6,720 acres identified by the State as VUU on maps presented to the Municipality, analysis has shown that probably no more than 1,700 acres that would meet the criteria for local selection and use outlined on pages 4-5 of the proposed bill.

Selected from the Federal Government (No Tentative Approval)	240,280 acres

Virtually all of these lands are located east of Chugach State Park. There is presently no way of knowing for certain whether all or part of this land would be available or appropriate for local selection under the proposed bill.

Municipal Land

Patented or Approved	4,253 patent
To Anchorage	2,475 TA
	6,728 acres

Under AS 29.18.204(b) of the proposed bill, some or all of the 2,475 acres of TA land could be rejected as inappropriate for local selection. There is no way to know at this time precisely how many acres could be affected.

It should also be noted that state records show another 9,770 acres of municipal selections for which TA has not been received. This figure, however, includes over 5,000 acres of Campbell Tract and other lands that apparently do not meet VUU criteria. As noted above, from data supplied by the State and from working with ADL staff, it appears that only up to 1,700 acres of VUU land would be available to Anchorage in addition to land for which TA or Patent has been received.

Summary Of Lands
Available To Anchorage

Patent	4,253
TA	2,475
To be selected	1,700
	8,428 acres
Entitlement under SCS CS HB 133	20,865
-	8,428
Remaining Entitlement	12,437 acres

EXHIBIT C

ANALYSIS OF SCS CS HB 133

Assume: Average land values equal $1,500 per acre

Population figures are from revenue sharing data

Value of Land Transferred to
Municipalities Under SCS CS HB 133

1. Kenai Peninsula Borough

Entitlement	=	155,780 acres
Land value	=	$233,670,000
Population	=	24,611

Per capita value = $9,495

2. Fairbanks North Star Borough

Entitlement	=	112,000 acres
Land value	=	$168,000,000
Population	=	60,227

Per capita value = $2,789

3. Mat-Su Borough

Entitlement	=	355,210 acres
Land value	=	$532,815,000
Population	=	16,724

Per capita value = $31,859

4. Ketchikan Gateway Borough

Entitlement	=	9,200
Land value	=	$13,800,000
Population	=	11,490

Per capita value = $1,201

5. Kodiak Borough

Entitlement = 56,500
Land value = $84,750,000
Population = 7,901

Per capita value = $10,726

6. Bristol Bay Borough

Entitlement = 1,940
Land value = $2,910,000
Population = 1,311

Per capita value = $2,219

7. City and Borough of Juneau

Entitlement = 13,600
Land value = $20,400,000
Population = 20,465

Per capita value = $997.

8. Haines Borough

Entitlement = 1,080
Land value = $1,620,000
Population = 1,924

Per capita value = $842.

EXHIBIT D

SUGGESTED AMENDMENTS TO SCS CS HB 133

1. Page 1, lines 17-18: Delete "to assist in meeting costs of acquisition of land to meet public needs."

   Although this would no doubt be a legitimate use of in lieu payments, actual expenditures of funds should be left to the decision of local elected officials. Other boroughs have for years sold land received from the state and have used the proceeds for public purposes without restrictions. Anchorage should be allowed the same flexibility with respect to any in-lieu payments received under HB 133.

2. Page 1, line 24: Delete "20,865" and insert "44,893."

   The state has selected 240,280 acres of land in Anchorage but has not yet received tentative approval. Consequently, the figure was not included in the 20,865 acres listed in SCS CS HB 133. Since the bill fixes and thereby cuts off entitlements, it is only fair for Anchorage to be credited with at least 10% of the above-described state selected land.

3. Page 2, line 28: Add "or to that portion of an entitlement that cannot be satisfied by such date due to a shortage of appropriate available state land."

   This amendment would allow municipalities such as Anchorage more time to fill their entitlements with appropriate state land should it become available in the future. In Anchorage, for example, it is possible that land controlled by the Army or Air Force could become available in the future and be used to fill part of any remaining entitlement for which in lieu payment had not been reviewed.

4. Page . line 12: Add after the period-

   "Lan deemed appropriate for municipal selection shall be land that is suitable and appropriate for an identifiable present or future municipal use or for disposal to private use by the municipality by sale or other means."

   This language would protect municipalities from possible abuse of the broad criteria expressed in subsections (g) and (h) on pages 4 and 5. The intent of the language is to minimize disputes with the state over the type of land that is appropriate for local selection and management.

5. Page 9, line 10: Add after the period-

"In certifying a municipality's remaining entitlement and available vacant, unappropriated, unreserved land under this subsection, only land meeting the criteria for local selection and use under 204(g) of this chapter shall be considered."

The purpose of this amendment is to eliminate ambiguity in applying the payment in lieu of land formula. Since only VUU land meeting the criteria of 204(g) can be approved for transfer to municipalities, it is only consistent to use these lands in applying the in lieu payment formula.

6. Page 10, Line 13: "Except as provided in (g) of this section," (Comment)

This language has the effect of possibly allowing Kodiak Island Borough to receive up to $26,000,000 in in lieu payments. Kodiak's claim is based on a legal theory concerning lands selected under the Native Claims Act (ANCSA) over which there is no doubt considerable disagreement. It is by no means clear that Kodiak will not be able to obtain many of the disputed lands for which payment might be claimed under this section. If, as the State Administration indicates, the dollar impact of the bill must be limited to less than full compensation for all municipalities entitled to in lieu payment, any per capita limit should be applied evenly to all municipalities.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K — STATE CAPITOL
JUNEAU 99811

March 15, 1978

The Honorable Hugh Malone
Speaker of the House
and
The Honorable John Rader
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Re: Oil Spill Civil Penalties

Gentlemen:

On March 7, you requested the Department of Law to review the legality of the submission process utilized by the Department of Environmental Conservation for the oil spill civil penalty regulations pending before the Administrative Regulations Review Committee. Our opinion, issued on March 9, concluded that the regulations were indeed properly before the legislature.

It has come to my attention that a March 7 memorandum from Joseph A. Guthrie of the Legislative Affairs Agency is being cited for the proposition that our conclusion was erroneous. The memorandum, of course, was prepared without prior review of the Department of Law opinion. In our view, the memo rather badly misconceives both the nature and purpose of the Department of Environmental Conservation's actions in this matter.

As you are aware, the Department of Environmental Conservation submitted these regulations to the legislature prior to their adoption and filing. The Legislative Affairs memo asserts that, in doing so, that Department was attempting to escape the adoption requirements of the Administrative Procedure Act (AS 44.62). The memo then suggests the obvious conclusion that the specific review provisions of the civil penalty law (AS 46.03.758) do not excuse that Department from compliance with the APA--a view with which the Department of Law has no quarrel. Thus, the memo concludes, the Department of Environmental Conservation's actions must be illegal.

The flaw in the memo's reasoning is that the Department of Environmental Conservation is not attempting to short-cut the APA. As our March 9 opinion makes clear, the APA requires adoption and filing prior to regulations becoming effective, and there is no question that the Department of Environmental Conservation must adopt and file the regulations before they may become effective. Thus, the question in this matter is not whether Environmental Conservation must comply with the APA but, rather, in what sequence should the steps required by the APA be taken in relation to the peculiar provisions of AS 46.03.758.

The question is thus one of timing--which the March 7 memo does not even address, much less attempt to resolve. As our March 9 opinion concludes, the language of sec. 758 and the APA do not answer the question. The APA, of course, does not require adoption at any particular time. Moreover, sec. 758(b) does not require the submission of "adopted" regulations. Indeed, the only use of the term "adoption" in the statute is found in subsection (c), in which the sixty-day review period provided in (b) is referred to as an "adoption" process.

Given the ambiguous wording of sec. 758, our March 9 opinion takes the next necessary step of looking to the legislative intent of the law. Particularly in light of the fact that the legislature already possesses post-adoption review authority under AS 44.63.320, it is our view that the review provisions of AS 46.03.760(b)-(c) were intended to give the legislature a meaningful role in the promulgation of the regulations. Given this intent, the only action the Department of Environmental Conservation could have taken was to submit the regulations unadopted. Had they been submitted then in adopted and filed form, the unique limitations of sec. 758(c) would have precluded any changes--no matter how strongly urged by the legislature--for an entire year. The role which sec. 758 was intended to guarantee for the legislature would have been abrogated.

The March 7 memo also concludes that, since the sixty-day review provisions of sec. 758 "have the same essential effect" as AS 44.62.320, which grants the legislature broad annulment authority over all administrative regulations, the former section impliedly repeals the latter. This conclusion, if correct, would mean the legislature would have no power to subsequently annul these regulations, if it permits them to go into effect at this time.

It is our view that the legislature intended to expand, rather than limit its regulations review role, and that sec. 758 should be viewed as a supplement to, rather than an implied repealer of AS 44.62.320. One can reach that conclusion, of course, only if one shares our view that sec. 758 was intended as a pre-adoption review. However, once that conclusion is reached, the basis for concluding that the post-adoption annulment authority of sec. 320 is impliedly repealed vanishes.

Thus, assuming the constitutionality of the legislature's basic power to annul regulations of any kind, the legislature, after March 20, will retain its authority to annul these particular regulations.

Yours very truly,

Avrum M. Gross
Attorney General

AMG:as

cc: Representative Al Ose
Representative Rick Urion

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K—STATE CAPITOL
JUNEAU 99811

March 9, 1978

The Honorable John Rader
President
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: Submission of Oil Spill
Civil Penalty Regulations

Dear President Rader:

You have asked whether the regulations for oil spill civil penalties have been properly submitted to the legislature.

The short answer is yes.

AS 46.03.758(b) requires that "regulations" establishing a schedule of penalties for oil spills be submitted to the legislature no later than 10 days after the convening of the Second Session of the Tenth Alaska Legislature. AS 46.03.758(c) provides as follows:

> Regulations adopted under (b) of this section shall become effective 60 days after submission to the legislature, unless disapproved by a special concurrent resolution. . . within 60 days of the submission of the regulations. . . . . Revised regulations shall be submitted to the legislature no later than 10 days after the convening of the appropriate regular session of the legislature, and are subject to disapproval as specified in this subsection. */

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*/ It is, of course, the executive's contention that a legislative veto of the adoption of an administrative regulation is unconstitutional. The defect does not affect the validity of the regulations which ultimately may be adopted.

These provisions may be viewed as prescribing one of two, contrary results. One, they may be viewed as prescribing that regulations be adopted formally under the Administrative Procedure Act (APA) AS 44.62, and then submitted to the legislature to be voted up or down as adopted. Two, they may be viewed as prescribing that regulations be proposed as provided for in the APA, but not formally adopted, and then submitted for approval or disapproval. The latter method allows the proposed regulations to be altered prior to final approval or disapproval by the legislature. If, and as, approved, the regulations are then filed with the Lieutenant Governor for codification. We believe that the second view is the correct view.

To begin with, the statute itself contemplates a one-time procedure for submitting and adopting the regulations, i.e., at this session of the Tenth State Legislature. It is not reasonable to suppose that this legislature, at its last session, sought or intended to tie its own hands with a yes-or-no, all-or-nothing proposition. It is much more reasonable to assume that it intended to allow itself some degree of flexibility by using the veto power to compel the rulemaker to modify its proposed rules to avoid a veto. Were the regulations already adopted, this could not be done.

We are supported in our belief by the Administrative Regulation Review Committee's actual use of the veto power to compel modification of the proposed regulations. Additionally,

Chairman Gardiner--whose Judiciary Committee inserted these provisions for the legislative veto--confirms our view. While his confirmation is not cognizable evidence in a court of law, A.P.E.A. v. State, 525 P.2d 12 (Alaska 1974), it is certainly cognizable by the legislature in its consideration of the matter.

We are further supported in our belief by the existence of AS 44.62.320, which purports to vest the legislature with a power to annul an administrative regulation by a concurrent resolution. */ The provisions for legislative annulment of an administrative regulation is an all-or-nothing thing, the legislature examines a regulation which has already been adopted and determines whether it is consistent with the law under which it was adopted. If the legislature determines that it was not, it annuls it by adoption of a concurrent resolution.

While the same result could be achieved by a veto of a final administrative adoption of the regulation, as it is under AS 44.62.320, it would, in this case, also result in no penalties being set whatsoever, an unlikely result at best. The net effect would be to repeal the statutory provision for civil penalties by a concurrent resolution. We cannot attribute this intent to the legislature. It, therefore, seems more likely that the legislative veto was to be employed to obtain

---

*/ It is, of course, the executive's contention that this provision is unconstitutional. The issue is now before the Alaska Supreme Court.

regulations for penalties which met with legislative approval. This could only be achieved, however, if the regulations before the legislature were proposed, but not adopted, prior to their submission.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Rodger W. Pegues
Assistant Attorney General

RWP:dlm

CSHB 133 Fin am

Borough	Maximum Entitlement	In Lieu By $ per Acre	$100 Pop. Limit	$250 Pop. Limit
Anchorage	90,863	$ 47,302,050	$18,065,300	$45,163,250
Juneau	19,584	22,188,000	2,046,500	5,116,250
Sitka	11,593	16,194,750	765,000	1,912,500
Bristol Bay	2,898	4,347,000	131,100	327,750
Haines	3,985	5,977,500	192,400	481,000
Ketchikan	11,593	16,194,750	1,149,000	287,250
North Slope	89,850	46,947,500	913,900	2,284,750
Kodiak	45,200	31,320,000	790,100	1,975,250
Kenai	155,780	50,023,000	2,461,100	6,152,750
Mat-Su Boro	355,210	139,323,500	1,672,400	4,181,000

CSHB 133 Fin am

Hearing before Senate Resources
March 29, 1978

Committee Members	Municipal Representatives
Poland	Bob Hardig, Kodiak
Meland	Dale Tubbs, Kodiak
Tillian	Gillman, Kenai
Huber	Sharp, Juneau
Sumner	Berns, Anchorage
Croft	Carlson, Fairbanks
	Slajer, Ketchikan
	Jim Rolle

Main Items of Testimony:

1. The deletion of (g) and (h) of 29.18.205 which established criteria for approval or disapproval of municipal selections by the ADL. Testimony by Mike Smith indicated this also eliminates the possibility of considering selections from other than the strict definition of vacant, unappropriated, unreserved land and general grant land (see definition section). For example, it eliminates lands classified as resource management (this is a very general classification) and future state land selections. Eliminates land for new communities.

   Several communities pointed out that deletion of (g) and (h) also eliminates the criteria for judging whether a municipality should select certain trust lands as well.

2. In Lieu Payments were considered by several municipalities to be too low. The $1,500 etc./acre figure was found fault with as being no where near fair market value. The $100 per capita limit was considered way too low. Anchorage stated $250/capita would be the least they could live with.

Testimony on CSHB133 Fin am
Senate Resources
March 29, 1978

Kodiak

1. felt legislation should consider the unique problems of each municipality.
2. outlined problems they have had in receiving their entitlements.
a) 9,700 acres selected (approx.)
2,120 acres patented
7,600 acres tentative approval
b) Running into problems with Native Claims act; villages are selecting same lands.
c) ADL has classified several areas over the years w/ coop. from boro.
d) Borough did not realize this would preclude borough selection.
e) Feels that ADL deliberately stalled on approving selections & duped them into coop. on land classifications
f) Looks like only mountain tops left for borough selection.
g) May have to take in lieu payments. #100 per capita should be rescinded.
3. Would not want to be precluded from pursuing litigation.
4. Eliminate "grazing" from definition of classified lands ___ insert " or classified as per state resource mgmt classification."
and on 38.05.321
There are grazing leases on Kodiak; sometimes 30-40 thousand acres — no revenue.

Kodiak (cont.)

5. Feels ADL has made a mistake in calculating their entitlement. Should be 65,000 acres.
(see attached correspondence)

Anchorage

1. Strongly supports trust lands swaps
2. Value of land (in lieu payments) not near enough; should be fair market value.
3. ADL should not have veto power over trust land selection
4. $100/capita limit way too low
Should be $250 = $43,268,000

Bristol Bay

1. Supports bill
2. Concurs w/ Kodiak's comments
3. Prefers land to in lieu cap $100/capita too limiting small population

Fairbanks

1. Favors reinstatement of (g) + (h)
2. Supports trust lands swap but (g) + (h) needed for criteria

Kenai

1. (g) + (h) restored
2. Supports trust lands portion
3. Agreed on Kenai's portion no matter what other boros get
4. Stressed expeditious action — land use planning + energy planning.

TELEGRAM

ICA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

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PMS REP LISA RUDD

ALASKA STATE LEGISLATURE POUCH V

JUNEAU ALASKA "

THE CITY AND BOROUGH OF SITKA SUPPORTS THE PASSAGE OF CS FOR

SENATE BILL NO. 241.

ROCKY GUTIERRES ADMINISTRATOR CITY AND BOROUGH OF SITKA

TELEGRAM

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

1977 APR 27 22 47

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PMS REP LISA RUDD CHAIRMAN

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

JUN

MATANUSKA-SUSITNA BOROUGH SUPPORT CSSB WITH CHANGES IN

SECTION 38.05.321 C. AND SECTION 29.18.202 D. LETTER WILL

FOLLOW.

WESLEY M HOWE BOROUGH MANAGER

HB

147

Municipality of Anchorage

MEMORANDUM

DATE: February 7, 1977

TO: Ted Berns, Legal

FROM: Tom Nelson, Planning TN

SUBJECT: House Bill No. 147

This is just a brief outline of our concern over actions taken by the Alaska State Highway Department that do not comply with Municipal land use regulations such as the Zoning Ordinance and Subdivision Regulations which everyone else must and do comply with. Specific cases of Highway Department actions that have created problems and conflicts will be presented at a later date when more time is available to gather the information together.

The primary cause of most land use problems created by the Highway Department is the creation of non-conforming lots following land acquisition for additional right-of-way. In several instances the Highway Department acquired a portion of a lot or tract and left the owner with a relatively useless parcel. In doing so, resulting land use patterns are ignored. Thus, access problems develop; either normal access is shut off on the front of the lot and thence, alleys become thoroughfares, or every little non-conforming lot remaining has its own access onto the arterial being up-graded. The end result is additional traffic circulation and safety problems.

In several instances the Highway Department has split lots, but filed no plat, thus leaving no record after land was taken. Land is subdivided without filing a plat. The Highway Department may know better, but as long as they can ignore local land use regulations they'll try to get by with it.

These types of actions present problems to land owners and developers. Tax inequities result when owners are taxed for useless land, and Municipal government loses tax revenue when relief is given to the owner because of the non-conformity--all or most of which could have been prevented through adherence to local regulations. In addition, developers are severely limited by problems with access and setbacks for structures.

Another problem that has arisen in regard to highway projects is the Highway Department's source of gravel materials. They have had a practice to buy gravel from private landholders. The private landholder in that case is responsible for getting a Special Exception to extract gravel. However, the Highway Department may not always inform the landholder of that when entering an agreement for the gravel. If the Highway Department decides to extract gravel itself, it can presently do so, without any regulations on such operations. This may be a possibility in the Eagle River/Chugiak area where the Highway Department plans to utilize gravel resources for the construction of Minnesota Drive Extension. In such an instance there is no way the neighboring residents could be protected from noise, dust, traffic, or hazards from such activity.

The purpose of having Special Exceptions, platting procedures, along with all the other land use regulations is to "protect the health, safety and welfare of the public." This responsibility is entailed to the Anchorage Municipality, yet little protection can be offered from actions taken by the Highway Department.

These problems also create unnecessary and costly administration problems with requests for zone changes and variances, not to mention the litigation that has been leveled against the Municipality.

These problems will continue until the Highway Department is forced to abide by the same rules as everyone else. It is this department's firm belief that the Highway Department does not deserve to have any privilege status in regard to local land use regulations. As with other State agencies, if there is a clearly demonstrated over-riding State interest, a waiver from the local compliance requirements may be granted by the governor.

Dave Doris, a member of the Platting Board, is quite familiar with the practices of the Highway Department here in Alaska and similar problems in other states. I would suggest having him testify on this Bill. He would strongly support our stand and has indicated a willingness to help.

February 24, 1977

TO: LISA
FROM: JUDITH

RE: HB 147

I spoke with Mr. Constantine of the Department of Highways this morning at 9:40 a.m. and dictated verbatim the proposed changes. We discussed them briefly and he didn't feel that said changes would be any problem whatsoever for the department.

I informed him that in light of his approval a committee substitute would be drafted and brought before our committee on Friday, February 25, 1977.

PUBLIC WORKS/HIGHWAY PROJECTS--PLANNING

Current Law

AS 35.10.020, as amended by the Ninth Legislature, requires that the construction of a "public works" be commenced only after consultation with municipal planning and zoning authorities and compliance with local planning and zoning ordinances. However, this statute is ambiguous in terms of its affect on highway construction projects and the Department of Highways. The construction or modification of a state highway often poses serious problems for municipal planning programs and should therefore be commenced only after consultation with local planning authorities. Of course, if an overriding state interest in a highway project is demonstrated, a state agency should possess the ability to override local planning and zoning ordinances. This, however, does not detract from the need to incorporate local planning and zoning review into the design and construction of state highway projects.

Proposed Bill

The proposed legislation would clarify the scope of AS 35.10.020 to require consultation with municipal planning authorities and compliance with local planning and zoning ordinances prior to the construction of "any building,

structure, public works, or highway project and prior to commencement of extraction activities in a municipality". In addition, the bill would maintain the state's present authority to override local planning and zoning ordinances to serve overriding state interests in construction projects.

HB

193

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Eric Lee, Director
Division of Community
and Rural Development

DATE: February14, 1977

FILE NO:

TELEPHONE NO:

FROM: Janice S. Brewer
Field Training Officer

SUBJECT: January FY 77 Child Care Programs Status Report

Per your request, information concerning the total number of children and families participating in the day care assistance program as of the January FY 77 Status Report is as follows:

	AS OF	TOTAL # OF CHILDREN	TOTAL # OF FAMILIES
Anchorage	12/76	537	404
Anderson	1/77	3	2
Bethel	1/77	9	9
Fairbanks	12/76	61	50
Ft. Greely	12/76	27	15
Juneau	8/76	77	63
Kodiak	12/76	26	22
Nome	12/76	6	4
	1/77	12	8
Petersburg	12/76	30	19
Wasilla	12/76	12	5

This information will be up-dated on a monthly basis.

JSB:sb

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

March 22, 1977

SUBJECT: Day Care Statistics (W.O. #3824)

TO: The Honorable Lisa Rudd, Chairman
House Community and Regional Affairs Committee

FROM: Deborah Behr
Research Analyst DB

As you requested, I have obtained statistics from the Department of Community and Regional Affairs regarding their AFDC and WIN day care clients. At the present time, the department reports that all of these families are receiving 100% subsidy by the state for their day care payments. Please note that the statistics represent both the AFDC and WIN recipients, as the Department of Community and Regional Affairs records do not separate payments by category of client eligibility.

I hope this answers your questions. If you require additional information on this topic, please do not hesitate to contact me at 465-4917.

DB:jm
Attachments

CHART A

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DAY CARE PROGRAM
AFDC DAY CARE EXPENDITURE STATISTICS[1]
(as of March, 1977)

Location	Number of AFDC Families	Number of AFDC Children	Average Monthly Cost to State Per Child	Average Monthly Cost to State Per Child
Anchorage	135	207	$252	$3,024
Fairbanks[2]	8	10	$165	$1,980
Juneau[3]	11	15	$175	$2,100
Kodiak	2	2	$217	$2,604
Petersburg	5	7	$125	$1,500
Total	161	241	$240[4]	$2,875[4]

[1] Includes both WIN and AFDC families receiving day care services.

[2] Fairbanks uses advance payment procedures, which are negotiated at lower daily rate.

[3] Juneau includes more children using day care services on part-time basis, thus the cost per month to state is lower than expected.

[4] Figure represents average expenditure weighted by number of children utilizing services at that particular monthly payment rate.

CHART B

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DAY CARE PROGRAM
AFDC FAMILY INCOME STATISTICS
(as of March, 1977)

Net Adjusted Annual Income[1]	Number of Selected Families by Geographic Location[2]			
	Anchorage	Juneau	Fairbanks	Total
Up to $3,600	8	4	1	13
$3,601 to $4,000	0	0	0	0
$4,001 to $4,500	3	2	0	5
$4,501 to $5,000	3	0	0	3
$5,001 to $5,500	0	0	0	0
$5,501 to $6,000	0	0	1	1
$6,001 to $6,500	6	0	1	7
$6,501 to $7,000	1	1	2	4
$7,001 to $7,500	4	0	0	4
$7,501 and Over	3	4	1	8
Total	28	11	6	45
Average Family Net Adjusted Annual Income	$5,640	$5,523	$6,395	$5,712[3]

[1] The Department of Community and Regional Affairs uses certain deductions to determine net adjusted annual income for each family. These deductions include state and federal income taxes, social security deductions, mandatory union dues, and automatic $1,000 deduction for each child starting with second child in the family.

[2] Families in sample selected on basis of availability of data. Both AFDC and WIN families are included, as statistics maintained by the Department of Community and Regional Affairs cannot be separated by category of client eligibility.

[3] Figure represents average net adjusted annual income for a family, weighted by number of families receiving day care subsidy payment at particular income level.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HCS HB 193
Title An Act Relating to Day Care
Requested by Representative Lisa Rudd Date 3/21/77

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Social Services
Budget Request Unit(s) Affected Child Assistance Programs/Day Care Assistance

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		0	0	0	0	0
200 TRAVEL		0	0	0	0	0
300 CONTRACTUAL		0	0	0	0	0
400 COMMODITIES		0	0	0	0	0
500 EQUIPMENT		0	0	0	0	0
600 LAND & STRUCTURES		0	0	0	0	0
700 GRANTS, CLAIMS, ETC.		0	0	0	0	0
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS		0	0	0	0	0
OTHER (Specify)		0	0	0	0	0

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

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

Assumptions:

1. The Governor's request for the Child Assistance Program in his budget request for FY 78 will be funded.

2. All families eligible to receive Aid to Families With Dependent Children (AFDC) and Work Incentive Program (WIN) benefits will be subsidized for day care assistance according to where their adjusted family income places them on the existing Differential Subsidy Schedule.

IV. DATE 3/21/77 PREPARED BY F. Harvey Pitts
AGENCY Department of Community & Regional Affairs
PHONE 279-3462

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

33-001 (Rev. 10/76)

DISCUSSION

During the 1975 Legislative Session, HCS SB 753 am H was enacted. A part of the effect of that legislation was the transfer of day care assistance for families eligible to receive AFDC and WIN from the Division of Social Services, Department of Health and Social Services, to the Department of Community and Regional Affair's Day Care Assistance Program. This created two very different types of day care assistance clientele: 1) non welfare recipient children through age 6 years; and 2) AFDC/WIN recipient children through age 13 years. One of the goals for the Day Care Assistance Program since its inception is to prevent the cost of day care from being or becoming a significant factor in determining whether a family can be or become self-supporting. Having two types of day care recipients works in direct opposition to that goal since there is obviously very little incentive in dropping from the welfare rolls only to learn that one must now assume total liability for paying the cost of day care for one's children - a cost which would be provided at the State's expense should one remain on the welfare rolls. This cost could prove quite significant to a family since the average cost of day care for AFDC/WIN recipient's children varies from a low of $125 in the City of Petersburg to a high of $252 per month per child in the Municipality of Anchorage. On the other hand, the non welfare recipients are certainly treated unequally since they must currently assume total liability for the cost of their children's day care when the child reaches age 7 years.

FISCAL EFFECT

The fiscal and social impact projected for AFDC/WIN program recipients is minimal. Based on current families subsidized only 6 children would be ineligible for day care assistance should the age limitation be reduced from age 14 to age 11. All these children live in Anchorage, and once dropped from the Day Care Assistance Program, their families would then be liable for their day care costs. In return they would receive an offsetting increase in their AFDC/WIN cash entitlement - 50% of which is Federally funded and which would result in savings to the State General Fund, and the remaining 50% State Funded through the Division of Public Assistance.

The greatest impact will be in increasing the age limitations for non welfare recipients from age 7 to age 11. Several considerations were analyzed to determine fiscal and social impact: 1) school age children are subsidized predominantly on a part-time day care need basis except on school holidays and summer vacations; 2) cost savings realized from removing the 100% preferential rate from AFDC/WIN recipients and providing day care assistance according to family income; and 3) increase in number of persons enabled to work or train as a result of day care assistance. It is estimated that the savings gained from dropping the 100% preferential assistance rate for AFDC/WIN clientele will result in an annual savings of $133,000 to the Day Care Assistance Program. This savings would become a liability to the Division of Public Assistance and, as above, the State would realize a savings of $66,500 - the State's share of AFDC cash entitlements.

Of the 831 children who were receiving day care assistance on 2/28/77, 241 (or 29%) were from families who are AFDC/WIN eligible. The average age of the AFDC/WIN child receiving day care assistance is 4 years 2 months. Since the AFDC family's child is eligible for day care through age 13, we assume that raising the age limitation for non welfare recipients would not significantly increase the average age of their day care assisted children. This assumption is based on the 29% sample of AFDC/WIN recipients which could have been subsidized to a significantly higher age.

Children aged 6 years and over who attended school need day care assistance for less than full time. We estimated these children need part-time care for 8 months annually while they attend school and full time care for only 4 months during holidays and summer vacations. The estimated cost for each of these children is $2,600 annually in day care of which the State would pay approximately 75% or $1,965. Since dropping the preferential 100% rate for AFDC/WIN recipients would result in an estimated savings of $133,000, an additional 68 children or an increase of 8% over the total currently assisted could be added at no additional cost to the Program. Since we feel that current AFDC/WIN recipients are a good representative sample of the program should the age limitation be raised to 11 years, and because only 20 of the 241 welfare children subsidized are over age 7, which is the current age limitation, we feel that at most only an 8% increase in total children subsidized would result. This increase would then be offset by abolishing the 100% preferential AFDC/WIN rate.

In summary, we feel the proposed adjustment of age limitation for assistance eligibility would: result in equal treatment for all families; allow an increase in the number of children and families assisted; assist more families in becoming self-supporting; provide incentive for low income or single parent families to work or train; not result in an increase in cost to the State.

J - file w/ other info on raising age to 11 (will use in floor debate)

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

March 24, 1977

SUBJECT: Day Care Statistics (W.O. #3824)

TO: The Honorable Lisa Rudd, Chairman
House Community and Regional Affairs Committee

FROM: Deborah Behr (DB)
Research Analyst

Attached please find the additional material you requested.

If you require more information on this topic, please do not hesitate to contact me.

DB:jm
Attachments

54 over me. Girls on AFDC - Anch. - Fbx - Jno.

CHART C

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
SELECTED AFDC FAMILIES' NET ADJUSTED INCOME
DAY CARE PROGRAM SUMMARY STATISTICS

Region	Total AFDC Families	Total AFDC Families in Sample	% AFDC Families Represented	Total in Sample AFDC Families With Income Over $6,900 (Juneau) or $. 000 (Anch & Fbks)	% of Sample With Incomes Over $6,900 (Juneau) or $7,700 (Anch & Fbks)	Range of Net Adjusted Annual Income Over Set Figures
Anchorage	135	95	70 %	31	33 %	$7,000 to $13,264
Juneau	11	11	100 %	5	45 %	$6,998 to $ 9,897
Fairbanks	8	8	100 %	2	25 %	$7,200 to $10,008
Kodiak	2	0	0 %	N/A	N/A	N/A
Petersburg	5	0	0 %	N/A	N/A	N/A
Total	161	114	71 %	38	33 %	$6,998 to $13,264

CHART D

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
ANCHORAGE AFDC DAY CARE
FAMILIES OVER $7,000

anch - 49
Jnu - 8
Fby - 2
59

Department of Community and Regional Affairs Family ID Number	Number of Children in Family	Ages of Children	Family Net Adjusted Income
# 2	2	2 Years 14 Months	$ 7,136
# 5	2	6 Years 9 Years	$ 8,167
#12	1	3 Years	$10,790
#17	2	1 Year 5 Years	$ 7,316
#20	3	4 Years 10 Years 11 Years	$ 9,954
#21	1	9 Years	$ 7,463
#24	1	2 Years	$ 7,083
#31	1	4 Years	$ 7,291
#32	1	4 Years	$ 7,214
#33	1	1 Year	$ 7,694
#34	1	4 Years	$ 7,106
#37	2	6 Years 8 Years	$ 8,642
#41	1	3 Years	$ 7,259
#42	2	5 Years 9 Years	$ 9,635

CHART D (continued)

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
ANCHORAGE AFDC DAY CARE
FAMILIES OVER $7,000

Department of Community and Regional Affairs Family ID Number	Number of Children in Family	Ages of Children	Family Net Adjusted Income
#43	2	5 Years 11 Years	$ 8,278
#46	2	3 Years 4 Years	$ 9,112
#47	1	2 Years	$ 7,186
#51	3	3 Years 5 Years 9 Years	$ 9,806
#52	1	5 Years	$ 7,000
#53	2	4 Years 6 Years	$13,264
#54	1	7 Years	$ 7,249
#55	2	3 Years 6 Years	$11,669
#58	2	3 Years 6 Years	$ 7,371
#63	2	3 Years 4 Years	$11,156
#65	1	11 Months	$ 7,594

CHART D (continued)

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
ANCHORAGE AFDC DAY CARE
FAMILIES OVER $7,000

Department of Community and Regional Affairs Family ID Number	Number of Children in Family	Ages of Children	Family Net Adjusted Income
#70	2	4 Years 6 Years	$ 9,793
#72	1	7 Months	$11,142
#73	1	3 Years	$ 9,314
#76	2	5 Years 9 Years	$ 9,485
#89	2	2 Years 4 Years	$ 7,911
#90	1	2 Years	$11,624

9
19
21
49

CHART E

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
FAIRBANKS AFDC DAY CARE
FAMILIES OVER $7,000

Department of Community and Regional Affairs Family ID Number	Number of Children in Family	Ages of Children	Family Net Adjusted Income
#110	1	3 Years	$10,008
#113	1 2	7 Years	$ 7,200

CHART F

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
JUNEAU AFDC DAY CARE
FAMILIES OVER $6,900

Department of Community and Regional Affairs Family ID Number	Number of Children in Family	Ages of Children	Family Net Adjusted Income
# 96	1	3 Years	$9,004
# 97	1	2 Years	$7,972
#100	2	3 Years 4 Years	$9,897
#104	2	1 1/2 Years 3 Years	$6,998
#105	2	5 Months 5 Years	$8,182

8

keep w/ bill on definition of child, etc. (LSR committee file)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

Division of Community and Rural Development

Division of
Community & Rural Development
Bayview Commercial Bldg., Suite 230
619 Warehouse Avenue
Anchorage, Alaska 99501

April 4, 1977

Representative Lisa Rudd
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

Enclosed is a copy of a letter which I received from Don Kemp in the Division of Public Assistance regarding my inquiry as to whether or not it would be possible to place AFDC/WIN recipients who are receiving day care assistance on our sliding fee schedule. It appears there will be no difficulty in accomplishing this since the payments received by families eligible for AFDC/WIN recipients would in no case ever result in a reduction of eligibility for day care assistance under our current program guidelines. If I can be of further assistance to you please do not hesitate to call upon me.

Very truly yours,

Harvey

F. Harvey Pitts
Child Care Programs
Coordinator

FHP:sb

Enclosure

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE / POUCH H 07 – JUNEAU 99811

March 25, 1977

Mr. F. Harvey Pitts
Child Care Programs Coordinator
Division of Community & Rural Development
Bayview Commercial Building - Suite 230
619 Warehouse Avenue
Anchorage, Alaska 99501

Dear Mr. Pitts:

Re: Your March 7, 1977 Letter

Mr. Landes and I have discussed Representative Rudd's request that you explore the possibility of reducing the 100% subsidy of AFDC/WIN recipients' day care costs; there is nothing in federal regulations or in our AFDC State Plan that would prohibit such a change.

Under 45 CFR 233.20, all reasonable costs of earning must be deducted from gross earned income in determining AFDC eligibility and grant amounts. Any payment for work-necessary child care which is verified as made by an AFDC recipient will be reflected dollar for dollar in her AFDC grant. For example, if you began charging a recipient $50 per month for day care, and she had been previously subsidized at 100% and was receiving a $150 AFDC monthly payment, we would rebudget her case and increase her grant to $200. (AFDC funding is 50% federal, 50% state general fund match.)

We would be concerned about the effect of subsidy reduction upon AFDC recipients who are in a training program and who have no income other than their AFDC payments. If your income schedules count AFDC payments, and our maximum allowable AFDC payments would place such clients in a less-than-100% subsidy category, the AFDC program cannot increase payment to them, and they would suffer a net loss in total available income. We can deduct only the costs of child care directly related to the earning of income.

Obviously, any contemplated change in your subsidization patterns will produce a corresponding change in the AFDC component of the Assistance Payments BRU. Because of this, and because of the time which will be required for our field staff to rebudget our shared clients, we would appreciate the earliest possible notice of any subsidy change.

Sincerely,

Don Kemp
Acting Director

DK/GGL/el

SUPPORT RAISING DAY CARE ASSISTANCE AGE TO 11 FOR SCHOOL AGE CHILDREN AFTER SCHOOL

RICK WICKS DIRECTOR BUTTERFLY CHILDRENS CENTER

3300 WEST NORTHERN LIGHTS ANCHORAGE 99503

RECEIVED
MAR 22 PM '77

WE ENCOURAGE YOUR SUPPORT TO EXTEND CHILD CARE FROM AGE 7 TO 12 YEARS UNDER CRA PROGRAM

JAN AGNEW, DIANNA ANDERSON, SHARON BLAKE, SUSAN BURRIS, LEN CARROLL, BEATRICE CANO, ELIZABETH DRAMOSH, JOYCE HARDY, CHRISTINE HODGE, SUSAN JOHNSON, GRETCHEN MANIX, MARILYN MILLER, NANCY MORGAN, JANE MULLINGS, BRENDA SCHWARZ, CAMI SMITH, MARILYN SWANSON, JEFF WESLEY, RUBY WOOD, PAULY PAXTON

SUPPORT THE AMENDMENT TO HB215 RAISING THE AGE LIMIT FOR DAY CARE ASSISTANCE

LYNN STEARNS 752 FAIRBANKS ST ANCHORAGE AK 99501

SUPPORT RAISING DAY CARE ASSISTANCE AGE TO 11 FOR SCHOOL AGE CHILDREN AFTER SCHOOL

KATHY LABRADORIST

9543 DISCOVERY COURT

ANCHORAGE AK 99515

HOUSE SUBCOM ON
HB 193

SVII 0903 11.18 JGOI 0010 11.20 03/03/77

JGOI ATTN: JESSIE DODSON
RE: DAY CARE AMENDMENT

SUGGEST THE FOLLOWING BE INTRODUCED TO RESOLVE CURRENT AND ANTICIPATED PROBLEMS:

~~wd. make all AFDC~~
wd. eliminate all reference to AFDC, & their special classification

SEC. 44.47.280 (4)
DELETE ALL

SEC 44.47.310 also wd. raise eligibility for day care age to age 11
DELETE LANGUAGE TO BE ADDED THAT IS EFFECTIVE FOR FY 77 ONLY IN REFERENCE TO AFDC. (THE HOUSE SRA COMM. WILL BE ADDING THIS TO CORRECT A MISTAKE BY THE REVISOR. IT IS NECESSARY TO MAKE ALL OF OUR PAYMENTS THIS YEAR LEGAL AID WILL BE MADE RETRO TO JULY 1,1976). THIS SHOULD THEN BE DELETED EFFECTIVE JULY 1,1977 AND REPLACED WITH THE FOLLOWING:

((44.47.310 (3) DEFINITION OF A CHILD
(3) "CHILD" MEANS A PERSON WHO HAS NOT YET REACHED THE AGE OF 11))

THIS REDUCES THE AGE OF THE AFDC RECIPIANT CHILDREN FROM AGE 14 AND RAISES THE OTHERS FROM AGE 7. THE NET EFFECT SHOULD APPROXIMATELY BALANCE OUT IN NUMBERS. WE DO PROJECT AN ACTUAL COST SAVINGS BECAUSE WE WOULD NO LONGER NEED TO FUND ALL AFDC AT 100%. EVERYONE WOULD BE TREATED EQUALLY.

NEED TO GET INTRODUCED PRONTO. PLEASE ADVISE. ERIC

– also, if they don't have to work w/ federal funds might
year they have to meet fed.
adpn. changes which could save
$1000 per day

Natural cut off seems to be age
11 kids in day care prog now over age 11 (out = 800)
14% more kids eligible w/ new age than now

POSITION PAPER/Department of Health and Social Services

POSITION PAPER
ON
HOUSE BILL NO. 193

"An Act relating to child care; and providing for an effective date."

This bill would make certain amendments to AS 47.35.101(b), which was enacted last year by sec. 3, ch. 253 SLA 1976, to provide for delegation by the Department of Health and Social Services of it's powers relating to nurseries to municipalities which have adopted their own ordinance to provide for day care licensing.

The first proposed change is the addition of a requirement that the municipality notify the Department in writing that licensing powers have been assumed and that the department formally delegate it's licensing powers within 90 days from receipt of the written notification. By providing for a written request for delegation of licensing powers and a time period for action, a more orderly process can be followed which will reduce confusion between the municipality and the Department.

The second proposed change would make it clear that delegation of licensing powers by the Department applies to home rule municipalities which derive their powers from the Alaska Constitution. The addition of home rule municipalities corrects an oversight in the technical aspects of the original statute. The City of Anchorage claims that their ordinance was enacted prior to the new state statute and was derived from Article 10, Sec. 11 of the Alaska Constitution, not under AS 29.48.030(a) (20). Anchorage, therefore, will not accept delegation of powers. This amendment to the Bill will clarify legislative intent.

Additional proposed changes are to clarify the intent of the Bill in it's relationship to day care licensing.

The Department supports this Bill as a necessary step in appropriately fulfilling the intention of the statute. During the past 6 months, letters were mailed by The Division of Social Services in the Department to each of the 180 units of local government eligible to assume day care licensing power, providing information about the statute and offering technical assistance. The communities of Anderson, Bethel

and Nome enacted ordinances. The City of Nome had the misunderstanding that the assumption of licensing powers was required to receive State funds under the Day Care Assistance program. When this misunderstanding was corrected, the City Council rescinded the ordinance. The cities of Hoonah, Tununak and Petersburg made inquires, but have taken no action.

The Department supports the bill without change.

Recommended By: _____ Director — 2/15/77 (Date)

Approved By: _____ Commissioner — 2/15/1977 (Date)

Comments by Governor's Office:

By: _____ (Date)

AFDC

Fam #	Community	(1) Ages of Ch. Assisted (Yrs)	(2) No. of Ch. Assisted	(3) Amount of Assistance Per Child	(4) Total Assistance Col (2) x (3)	(5) Family Income (Adjusted)	(6) Cost to State Using 100% Assistance-Annual	(7) % of Asst Using DSS	(8) Cost to State Using DSS	(9) Ch. Over age Under Approved State Using DSS	(10) SAVINGS to State Using DSS
1	Anchorage	6	1	252-	252-	6056	3,024	80	2,419		605
2	"	2	2	252-	504-	7136	6,048	20	4,832		1210
		14 mo									
3	"	6	1	252-	252	6206	3024	20	2419		605
4		16 mo.	1	252-	252	3600	3024	100	3024		-
5	"	6	2	252-	504	8,167	6,042	60	3629		2419
		9									
6	"	4	2	252-	504	4200	6042	100	6042		-
		2½									
7	"	3	2	252	504	4671	6042	100	6042		-
		2									
8	"	6	1	252	252	3600	3024	100	3024		-
9	"	3	1	252	252	3600	3024	100	3024		-
10	"	6	2	252	504	4200	6,042	100	6,042		-
		4									
11	"	5	1	252	252	6716	3024	80	2419		605
12	"	3	1	252	252	10,770	3024	60	1814		1210
13	"	2	1	252	252	3600	3024	100	3024		-
14	"	4	1	252	252	3600	3024	100	3024		-
15	"	2	1	252	252	3600	3024	100	3024		-
16	"	11 mos	1	315	315	4856	3780	100	3780		-
17	"	1	2	252	504	7316	6048	20	4832		1210
		5									
18	"	3	1	252	252	6241	3024	20	2419		605
19	"	4	2	252	504	6241	6048	80	4837		1210
		6									
20	"	4	3	252	756	9954	9072	60	5443	1 3629	
		10									
		11									
21	"	9	1	252	252	4163	3024	80	2419		605
22	"	2	1	252	252	6357	3024	80	2419		605
23	"	3	1	252	252	3600	3024	100	3024		-
24	"	4	1	252	252	7082	3024	80	2419		605
25	"	6	2	252	567	4200	6804	100	6804		-
		6 mos.		315							
26	"	5	1	252	252	3600	3024	100	3024		-
27	"	7	1	252	252	6496	3024	80	2419		605
28	"	3	3	252	756	4800	9072	100	9072		-
		7									
		8									
							122472-		106944-		15528-

	(INDEX FACTOR)	(BASE)	103.75	107.50	115.00	118.75	126.25	130.00	133.75
	INCOME GROUP (Net Adjusted)	Anchorage Juneau Ketchikan	Petersburg Wrangell Sitka, Palmer	Kodiak, Homer Seward, Kenai Hoonah	Fairbanks College Cordova	Valdez	Nome Dillingham	Bethel Emmonak	Healy Clear Tanana
	INCOME GROUP I	0	0	0	0	0	0	0	0
State	100 %	|	|	|	|	|	|	|	|
Parent	0 %	5,999	6,224	6,449	6,899	7,124	7,574	7,799	8,024
	INCOME GROUP II	6,000	6,225	6,450	6,900	7,125	7,575	7,800	8,025
State	80 - 100 %	|	|	|	|	|	|	|	|
Parent	20 - 0%	7,999	8,299	8,599	9,199	9,499	10,099	10,399	10,699
	INCOME GROUP III	8,000	8,300	8,600	9,200	9,500	10,100	10,400	10,700
State	60 - 80 %	|	|	|	|	|	|	|	|
Parent	40 - 20 %	10,999	11,411	11,824	12,649	13,061	13, 886	14,299	14,711
	INCOME GROUP IV	11,000	11,412	11,825	12,650	13,062	13,887	14,300	14,712
State	40 - 60 %	|	|	|	|	|	|	|	|
Parent	40 - 60 %	12,999	13,486	13,974	14,949	15,436	16,411	16,899	17,386
	INCOME GROUP V	13,000	13,487	13,975	14,950	15,437	16,412	16,900	17,387
State	20 - 40 %	|	|	|	|	|	|	|	|
Parent	80 - 60 %	14,999	15,561	16,124	17,249	17,811	18,936	19,499	20,061

CS HOUSE BILL NO. 193

"An Act relating to child care; and providing for an effective date."

Although this bill amends existing statutes governing the Department of Community and Regional Affairs Day Care Assistance Program, two of its provisions would impact this Department's Aid to Families with Dependent Children (AFDC) cash assistance program:

1. Sec. 2 of CHSB No. 193 would reduce the maximum age of AFDC eligible children covered by the Day Care program from age 14 to age 11. The AFDC parents of children in this deleted age group would therefore be required to pay their own full day care costs. Community and Regional Affairs notes that 6 AFDC children would become ineligible for day care subsidy if this measure were to be enacted, and that current costs of day care for these 6 children averages $2600 per year per child.

   Federal Regulations governing the AFDC program mandate that all reasonable costs of earning income, including client-paid day care costs, be deducted from gross monthly income in determining AFDC eligibility and payment amounts (45 CFR 232.20). Under this provision, client-paid day care expenses would qualify as a budgeting deduction, decreasing AFDC adjusted gross income and thus increasing the amount of the monthly AFDC grant on a dollar-for-dollar basis.

   Thus the parents of each of these 6 affected AFDC children would be required to pay an average of $2600 per year per child to their day care contractor, but each client would receive an exactly compensatory increase in AFDC monthly payments. The effect of this change would be to increase expenditures within the AFDC program component of the Assistance Payments BRU by $15,600 in FY 78 (6 children times $2600 per child per year = $15,600). Since AFDC funding is 50% federal, 50% State General Fund matching, and the Day Care program is 100% General Funds, the impact of passage of Sec. 2 upon the General Fund expenditures would be a net reduction of $7,800 for FY 78.

2. Sec. 3 of CSHB No. 193 would remove all AFDC eligible children from 100% subsidization of Day Care costs and place such children upon varying percentage subsidies appropriate to family income levels. Currently C & RA serves 235 AFDC children who would be affected by enactment of this measure; they estimate that placement on existing subsidy/income schedules would require parents of these children to pay an average of $499.57 per year per child for day care.

As noted above, the AFDC grants to each of the families affected would have to be increased to allow a dollar-for-dollar compensation for the actual client-paid day care expenses. Thus the effect of enactment of Sec. 3 upon the FY 78 Assistance Payments BRU would be to increase AFDC program expenditures by $117,400 (235 children times $499.75 per child per year = $117,400; $58,700 Federal Funds, $58,700 in State General Funds). The net effect of passage of Sec. 3 upon total General Fund expenditures would be a net reduction of $58,700 for FY 78.

The Department supports the concept of removing the preferential treatment for working AFDC recipients which might tend to emphasize their welfare-related status and to reinforce dependency patterns. The Department further supports the concept of expanding the availability of the Day Care Assistance Program without increasing total State expenditures.

However, if CSHB No. 193 were to be enacted, an increased appropriation of 133.0 for FY 78 for the Assistance Payments BRU would be required. Such increase would result in a net savings of 66.5 SG^F.

Dir. Public Assistance
3/04/77

Day Care

"For Your Information"
OFFICE OF CHILD ADVOCACY
2457 Arctic Boulevard
Anchorage, Alaska 99503

FACTS ABOUT DAY CARE IN ANCHORAGE -- 1974

I. DAY CARE NEEDS (see page 4 for further statistics)

10,677	children need out of home day care
1,043	licensed day care slots available as recorded by Division of Family & Children Services

II. FINANCIAL COSTS OF OPERATING A DAY CARE CENTER

A. Minimal Budget

Based on enrollment of 40 children at an average of $150.00 a month per child.

40 children x $150/month = $6,000.00

Budget sheet on page 5 shows average expenditures for a center based on this income with minimal staff and minimal expenses

B. Well Balanced Budget

A well balanced program with trained and well paid staff would cost $10,600.00 a month. (see budget sheet on page 7 for further explanation)

COSTS FOR A WELL DEVELOPED CENTER WITH TRAINED AND WELL PAID STAFF IS PRESENTLY PROHIBITIVE. QUALITY DAY CARE CANNOT BE DEMANDED DUE TO FINANCIAL UNFEASIBILITY.

page 2

MONTHLY BUDGET

SUMMARY:

Ending Balance:	.00
Expected Income:	$6,232.00
Expected Expenditures:	$6,232.00
Balance:	.00

40 Children x $150 per month		Explanation	Final
I.	Fixed Expenditures		
	*Rent	$.70/sq. ft.x2,000sq.ft.=$1,400	$1,400.00
	Insurance	$350/yr.÷12 mo.=$30	30.00
	Licensing	$25 Business License+$25 Inspection	50.00
	Total		$1,480.00
II.	Administrative Costs		
	Director's Salary	$10,000÷12 mo.=$830/mo.	$ 830.00
	FICA & Workmans Comp.	15% of $10,000=$1500÷12 mo.=$125/mo.	125.00
	**Consultants		
	**Mileage		
	**Staff Conferences		
	Office Supplies	$20/mo.	20.00
	Total		$ 965.00
III.	Operational Costs		
	Heat	$55.00	
	Light	16.00	
	Water	6.00	
	Garbage	4.00	
	Telephone	10.00	
	Sewer	9.00	
		$100.00	$ 100.00
	Paper Products	30.00	
	Soap	10.00	
	Kitchen Supplies	10.00	
	Advertising	.00	
		$50.00	50.00
	Total		$ 150.00
IV.	Staff		
	Teachers (List name, time, & amount)	2 staff x 11 hrs.=22hr.x$2.60/hr. 2 staff x 11 hrs.=22hr.x$3.25/hr.	$2,574.00
	Cook	3 hr./day x $3.00/hr.x22 days	198.00
	**Secretary		
	**Janitor		
	**Bookkeeper		
	FICA & Workmans Comp.	15% of $2,772.00 = $415.00	415.00
	Total		$3,187.00
V.	Instructional Supplies		
	Paper, paint, brushes, paste		
	Expendible Equipment(list)	$10.00/mo	$ 10.00
	Total		$ 10.00
VI.	Food	$.50/dayx22daysx40children=$440	$ 440.00
	Total		$ 440.00
VII.	Transportation		
	**Total	$.00	$ .00
VIII.	Maintanance		
	**Building		
	**Equipment		
	**Total	$.00	$ .00
	TOTAL OPERATING COSTS		$6,232.00

page 2 B

IX. Capital Outlay	$.00	
**Facility	.00	
**Program	.00	
Total		$ .00
TOTAL EXPENDITURES		$6,232.00

X. Income (Figured on 40 children)		
Tuition	$150/mo.x40=$6,000	$6,000.00
Supply Fee	$10/yrx40=$400-12mo.=$34	34.00
Pre-Registration Fee	$5/yrx40=$200-12mo.=$18	18.00
Miscellaneous (Sales,grant)	$180.00	180.00
Total		$6,232.00

*Licensing Requirement: 50 sq. ft. per child

**No money allotted

page 3

MODEL MONTHLY BUDGET

		Explanation	Final
I.	Fixed Expenditures		
	*Rent	$.30/sq. ft x 2,5000 sq. ft.=$2,000	$2,000.00
	Insurance	$480/yr.÷12 mo.=$40	40.00
	Licensing	$25 Business License+$25 Inspection	50.00
	Total		$2,090.00
II.	Administrative Costs		
	Director's Salary	$14,000/yr÷12 mo.=$1,166.00	$1,166.00
	FICA & Workmans Comp.	15% of $14,000=$1740÷12mo.=$140	140.00
	Consultants	In gratis	
	Mileage		
	**Staff Conferences	Substitute payment=$3.50/hrx3hr/mo =$23.00	20.00
	Office Supplies	$20/mo.	20.00
	Total		$1,365.00
III.	Operational Costs		
	Heat	$55.00	
	Light	10.00	
	Water	6.00	
	Garbage	4.00	
	Telephone	15.00	
	Sewer	9.00	
		$100.00	$ 100.00
	Paper Products	30.00	
	Soap	10.00	
	Kitchen Supplies	10.00	
	Advertising	.00	
		$50.00	$ 50.00
	Total		$ 150.00
IV.	Staff		
	***Teachers	$4,840.00	$4,840.00
	Cook	4 hr./day x $3150/hr.x22days=$300	300.00
	****Secretary		
	Janitor	2 hr./day x $2.00/hr. x 22 days=$154	154.00
	Bookkeeper	32 hrs./month x $3.50 = $112	112.00
	FICA & Workmans Comp.	15% of $5,414 =$810	810.00
	Total		$6,224.00
V.	Instructional Supplies		
	Paper, paint,brushes,paste	$25	$ 25.00
	Expendible Equipment	$15	15.00
	Total		$ 40.00
VI.	Food	$.75/day x 22 days x 40 children =$670	$ 670.00
	Total		$ 670.00
VII.	Transportation		
	****Total	$.00	$ .00
VIII.	Maintanance		
	Building	$30	$ 30.00
	Equipment	$20	20.00
	Total		$ 50.00
IX.	Capital Outlay	$.00	
	***Facility	.00	
	****Program	.00	
	Total		$ .00
	TOTAL EXPENDITURES		$10,609.00

Page 3A

*Licensing Requirement: 50 sq. ft. per child

**Staff Conferences: Substitute payment--coverage for 2 hours a week to enable staff to utilize training services.

***Teachers' Salaries:

$5.00 x 2 morning teachers @ 7 hr./day	308 hr/mo	$1,540.00
$4.00 x 2 morning teachers @ 6 hr./day	264 hr/mo	1,056.00
$5.00 x 2 afternoon teachers @ 7 hr./day	308 hr/mo	1,540.00
$4.00 x 2 afternoon teachers @ 4 hr./day	176 hr/mo	704.00
		$4,840.00

****No money allotted

HB

202

(UNORGANIZED BOROUGH TAXES)

"An Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough; and providing for an effective date."

COMMITTEE REPORT

HOUSE

2-10-77 FINANCE

_____ Date

Mr. Speaker:

The Committee on OSRS has had HB 202 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

/ / AND attaches a report of its intent

/ / (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

L. Rudd - do Pass _____

_____ _____ _____

_____ _____ _____

_____ _____ _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____ recommends: _____

_____ recommends: _____

_____ recommends: _____

_____
Chairman

H 60

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES

Pouch V
Juneau 99811

2827 Lore Road
Anchorage 99507

December 1, 1977

Mr. Carl A. Propes, Jr.
Land Manager
Chugach Natives, Inc.
912 East 15th Avenue
Anchorage, Alaska 99501

Dear Mr. Propes:

Thank you for your letter regarding HB 202. The Committee is looking at several other means by which rural residents could help with school costs.

In my opinion, the new law on 3rd class boroughs provides a means for rural areas to incorporate and provide themselves with needed local government services without placing an onerous tax burden upon themselves. You might call the Anchorage Legislative Information office and ask them to send you a copy of the new law.

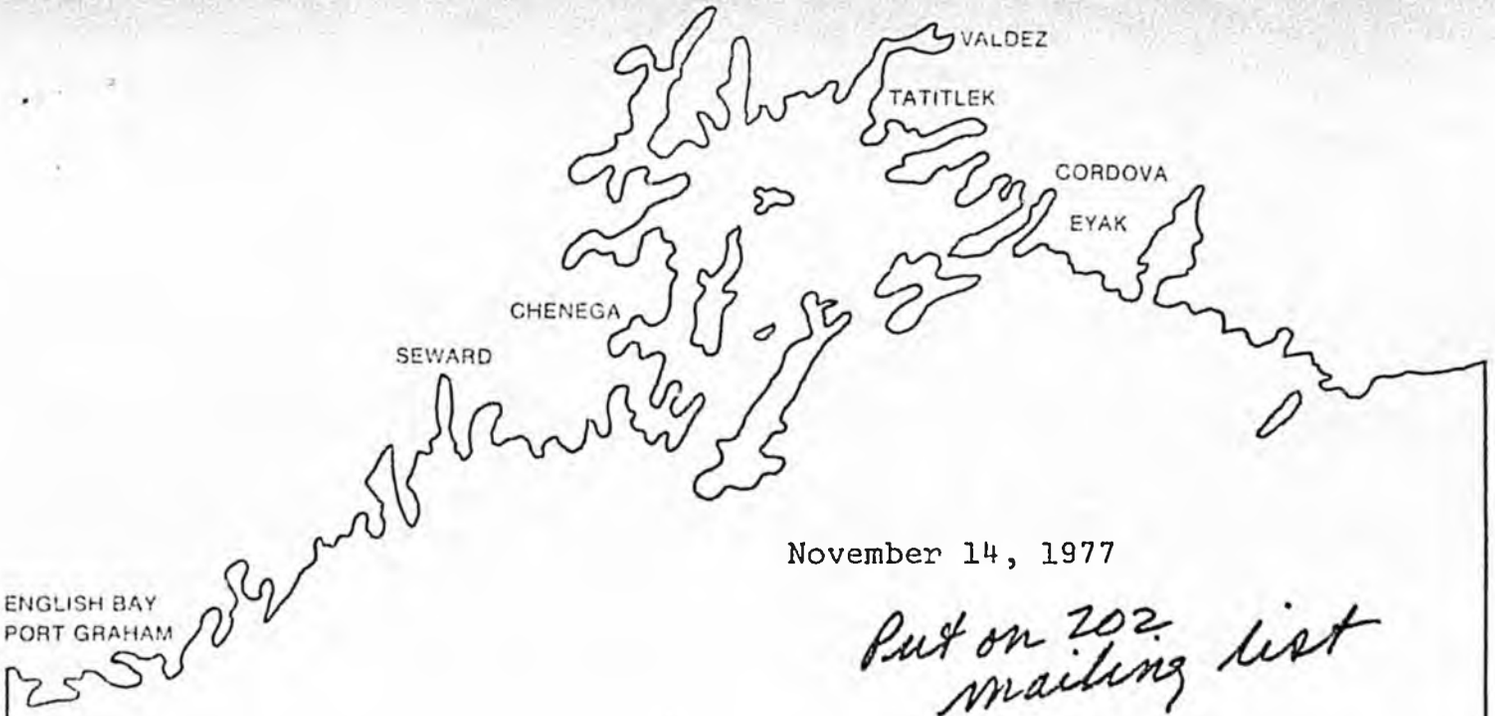
We will try to keep you informed of further action on HB 202.

Cordially,

Lisa Rudd

LR/b.cv

cc: C&RA Committee Members



November 14, 1977

Put on 202 mailing list

Rep. Lisa Rudd, Chairman
Interim Committee on Taxation
in the Unorganized Borough
Alaska State Legislature
Juneau, Alaska 99811

Dear Representative Rudd,

I have seen several articles recently in the Tundra Times concerning your hearings in Delta, Tok and Fort Yukon on House Bill 202. The possibility of a tax on personal and real property within the unorganized areas of Alaska greatly concerns Chugach Natives, as the majority of our land selections under the Alaska Native Claims Settlement Act lie outside of incorporated areas. We would therefore like to be kept informed of any developments which take place on this subject, both during the "off-season" and the regular legislative session.

Of special concern to me is the definition of "unimproved land" in section 29.03.230(2) of H.B. 202. This may have to be refined so that the discretion of the state assessor in making his own definitions is kept to a minimum.

What troubles me most about H.B. 202 is its potential for indirectly instigating areas and communities which are presently unincorporated to organize. If they are to be taxed anyway, why shouldn't the inhabitants of these regions want increased local control over how their tax dollars are spent? Most of the state's rural areas which would be caught in this bind lack the unity of interest and the economic base needed to sustain viable organized governments. Moreover, I believe that the majority of residents in these remote areas and villages prefer to continue to

912 East 15th Avenue, Anchorage, Alaska 99501, Phone (907) 274-4558

Chugach Natives, Inc.

live as they have traditionally, without being bothered by more restrictions imposed by government.

Therefore, I recommend that if H.B. 202 is to be passed by the Legislature, a strong statement of purpose is needed to declare that the intent of the bill is not to compel hasty and premature incorporations of new governmental entities. Those brave and hardy persons who reside in the Alaskan "bush" must be allowed full self-determination over issues such as this, and only as a last resort should the Legislature enact a bill which would have the effect of reducing their freedoms.

Before H.B. 202 is seriously considered by the Legislature I would further hope that all other means by which rural residents could pay their fair share of school costs would be thoroughly analyzed.

I appreciate this opportunity to communicate my views on H.B. 202 to you and your Committee.

Sincerely,

Carl A. Propes Jr.

Carl A. Propes, Jr.,
Land Manager

cc: Rep. Bill Miles
Rep. Sally Smith
Rep. Merle Snider
Rep. Pete Loveseth
Rep. Nels Anderson
Rep. Tim Kelly
Rep. Al Ose

Leston L. McNeil
P.O. Box 333
Delta Junction, Ak 99737

Ms Lisa Rudd
Community and Regional Affairs Committee
Alaska House of Representatives
Pouch V, Juneau, Alaska 99811

19 October 1977

Dear Chairperson:

I regret that I was unable to attend the public hearing on HB 202, (Real Property Tax in Rural Alaska), that was held in Delta Junction on October 17. You have asked for written comments on this Bill and my comments are as follow.

First I would like to state that the people living in Rural Alaska, ie, the unorganized boroughs, pay exactly the same Alaska State and Federal taxes as does anyone else living in the Cities or in the Organized boroughs. We pay the Federal and Alaska State Income tax and the Alaska School tax and these are the only Federal and State taxes paid by anyone in the State.
Secondly I would like to point out that the State of Alaska does not pay one cent more towards the education of a child living in the unorganized borough than it does to help educate one living in the organized boroughs. The amount paid per child is the same. At least this is my understanding.

In that the people in the unorganized boroughs pay the same State and Federal taxes as does the people in the organized boroughs it would appear to be an act of gross discrimination for the State of Alaska to place a Real Property tax on one part of the State population and not on the other part. The fact that one part of the population has voted to tax it's self and the other part has choosen not to tax themselves should have no bearing on whether the State levies a tax or not.

Unless HB 202 is expanded to tax ALL the people of Alaska equally I will provide financial support to any group of citizens formed to challenge the constitutionality of this discrimatory tax in the courts.

Sincerly

Leston L. McNeil

CC: Fairbanks Daily News Miner
The Delta Paper

February 28, 1977

TO: LISA
FROM: JUDITH

RE: HB 202 - Tax on developed land in the unorganized borough.

In my conversation with Mr. Ted Smith on Friday, February 26, 1977 he informed me that approximately fifty to sixty percent of the land owned in the unorganized borough is registered with the Division of Lands; this would be original owners only, as there is no control over transfer of ownership. Mr. Smith did indicate that his department can publish a foreclosure notice to force the unregistered owner to come forward; however, this practice has been used very rarely.

Mr. Smith is in agreement with Bob Dozier, state assessor that HB 202 should not exempt unimproved land. It is his feeling that this would unduly burden those individuals who do improve their land while owners of land would not be inclined to make improvements knowing that they would be subject to a tax.

Testimony for Tuesday, March 1st, will include Mr. Dozier and Mr. Pomeroy from C&RA and Mr. Wall from the Department of Revenue. Both departments have prepared fiscal notes and copies of both will be sent over today.

Thank you.

Tax bill reminds Wallis of tea party

Tundra Times 4/77

HB 202

By MARGIE BAUMAN

President Tim Wallis of Doyon, Limited, is taking a critical view of Senate Bill 35, saying it's made of the same stuff that brought on the Boston Tea Party.

Wallis sees the legislation, to provide for taxing developed land within the Unorganized Borough, as another classic case of taxation without representation.

He reminded the Tanana Chiefs Conference in convention at Fairbanks March 16, of some colonists in Massachusetts who took a dim view of such tactics back in 1773. They disguised themselves as Indians and proceeded to dump a sizeable amount of British tea into Boston harbor.

"What they're trying to do in Juneau now is exactly what they (the colonists) were fighting against back then," Wallis said.

"People in Juneau will be assessing, taxing your property and deciding how to spend it. Most of those people come from urban areas; people from rural areas will not have much say in this," Wallis said.

As Wallis spoke he offered delegates to the convention copies of a memorandum on the bill prepared by Bill Timme, Doyon's attorney.

The memorandum notes that "There is a possibility that the tax as proposed is in violation of the equal protection clause of the U.S. Constitution.

"It would appear that the state would be treating one type of property differently than other property of similiar character," Timme said.

"The only property which is being taxed is property in the unincorporated borough. No tax is levied by the state on identical property in incorporated boroughs this tax cannot be said to be substitute for such borough taxes since the assessment rate varies borough to borough.

"While variances in the millage rate is acceptable from one borough to the next, the fact that it is the state which is acting as the taxing authority may require the tax to be struck down unless all land in the state is subject to it," Timme said.

'Likewise," he added, "the tax is being imposed on property which is located in an area in which the majority of the taxing body."

Timme also questioned the validity of the special fund that would be set up for deposit of taxes collected under that legislation. The special account would be within the state's general fund.

"The state consitution says that when you tax someone you cannot set up a special fund," Wallis said.

The Timme memorandum said the section of the legislation regarding the special fund would require close scrutiny

Shifting the Tax Burden

Timme said the proposed tax structure "Is basically one which will shift the tax burden to Native enterprises for Native services provided in the rural areas."

"However, the decisions as to the tax rates, exemptions and use of the funds will be made by a body, in excess of 75 percent of whose members are elected by persons neither subject to the tax nor the intended recipients of its benefits.

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES

Pouch V
Juneau 99811

2827 Lore Road
Anchorage 99507

Committee Members File - HB 202

First Class Cities in the Unorganized Borough (15)

Craig
Dillingham
Galena
Hoonah
Hydaburg
Kake
King Cove
Klawock
Nenana
Nome
Pelican
St. Mary's
Skagway
Unalaska
Yakatat

Home Rule Cities in the Unorganized Borough (4)

Cordova
Petersburg
Valdez
Wrangell

All of the above exempt from HB 202

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate Bill No. 202
Title Levy and Collection of Taxes on Developed Property: Unorganized Borough
Requested by Representative Parr Date

II. FISCAL DETAIL
Agency Affected Community and Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected State Assessor 21 - 73 - 3 - 01 - 16 - 00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		428.3	454.0	481.2	510.0	540.6
200 TRAVEL		87.0	92.2	63.5	67.3	71.3
300 CONTRACTUAL		673.6	719.7	114.6	121.5	128.8
400 COMMODITIES		35.6	37.7	16.0	17.0	18.2
500 EQUIPMENT		43.8	10.0	10.0	10.6	11.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,268.3	1,313.7	685.3	726.4	770.1

-10.15%
if 3 year cycle

FUNDING (Thousands of Dollars)

GENERAL FUND		1,268.3	1,313.7	685.3	726.4	770.1
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		18	18	18	18	18
PART TIME						
TEMPORARY						

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

1. @ assessment date January 1, 1979 (Amendment necessary)
2. The estimated tax base for the unorganized borough is based on known taxable property values, parcels per capita and average per parcel valuation within home rule and first class municipalities as of January 1, 1976.
3. Estimated tax base is discounted 20% to reflect the unimproved property exclusion. (809,328,988 = 1,011,661,235 - 20% 202,332,247)
4. Estimated average mill rate for administration of schools within 11 boroughs is 7 mills (7 mills = numerical average 6.11 weighted upward to reflect Anchorage municipality at 8.69 mills.)
5. Estimated revenue is based on a 7 mill tax rate times the adjusted tax base ($5,665,302 = 809,328,988 X .007)

Analysis Continued

IV. DATE 2-24-77 PREPARED BY Robert Dozier
AGENCY Community and Regional Affairs
PHONE 465-4730

Original: Legislative Finance

Coord. w/ Div. of Lands?

Analysis Continued, HB No. 202

House Bill No. 202 requires the state assessor, Department of Community and Regional Affairs to assess all developed real property situated within the unorganized borough including second class cities and deliver an equalized assessment roll to the Department of Revenue who shall be responsible for collection and enforcement of the tax. The Department of Revenue will provide a fiscal note concerning its duties.

Within the time allocated for the study and the limited information available concerning taxable property within the unorganized borough an attempt has been made to estimate the potential tax base and administrative costs which are the responsibilities of this Department.

An estimate with a high degree of accuracy would be possible if an ad valorem tax base study were initiated and funded prior to implementation of House Bill No. 202.

Marundi says before vote -

The beginning date of January 1, 1978, provides 9 months in which to complete the assessment roll. In our opinion the project will require no less than two years to complete. Administrative costs as indicated are based on an assessment levy date of January 1, 1979, rather than January 1, 1978, as stated on page 1, line 13 of the bill.

BASIS FOR ESTIMATED POTENTIAL REVENUE

Home Rule and 1st Class Municipalities

valuation → after exemption

Real Property - 1-1-76	$ 5,426,772,680 (acres or $?)
Number of parcels	164,830
Valuation per parcel	32,923
Population	357,815
Population per parcel	2.174

Unorganized Area and 2nd Class Cities

Population July 1, 1976 (Est. 6% increase over 7-1-75)	51,386
Population per parcel	2.174
Number of parcels	23,637
Valuation per parcel	$16,000 - $ 32,923 - too high for rural areas?
Real property valuation 1-1-76	½ - 778,200,950
Adjusted Tax Base 1-1-79 30% Increase (10% Annually)	1,011,661,235
Estimated Revenue @ 10 mills FY 79 (Real Property)	$10,116,612
Unimproved Land Exclusion (-20% of Tax Base)	809,328,988
Average Borough School levy @ 7 mills (HB 202)	$ 5,665,302

Program development, implementation, and administration is divided between the Department of Community and Regional Affairs and the Department of Revenue.

Marunde says shd. be 80% of tax base

The pilot program will require in-depth research to develop standardized methods, procedures and forms. A professional services fee is included to assist the office staff in completing by June 1979, the required mapping, appraisal, appeal, and delivery to the Department of Revenue the certified 1979 assessment roll, listing all real property taxable under provisions of the bill. The project includes the assembly of all available survey maps, aerial photos; map design and drafting of required area; title search and ownership data, required market and construction cost data; on-site property inspection, enumerating, and grading; office calculations; computer listing of the assessed value of land and improvements according to individual 2nd class cities and regional areas as determined to be appropriate; mailing assessment notices; appeal procedures before the state assessment review board and delivery of an equalized and certified assessment roll to the Department of Revenue.

The State Assessor would be upgraded from range 22 to range 24 and be assigned a secretary. Under direction of the state assessor, the appraiser and mapping supervisors, will develop regulations, forms and procedures. The mapping supervisor will correlate all phases of the mapping project with this staff and a cadastral mapping firm under contract and assume full responsibility for the initial and ongoing land status mapping system. The appraiser supervisor will correlate all phases of the appraisal project with his staff and an appraisal firm under contract and assume full responsibility for property appraisal, appeal, and maintenance of the assessment roll. Under direction of the state assessor the supervisors, staff appraisers, title examiners, draftsmen, and clerks will function as an integrated unit.

The project may be completed with contractual professional fee budget allocations by private, cadastral mapping and appraisal firms under contract or by a combination of departmental staff and private enterprise. The latter is preferred, as initial staff involvement will provide continuity of trained key personnel for subsequent program years administration. The initial two year project costs based on total professional contractual services will add $133,660 or 10.53% to the FY 78 Fiscal Note estimate, and a comparable amount to the FY 79 estimate. ($1,401,852 = 600,000 + 668.3 X 20%)

Program maintenance reflecting the three year reassessment schedule as outlined on page 2, line 14 of the Bill may result in a 10 to 15% decrease in administration costs after the two year initial assessment project is completed. (FY 78 $582,505 = $685,300 - 15% $102,795)

Administrative costs as estimated and as supplied by the Department of Revenue for the initial project could be funded in full by enactment of the proposed Real Property Transfer Act (See Appendix G, Alaska Taxable, 1976) with a fee based on 1/2 of 1% of the consideration, estimated to produce $2,250,000 annually.

Enactment of the proposed Real Property Transfer Act will, in addition to providing full funding for the entire project, decrease by 20% the FY 80 and subsequent years administrative costs, as the cadastral mapping and market data information for all of Alaska will be weekly received, catalogued, and filed in-house by the Department. (FY 80 $466,004 = $582,505 - 20% $116,501)

ADMINISTRATIVE COSTS:

100 Personal Services		FY 78	FY 79	FY 80
100 Mapping				
1 mapping supervisor	Range 20 @ 2187	26,244	27,818	29,487
1 title examiner	Range 19 @ 2034	24,408	25,872	27,424
2 title examiners	Range 16 @ 1630	39,120	41,467	43,955
1 draftsman	Range 18 @ 1889	22,668	24,028	25,470
2 draftsmen	Range 16 @ 1630	39,120	41,467	43,944
1 clerk IV	Range 9 @ 1018	12,216	12,949	13,726
1 clerk III	Range 8 @ 957	11,484	12,173	12,903
Subtotal		175,260	185,774	196,920
Fringe benefits 21%		36,805	39,013	41,353
Subtotal Mapping Personnel		212,065	224,787	238,273
100 Assessment				
state assessor	Range 24 @ 539(upgrade)	6,468	6,856	7,267
1 appraiser supervisor	Range 20 @ 2187	26,244	27,818	29,487
1 staff appraiser	Range 19 @ 2034	24,408	25,872	27,424
3 staff appraisers	Range 18 @ 1889	68,004	72,084	76,409
1 secretary	Range 10 @ 1083	12,996	13,776	14,603
1 assessment clerk	Range 14 @ 1407	16,884	17,897	18,971
1 clerk IV	Range 9 @ 1018	12,216	12,950	13,727
1 clerk III	Range 8 @ 957	11,484	12,173	12,903
Subtotal		178,704	189,426	200,791
Fringe benefits 21%		37,528	39,780	42,166
Subtotal Assessment Personnel		216,232	229,206	242,957
Subtotal Mapping Personnel		212,065	224,787	238,273
Total Personal Services		428,297	453,993	481,230
200 Travel and Per Diem				
State Assessor and Supervisors		5,000	5,300	5,618
Title Examiners and Appraisers		75,000	79,500	50,000
Review Board		7,000	7,420	7,865
Total		87,000	92,220	63,483

300 Contractual Services	FY 78	FY 79	FY 80
Telephone and long distance	5,500	5,830	3,500
Postage	4,400	4,665	3,000
Printing advertising	5,500	5,830	5,000
Data processing and programming	55,000	100,000	50,000
Machine rental and xeroxing	2,200	2,332	2,000
Office Rent - 1800 sq.ft. @ 55¢ amend. $1.00 - 1.25	990	1,050	1,113
Professional fees	600,000	600,000	50,000
Total	673,590	719,707	114,613
400 Commodities			
Reference materials and maps	10,600	11,236	6,000
Office supplies	25,000	26,500	10,000
Total	35,600	37,736	16,000
500 Equipment			
11 executive desks @ 315	3,465		
11 executive chairs @ 130	1,430		
5 secretarial desks @ 370	1,850		
5 secretarial chairs @ 115	575		
19 desk lamps @ 60	1,140		
3 drafting tables @ 250	750		
3 drafting table equipment @ 190	570		
3 drafting stools @ 125	375		
15 map cabinet flat @ 590	8,850		
25 map cabinet hanging @ 215	5,375		
1 diazo blue line printer @ 1000	1,000		
25 filing lateral cabinet @ 380	9,500		
8 calculators @ 466	3,728		
5 typewriters @ 795	3,975		
5 tables @ 100	500		
8 conference chairs @ 90	720		
Total Equipment	43,803	10,000	10,000
Total Administration Costs:	1,268,290	1,313,656	685,326

H.B. 202

The purpose of this bill is to remedy at least in part, an existing inequity in taxation across the state. At present, in all the organized borough and first class cities, Seldovia does not property owners must pay real property taxes, part of which go for the support of the educational system. Still carrying over from earlier days, however, is a lack of any taxation of a sort on real property in the unorganized borough.

Once upon a time this exemption may have been justified. There was little in the Bush except one or two-room cabins, sod houses, and fish camps. The cost of collecting taxes would have far exceeded the amount of revenue derived.

Now, however, the situation has changed. Lodges and service stations, stores, restaurants and other business have sprung up along the major highways of the state. The owners of these properties pay only state income tax toward the cost of the state and a portion of this income tax goes to support schools. They are obviously getting a free ride at th expense of property owners in the boroughs and cities.

Under the bill real property in the unorganized borough would be assessed at its fair market value (what a willing buyer would pay to a willing seller with both of them knowing property values) as is now the case required by law for organized municipalities. All of the exemptions presently authorized for municipalities are included in the bill (Senior citizens Prop. tax - Equiv. Reb. have a basic $10,000 exemption authorized under the pipeline act). optional for munic.

Unimproved land which is held by native corporations under the Alaska Native Claim Settlement Act is exempted by that Act and in order to avoid discrimination this exemption has been extended to the whole unorganized borough.

The millage rate would be the average millage rate presently levied for educational purposes in the organized municipalities. It is my guess that this will be about a 5 mill rate.

I have no desire to tax nor do I believe it would be feasible to tax the small low value cabins in many of the villages. People who live in such cabins to frequently do not have the wherewithal to support themselves much less to pay a property tax. The committee may decide that an exemption ceiling greater than $10,000 is desirable if taxation of this kind of property is to be avoided. The $10,000 figure was picked because it is presently the ceiling authorized by law for the boroughs and cities. There is, however, in my mind no justification for failing to tax the significant properties in the unorganized borough and requiring the property owners in the organized areas to bear an unfair share of the burden.

Bristol Bay Native Corporation
445 E. 5TH AVENUE / P.O. BOX 220 / ANCHORAGE, ALASKA 99510 / PH (907) 278-3602

March 13, 1978

The Honorable Lisa Rudd
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Rudd:

We have reviewed H.B. 202 (taxation in the unorganized boroughs) and for the immediate we are opposed to the legislation, however we do have some recommendations.

In order for any taxation policy to work properly an economic base needs to be strong enough if any services are to be rendered. To my knowledge, none of the regions have a strong economic base. What good is taxation if the citizens of the area don't have the income to pay taxes?

It would be in the best interest of everybody to have the State study the effects of this type of legislation (H.B. 202) more thoroughly. One recommendation would be for the State to appropriate funds to create a model of a borough based on the same lines of a region such as Bristol Bay. The important factors of this is; what does it cost to provide the present services? What would it cost to provide more services such as police, fire, etc.? Is there a good tax base? What is the economic base in the area? What is the income per capita? Is there enough revenue to provide services?

These are very important questions that should be answered before any legislation is acted upon.

Sincerely,

Donald F. Nielsen

Donald F. Nielsen
Vice President Operations

cc: Rep. Nels Anderson, Jr.
Bristol Bay Area Health Corp.
Bristol Bay Native Association

SCHOOL TAX REVENUES

IN THE UNORGANIZED BOROUGH

Department of Revenue is unable to give us a breakdown of the $10 school tax revenues by district.

However, some sort of relationship may be developed through figures for school membership.

$$\frac{\text{Total District Membership}}{\text{Total State Membership}} \quad \text{to} \quad \frac{\text{Total REAA Membership}}{\text{Total State Membership}}$$

71,885 = Total District (City-Borough) School Membership*

11,417 = Total REAA School Membership*

83,302 = TOTAL

86% = District
14% = REAAs

$2,588,600 = Total Revenues from $10 School Tax

86% = $2,226,196 = Amt from District Taxpayers at $10/yr

14% = $ 362,404 = Amt from REAA Taxpayers at $10/yr

$ 906,010 = Amt from REAA Taxpayers at $25/yr

$2,536,828 - Amt from REAA Taxpayers at $70/yr

* Includes 1/2 of Centralized Correspondence Membership

ADVANTAGES OF HB 202

1. Source of Revenue;

2. Important machinery for determining and keeping current a record of property ownerships;

3. Cadastral mapping allows for accurate planning and value estimating during important negotiations such as D-2, Alaska Gas Pipeline and other future issues;

4. Is a step toward remedying an existing inequity in taxation across the state in that citizens in the organized boroughs pay not only toward support of their own schools, but also toward those in the unorganized areas --- this is a matter of discrimination;

5. The Legislature will begin to exercise its responsibilities as Assembly of the Unorganized Borough.

Annette

REPORT OF THE INTERIM COMMITTEE ON TAXATION IN THE UNORGANIZED BOROUGH

The purpose of the interim committee was to hold public hearings to receive comments from citizens in Delta, Tok, and Fort Yukon as representative of unorganized areas of the state that would be affected by taxation in the unorganized borough. The vehicle for the hearings was HB 202, by Rep. Charles Parr.

The interim committee was composed of members of the standing House Community and Regional Affairs Committee for the Tenth Alaska State Legislature. The members are:

Representative Lisa Rudd, Chair
Representatives Merle Snider, Bill Miles, Sally Smith, Randy Phillips, Nels Anderson, Pete Lovseth, Al Ose and Tim Kelly.

Staff accompanying the committee were:

Bob Dozier, State Assessor; Jim McKenzie, Legislative Affairs Legal Division and Judith Pinero, Administrative Assistant to the committee.

There was no action taken on the bill nor were there any work sessions or mark-up during the interim.

Public Hearings

Delta	October 17
Tok	October 18
Fort Yukon	October 20

(With stops in Dot Lake, Beaver and Stevens village)

Notification-Publication

August, 1977	Letters to Delta, Tok and Fort Yukon School Board to arrange meeting space in the local shcools.
August, 1977	Letters to Dot Lake, Beaver, and Stevens Village advising community of the committee's plans for an informal visit to talk to residents.
September 1977	Public hearing announcements provided to interested persons and newspapers in the communities and surrounding areas.

In fact, the oil industry raised this question as a constitutional "equal protection" issue in litigation, but the suit was settled before the issue was decided by the courts. Later efforts to focus on the question of taxation in the unorganized borough came in 1975 with the establishment of rural education attendance areas in the unorganized borough. Some legislators felt at that time that local control and policy making power should not be given to the REAA's without requiring them to make local tax contributions to help support the REAA's.

The fact that the REAA's are entirely supported by the state whereas school districts in incorporated areas must support much of their education services through local tax levies, seems to be the reason for the introduction of HB 202. Urban legislators find it hard to justify this apparent inequity to their constituents, who are paying both local and state taxes to support education in the state.

That the legislature has the power to levy a property tax, or any tax, in the unorganized borough is without doubt. Under the state constitution (Art.X, Sec.6) the legislature is the assembly, or governing body, of the unorganized borough.

PUBLIC HEARING COMMENTS - SYNOPSIS

- taxation imposed by the state forces the formation of local government.

- no assurance that revenues generated would benefit their area.

- taxation without representation.

- cost to the state of levying the tax is too high for the revenues to be realized.

- opposition to property tax in principle.

- amount of taxation would not equal the services to the area.

- punitive legislation

Delta Junction
& Tok & Fort Yukon

State funds

Simmons

Firehall $35,000
clinic
ambulance
tourist center
courthouse
f.+g.

troopers
highways
schools –
recreation cent.
alcohol progs.

HB 202 - Delta Junction - Tok - Fort Yukon

Study Requests - how many $ all together the unorganized boroughs get (i.e. total for REAA's + entire unorg.) (anything for CRA?)
✓ - what does it cost to support Delta Junction (GF) Tok, Ft. Y.
✓ - assurance of ability to separate between real & personal property tax
~~- what is the amount of state and federal $ to Tok area?~~

Reasons for opposition - objections to the bill
- forcing organization of local government
- oppose exclusion of unimproved land
- the cost does not equal the anticipated revenue * Heier. Anchorage assessor - early days of pipeline assessments
- vague language of bill - esp. def. of "unimproved land"
~~- taxation without representation / punitive legislation~~
- no assurance that revenue generated would benefit the specific area
- question the basis & estimates upon which fiscal note was drafted
- opposed as the tax is a means to do mapping and title to land
- tax will effect commercial properties and ripple consumer (i.e. electric corp. in Fort Yukon)

Concerns
- possibility & redistricting that would effect the satellite REAA's in the Tok area if they were forced to organize
- those receiving services are not those that pay the tax
✓ - what about the large tract with one structure - ½ the value of the land taxed?
- no reason to impose a tax in order to do mapping and title search in the unorganized boroughs

Questions

- wants the $ amts of services to equal the tax revenue
- ✓ does the ~~borough~~ State own schools and the land upon which they stand?
- ✓ are there any properties locally exempted by Fort Yukon as a 2nd-class city? they don't levy a p. tax – NO
- ✓ will the imposition of this tax result in loss of foundation entitlements (i.e.: per pupil $ amts. based on attendance) makes no provision for only if legislature amended school foundation formula program – NO

Proposed Amendment

~~- refer bill to H HESS~~

- upon receipt of 100% state funded education – request that the tax be lifted
- amend to a ceiling of tax levied
- ✓ – raise the school tax – *constitutional?*
- exemption for a town or a village with a BIA school

✓ *Are native allotments taxable – ?*

✓ " *BIA ~~lottion~~ townsite lots taxable – ?*

Is HUD housing tax exempt? – Yes, but within

George Gulfstad – BLM

HB 202

c 7.44 avg. mill rate for schools statewide

Oren Pomeroy -

Revenues Local - $97,900,000 avg mills 15.22
State 24,600,000 " " 8.72

avg. 13.32

Schools Local - 45,858,000
Stat - 13,390,000

} do not incl. cost of adm. (c. 1 mill)

Marunde

$1,720,000 to be collected in taxes under their calculations

Ask for $10,000 exemption on residential property in bill

→ Dissolve REAA - ?? (if they establish local govt.)

Marunde -

3/11 - bill lacks definition of improved land are Indian allotments tax exempt forever?

2nd class city can be a cop out - Tanacross cd. incorp. + pass sales tax +

constitutionality - buck ~~voters~~ reps. outvoted by urban reps.

bill est. a new kind of inequities -

John Martinuk
Bill Simmons
" Arpino
Terry Brigner LaVelle Wilson
Glen Marunde
Box 111 Tok 99780

Voice of the Bush
Tax Committee
(c. 150 people)

Fbx. consumes 11% of $

$1,100,000 Wd. be 11% of Doziers tax take

Fbx assessed Kays tax Wd. be 20% in unorganized boro.

Voice of the Bush Tax Committee
(c. 150 people)

Box 111
Tok, Alaska 99780

Glen Marunde
John Martinuck
Bill Simmons
Bill Arpino
Terry Brigner
LaVelle Wilson

HB 202

McCarthy - 75% of state land in unorganized borough

would add to this - 20% now being pd. to state by pipeline props.

Parr includes all statutory optional exemptions.

Dozier & Pomeroy

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING / POUCH SA – JUNEAU 99811

February 28, 1977

The Honorable Lisa Rudd
Chairman
House Community & Regional Affairs
Committee
Alaska State Legislature
Room 620 - Court Building
Juneau, Alaska

Re: House Bill No. 202

Dear Representative Rudd:

House Bill No. 202, an Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough was introduced in the House on February 10, 1977 and was referred to the House Community & Regional Affairs and Finance Committees.

For the consideration of the House Community & Regional Affairs committee, I am enclosing a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue concerning the proposed legislation,

Very truly yours,

R. D. Stevenson
Special Assistant

Enclosure

cc: The Honorable Steve Cowper
Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

P. A. Wall, Director
Administrative Services Division
Department of Revenue
Juneau, Alaska

any prob. w/ "tramming" avg. mill rate?

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 202
Title Act relating to tax on developed land in the unorganized borough.
Requested by House Community & Regional Affairs Com. Date 2/24/77

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
Budget Request Unit(s) Affected Administration and Support

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES		21.9	15.3	16.0	16.8	17.6
200	TRAVEL						
300	CONTRACTUAL		6.0	6.1	6.3	6.6	6.9
400	COMMODITIES		.5	.6	.7	.7	.7
500	EQUIPMENT		.8				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	-0-	29.2	22.0	23.0	24.1	25.2

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	29.2	22.0	23.0	24.1	25.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			1	1	1	1
PART TIME		2				
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) Revenue receives tax roll from Community and Regional Affairs. Revenue establishes average mill rate and prepares 20,000 tax bills using computer assisted procedures and mails bills. Revenue receives tax remittance, receipts money, post accounts and transmits money to Treasury. Revenue prepares separate budget and Annual Report. Revenue shares taxes collected to certain new boroughs and first class cities.

A Systems Analyst is required to design and program the Billings/Receipts System, a 6 month requirement. An Accounting Clerk is required to supervise the billings preparation and receipts processing 6 months in FY 78 and full time thereafter.

Envelopes & Forms	2.0	Systems Analyst- 6 months =	14.2	Annual Report Cost
Postage	3.5	Act Clerk III - 6 months =	7.7	is .5.
Commodities	.5	Equipment	.8	

IV. DATE 2/26/77 PREPARED BY P. A. Wall
AGENCY Revenue

Box 198
Delta Junction, Ak. 99737
October 24, 1977

Lisa Rudd, chairperson
Community and Regional Affairs Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Congressperson:

I am sorry I missed the meeting in Delta Junction about HB 202 and consequently don't know the wording on the bill. Actually, it doesn't matter. I only had one important question: Why is this bill necessary at this time?

Any bill that wants to extract more taxes from Alaskans at a time when we should rejoice and reap the fruits of our oil royalties looks, to say the least, strange. To say nothing about a congress working on bills to put millions of surplus dollars into saving accounts and at the same time trying to collect more taxes. It shows the mentality of our legislators to always want more power and more money even if there is more than enough already. Mr. Parr, for instance, initiated HB 202 for more taxes. He never thought of initiating a bill instead to lower an already heavy tax burden for his constituants in Fairbanks.

A few years back another Alaskan congress wanted to abolish the state income tax or finance all schools in Alaska by the state with our oil royalties. This would make much more sense now, and lower our tax burden considerably. Strangely enough, Alaska's population did not even double since 1965, but the government more than tripled during that time and it seems that the more oil money and taxes are collected, the bigger our government gets with little or no improvement in services. What we have now is taxes for taxation's sake and no other reason. If it is not stopped, it can happen again and again at any time to borough, city and bush residents alike. Think about it.

Sincerely,

Joseph Bohmer

cc: Daily News Miner
Delta Paper

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT House C+RD

ATTENTION Lisa Rudd

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

Remarks:

FROM:
MAIL STATION NUMBER 2100

DEPARTMENT C+RA

BY L A Wegener DATE 4/6/78

02-002 (REV.10/73)

TENTH LEGISLATURE

Revised from 2/24/77

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 202

Title Levy and Collection of Taxes on Developed Land: Unorganized Borough

Requested by Representative Parr Date

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected State Assessor 21-73-3-01-16-03

EXPENDITURES (Thousands of Dollars)

	* FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	490.5	520.4	551.6	584.7	619.8	657.0
200 TRAVEL	89.9	95.4	101.1	107.2	113.6	120.4
300 CONTRACTUAL	687.8	788.8	754.1	159.2	168.8	178.9
400 COMMODITIES	37.0	39.3	16.0	16.0	17.6	18.7
500 EQUIPMENT	44.8	10.0	5.0	5.0	5.5	6.0
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	1350.0	1453.9	1427.8	872.1	925.3	981.0
FY 78 - 1/2 yr	*1104.8					

FUNDING (Thousands of Dollars)

GENERAL FUND	*1104.8	1453.9	1427.8	872.1	925.3	981.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	18	18	18	18	18	18
PART TIME						
TEMPORARY						

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

1. *assessment date January 1, 1980 (Amendment necessary)
2. The estimated tax base for the unorganized borough is based on known taxable property values, parcels per capita and average per parcel valuation within home rule and first class municipalities as of January 1, 1977.
3. Estimated tax base is discounted 20% to reflect the unimproved property exclusion. (503,003,120 = 628,753,900 - 125,750,780)
4. Estimated average mill rate for administration of schools within 11 boroughs is 7 mills (7 mills = numerical average 6.11 weighted upward to reflect Anchorage municipality at 8.69 mills.)
5. Estimated revenue is based on a 7 mill tax rate times the adjusted tax base ($3,521,020 = 503,003,120 X .007)

Analysis Continued

IV. DATE March 28, 1978 PREPARED BY Oren Pomeroy

AGENCY Community and Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Oren Pomeroy, Jr.

33-001 (Rev. 12/77)

House Bill No. 202 requires the state assessor, Department of Community and Regional Affairs to assess all developed real property situated within the unorganized borough including second class cities and deliver an equalized assessment roll to the Department of Revenue who shall be responsible for collection and enforcement of the tax. The Department of Revenue will provide a fiscal note concerning its duties.

Within the time allocated for the study and the limited information available concerning taxable property within the unorganized borough an attempt has been made to estimate the potential tax base and administrative costs which are the responsibilities of this Department.

An estimate with a high degree of accuracy would be possible if an ad valorem tax base study were initiated and funded prior to implementation of House Bill No. 202.

The beginning date of January 1, 1978, provides only months in which to complete an assessment roll. In our opinion the project will require no less than two years to complete. Administrative costs as indicated are based on an assessment levy date of January 1, 1980, rather than January 1, 1978, as stated on page 1, line 13 of the bill.

BASIS FOR ESTIMATED POTENTIAL REVENUE

Home Rule and 1st Class Municipalities including 20 2nd Class Cities

Real Property - 1-1-77	6,886,720,100
Number of parcels	181,315
Valuation per parcel	37,985
Population	365,815
Population per parcel	2,018

Unorganized Area including 93 2nd Class Cities

Population July 1, 1977 (Estimated)	32,116
Population per parcel	2,018
Number of parcels	15,915
Valuation per parcel at 80% X Organized	30,390
Real property valuation 1-1-77	483,656,850
Adjusted Tax Base 1-1-80 30% Increase (10% Annually)	628,753,900
Estimated Revenue at 10 mills FY 79 (Real Property)	6,287,540
Unimproved Land Exclusion (-20% of Tax Base)	503,003,120
Average Borough School levy at 7 mills (HB 202)	3,521,020

Program development, implementation, and administration is divided between the Department of Community and Regional Affairs and the department of Revenue.

The pilot program will require in-depth research to develop standardized methods, procedures and forms. A professional services fee is included to assist the office staff in completing by June 1980, the required mapping, appraisal, appeal, and delivery to the Department of Revenue the certified 1980 assessment roll, listing all real property taxable under provisions of the bill. The project includes the assembly of all available survey maps, aerial photos; map design and drafting of required area; title search and ownership data, required market and construction cost data; on-site property inspection, enumerating, and grading; office calculations; computer listing of the assessed value of land and improvements according to individual 2nd class cities and regional areas as determined to be appropriate; mailing assessment notices; appeal procedures before the state assessment review board and delivery of an equalized and certified assessment roll to the Department of Revenue.

The State Assessor would be upgraded from range 22 to range 24 and be assigned a secretary. Under direction of the state assessor, the appraiser and mapping supervisors, will develop regulations, forms and procedures. The mapping supervisor will correlate all phases of the mapping project with this staff and a cadastral mapping firm under contract and assume full responsibility for the initial and ongoing land status mapping system. The appraiser supervisor will correlate all phases of the appraisal project with his staff and an appraisal firm under contract and assume full responsibility for property appraisal, appeal, and maintenance of the assessment roll. Under direction of the state assessor the supervisors, staff appraisers, title examiners, draftsmen, and clerks will function as an integrated unit.

The project may be completed with contractual professional fee budget allocations by private, cadastral mapping and appraisal firms under contract or by a combination of departmental staff and private enterprise. The latter is preferred, as initial staff involvement will provide continuity of trained key personnel for subsequent program years administration. The initial two year project costs based on total professional contractual services will add $133,660 or 10.53% to the FY 78 Fiscal Note estimate, and a comparable amount to the FY 79 estimate.
($1,487,045 = 660,000 + 690.1 X 120%)

Program maintenance reflecting the three year reassessment schedule as outlined on page 2, line 14 of the Bill may result in a 10 to 15 % decrease in administration costs after the two year initial assessment project is completed.
(FY 81 $741,288 = 872,104 - 15% (130,816))

Administrative costs as estimated and as supplied by the Department of Revenue for the initial project could be funded in full by enactment of the proposed Real Property Transfer Act (See Appendix G, Alaska Taxable, 1976) with a fee based on 1/2 of 1% of the consideration, estimated to produce $2,250,000 annually.

Enactment of the proposed Real Property Transfer Act will, in addition to providing full funding for the entire project, decrease by 20% the FY 81 and subsequent years administrative costs, as the cadastral mapping and market data information for all of Alaska will be regularly received, catalogued, and filed in-house by the Department. (FY 81,$593,030 = $741,288 - 20% $148,258)

ADMINISTRATIVE COSTS:

100 Personal Services		FY 78	FY 79	FY 80
100 Mapping				
1 mapping supervisor	Range 20 @ 2411	28,932	30,668	32,508
1 title examiner	Range 19 @ 2243	26,916	28,531	30,243
2 title examiners	Range 16 @ 1798	43,152	45,741	48,485
1 draftsman	Range 18 @ 2082	24,984	26,483	28,072
2 draftsmen	Range 16 @ 1798	43,152	45,741	48,485
1 clerk IV	Range 9 @ 1122	13,464	14,272	15,128
1 clerk III	Range 8 @ 1055	12,660	13,420	14,225
Subtotal		193,260	204,856	2[illegible],146
Fringe benefits 25.7%		49,668	52,648	55,807
Subtotal Mapping Personnel		242,928	257,504	272,953
100 Assessment				
state assessor	Range 24 @ 594(upgrade)	7,128	7,884	8,357
1 appraiser supervisor	Range 20 @ 2411	28,932	30,668	32,508
1 staff appraiser	Range 19 @ 2243	26,916	28,531	30,243
3 staff appraisers	Range 18 @ 2082	74,952	79,449	84,216
1 secretary	Range 10 @ 1194	14,328	15,188	16,099
1 assessment clerk	Range 14 @ 1551	18,612	19,729	20,913
1 clerk IV	Range 9 @ 1122	13,464	14,272	15,128
1 clerk III	Range 8 @ 1055	12,660	13,420	14,225
Subtotal		196,992	209,141	221,689
Fringe benefits 25.7%		50,627	53,750	56,974
Subtotal Assessment Personnel		247,619	262,891	278,663
Subtotal Mapping Personnel		242,928	257,504	272,953
Total Personal Services		490,547	520,395	551,616
200 Travel and Per Diem				
State Assessor and Supervisors		5,600	5,950	6,300
Title Examiners and Appraisers		76,500	81,100	86,000
Review Board		7,800	8,300	8,800
Total		89,900	95,350	101,100

300 Contractual Services	FY 78	FY 79	FY 80
Telephone and long distance (10 @ 35 + l/d)	6,000	6,360	6,740
Postage	4,660	4,940	5,235
Printing advertising	6,000	6,360	6,740
Data processing and programming	68,750	106,000	70,000
Machine rental and xeroxing	2,400	2,545	2,695
Office Rent - 1800 sq.ft. @ $1.35	2,430	2,575	2,730
Professional fees	660,000	660,000	660,000
Total	687,840	788,780	754,140
400 Commodities			
Reference materials and maps	12,000	12,750	6,000
Office supplies	25,000	26,500	10,000
Total	37,000	39,250	16,000
500 Equipment			
11 executive desks @ 335	3,685		
11 executive chairs @ 130	1,430		
5 secretarial desks @ 328	1,640		
5 secretarial chairs @ 99	495		
19 desk lamps @ 70	1,330		
3 drafting tables @ 275	825		
3 drafting table equipment @ 210	630		
3 drafting stools @ 130	390		
15 map cabinet flat @ 590	8,850		
25 map cabinet hanging @ 220	5,500		
1 diazo blue line printer @ 1,000	1,000		
25 filing lateral cabinet @ 550	13,750		
8 calculators w/2 memories @ 450	3,600		
5 typewriters @ 792	-780		
5 tables @ 59	295		
8 conference chairs @ 67	550		
Total Equipment	44,750	10,000	5,000
Total Administration Costs	1,350,037	1,453,775	1,427,856

STATE OF ALASKA
DEPARTMENT OF REVENUE
JAY S. HAMMOND, GOVERNOR
STATE OFFICE BUILDING / POUCH SA — JUNEAU 99811

February 28, 1977

The Honorable Lisa Rudd
Chairman
House Community & Regional Affairs
Committee
Alaska State Legislature
Room 620 - Court Building
Juneau, Alaska

Re: House Bill No. 202

Dear Representative Rudd:

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Very truly yours,

R. D. Stevenson
Special Assistant

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cc: The Honorable Steve Cowper
Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

P. A. Wall, Director
Administrative Services Division
Department of Revenue
Juneau, Alaska

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

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Requested by House Community & Regional Affairs Com. Date 2/24/77

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300 CONTRACTUAL		6.0	6.1	6.3	6.6	6.9
400 COMMODITIES		.5	.6	.7	.7	.7
500 EQUIPMENT		.8				
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700 GRANTS, CLAIMS, ETC.						
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FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

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PART TIME		2				
TEMPORARY						

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Postage	3.5	Act Clerk III - 6 months =	7.7	is .5.
Commodities	.5	Equipment	.8	

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 March 20, 1978

SUBJECT: HB 202; general comments

TO: Lisa Rudd, Chairman
House Community and Regional Affairs Committee

FROM: Richard A. Bradley, Legislative Counsel

At the recent hearing on HB 202, you invited my comments generally on HB 202; I gather no particular focus was requested, merely whatever might seem useful to you or the committee. Accordingly, my comments will generally explicate what I did, perhaps why I did it, and offer a suggestion on one problem identified at the recent hearing.

When I drafted HB 202 for Representative Parr, SB 35 (Orsini) had already been introduced. Parr requested a departure from some of the approaches in SB 35.

Generally speaking, SB 35 and HB 202 do represent different approaches to the general problem of the unevenness of taxation in the state:

(1) SB 35 levies a property tax (sec. 100) but gives a credit against the tax for sales tax levied in second class cities in the unorganized borough. (Sec. 110). There is no explicit relationship created between the levy of the tax and the state's support of education in the unorganized borough.

(2) HB 202 levies a tax which is an unweighted average of the mill rates levied in boroughs for education. (Sec. 100, 110) No credit for the sales tax in second class cities is granted, quite logically, because these cities do not pay for their schools from sales taxes raised.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465 3800

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Generally speaking, SB 35 and HB 202 do represent different approaches to the general problem of the unevenness of taxation in the state:

(1) SB 35 levies a property tax (sec. 100) but gives a credit against the tax for sales tax levied in second class cities in the unorganized borough. (Sec. 110). There is no explicit relationship created between the levy of the tax and the state's support of education in the unorganized borough.

(2) HB 202 levies a tax which is an unweighted average of the mill rates levied in boroughs for education. (Sec. 100, 110) No credit for the sales tax in second class cities is granted, quite logically, because these cities do not pay for their schools from sales taxes raised.

While the state does provide services in the unorganized borough apart from education, the education function does represent the most substantial service delivered and accordingly HB 202 does seem a more focussed approach to the general question that SB 35.

The unweighted average of taxes levied for education in organized boroughs, as the basis for the tax in the unorganized borough, seems somewhat crude. I was not requested to run any analyses of what this does and I have no judgment as to the fairness of the averaging concept. I assume that Mr. Parr also may recognize the concept as crude.

The exemptions from the taxation under sec. 100(b) are rather straightforward:

(1) The unimproved land exemption has a number of justifications, only one of which is the problems created by §21(d) of the settlement act. Other reasons would include a logical state policy of discouraging development in the unorganized borough, either for pure environmental reasons or to discourage the proliferation of individuals who will inevitably demand state services.

(2) AS 29.53.020 is the general exemption from property tax "required" by state law. It includes §20(e), the senior citizen exemption.

(3) AS 29.53.025(a) grants the optional exemption of up to $10,000 for residential property.

(4) AS 43.56 and 43.58 are the Oil and Gas Property Taxes and the Oil and Gas Ad Valorem taxes.

The reference in §120 of the bill is to AS 09.35.090 and perhaps other sections of AS 09.

Secs. 130 - 190 seem rather straightforward and not to require comment.

Sec. 200 would be complied with by the establishment of separate BRU's.

The effective dates of the bill need revision. See sec. 100(a) and sec. 2.

Two other issues merit analysis:

1. The ultimate logic of taxation in the unorganized borough is the encouragement to REAA's, for example, to incorporate as boroughs. Sec. 220 is a gesture towards such a result but perhaps more could be done.

If the bill passes and if the taxation level approaches the amount a borough would need to raise under the foundation program as local effort, consider directing C&RA to work with the REAA's as transitional governments for the study of borough incorporation.

2. During the recent testimony on HB 202, comment was made that present residents of the unorganized borough reacted negatively to the exemption granted undeveloped lands. As I recall the comments, the concern seemed directed at the perceived evils of speculators and speculation. While I have argued above for encouraging nondevelopment, if speculation is viewed as a problem, then consider what might be called a "turnover tax" as part of the property tax scheme.

The difficulty is that frequently property tax evaluations lag substantially behind real values and the system (except perhaps in the Juneau Indemnification example) does not reward those who come forward to volunteer the view that their property is actually worth more than the assessor thinks it is worth.

I have no solution to the latter point but it would be possible to levy a tax on transfers of property which would regain the property tax which would have been collected if the property had been assessed at the value at which it sold. AS 29.53.035(a) approaches the concept though it is administratively ineffective.

The concept, of course, has statewide application.

The comments offered are somewhat random. Should you or the committee have further questions, please advise.

RAB:hjd;jpd

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

December 12, 1977

MEMORANDUM

SUBJECT: Unorganized Borough Appropriations
W. O. #4363

TO: The Honorable Lisa Rudd

FROM: Linda Haagensen LH
Research Analyst

Attached are rough estimates of general fund appropriations for Delta Junction, Tok, and Fort Yukon in the categories you have requested. Please keep in mind that these figures do not precisely reflect what is being spent in the three locations because in many cases budget allocations are not formulated by region but on the basis of overall program costs. Persons contacted in the various state agencies provided us with he estimates along with qualifying information attached. (See Table A)

In answer to the second part of your request regarding per capita state expenditures in the organized boroughs compared to the unorganized borough, the information in Table B summarizes educational costs for FY 77 and projected figures for FY 78.

Costs are given per ADM for comparisons based upon actual attendance figures and per capita. Population estimates were obtained from the Department of Labor. As these cost figures indicate, the state spends twice as much per ADM and roughly two and 1/2 times as much per capita in the unorganized borough as it does in organized boroughs.

You stated during our meeting of November 1, that you would also like a per capita estimate of what the state is spending in general inside boroughs as opposed to within the unorganized borough if such information were relatively easy to obtain. Overall state expenditures are not available in categories that would allow for an accurate computation of costs. Our only means of deriving these figures would entail a lengthy process with extremely rough estimates of low reliability as results. For this reason, we have not included this information.

Please advise us if the enclosed information is insufficient for your purposes, so that we may implement further research.

LH:fc
Attachment

GENERAL FUND APPROPRIATIONS FOR FORT YUKON, DELTA JUNCTION AND TOK IN SELECTED CATEGORIES

	FY 77 Allocation	FY 77 Per Capita*	FY 78 Allocation	FY 78 Per Capita*
HEALTH CLINICS[1]				
Fort Yukon	$ 69,600 Operating 124,000 Capital Improvements $193,600	$ 109 $ 304	$ 64,800 Operating	$ 102
Delta Junction	$ 40,400 Operating	$ 45	$ 17,000 Operating	$ 19
Tok	$ 55,000 Operating 10,000 Capital Improvements $ 65,000	$ 64 $ 76	$ 47,000 Operating	$ 55
AMBULANCE[2]	0	-	0	-
TOURISM[3]				
Fort Yukon	0	-	0	-
Delta Junction	$ 4,000	$ 4.50	0	-
Tok	0	-	$ 2,000	$ 2.34
TROOPERS[4]				
Fort Yukon	$ 42,550	$ 67	$ 43,250	$ 68
Delta Junction	$135,700	$ 152	$148,875	$ 167
Tok	$181,700	$ 213	$192,125	$ 225
SCHOOLS & EDUCATION[5]				
Yukon Flats (includes Ft.Yukon)	$1,478,093	$5,038/ADM	$2,040,875	$6,378/ADM
Delta Greely (includes Delta J.)	$2,505,541	$3,188/ADM	$2,989,819	$3,448/ADM
Alaska Gateway (includes Tok)	$1,393,477	$3,767/ADM	$1,879,750	$4,131/ADM
RECREATION CENTERS[6]				
Fort Yukon	$ 3,185	$ 5	See notes following	
Delta Junction	$ 4,460	$ 5		
Tok	0	-		
ALCOHOL PROGRAMS[7]				
Fort Yukon	0	-	See notes following	
Delta Junction	0	-		
Tok	$ 15,700	$ 18		

**Based on population estimates from the Department of Community and Regional Affairs*

TABLE A

Notes to Table A:

1. Health Clinics - includes costs for Public Health nursing and Capital Improvement Funding.

   Fort Yukon's FY '77 funding covered services to additional villages of Allakaket, Anaktuvuk Pass, Arctic Village, Beaver, Beetle, Birch Creek, Chalkyitsik, Stevens Village, and Venetie with an estimated population of 1400. Capital Improvement money was appropriated for Health Center to increase FY '76 amount of $200,000.

   FY '78 funds covered services to additional villages of Arctic Village, Beaver, Birch Creek, Chalkyitsik, Rampart, Stevens Village, and Venetie with an estimated total population of 1,150. Delta Junction's funding covers services to additional villages of Cantwell, Circle, Clear, Eagle, Healy, Mt. McKinley, Nenana, Suntrana and Usibelli.

   FY '78 funds were reduced because a part-time nursing position was relocated from another service to provide more coverage for Delta area and reduce the workload of the Fairbanks Itinerant nurse position.

   Tok's operating costs covered services to the following villages: Dot Lake, Mentasta, Northway, Richardson Highway (from mile 219), Tanacross, Tetlin, Tok, Area North of Mile 63.5 to Porcupine Creek. FY 77 Capital Improvements for repair of community buildings leased by Tanana Valley Physician Clinic in Fairbanks.

2. The only locations in the state where general funds have been allocated for ambulance services are Cooper Landing and Healy to assist with gas and maintenance costs.

3. The Division of Tourism in the Department of Commerce awarded money to Delta Junction and Tok for visitor information services.

4. These figures reflect salaries and benefits estimates for Trooper positions assigned to the three areas which include:

   Fort Yukon - 1 Trooper (currently vacant)

   Delta Junction - FY '77 - 1 Dispatcher, 1 Corporal, 2 Troopers; another 1/2 time Dispatcher allocated for FY '78.

   Tok - FY '77 - 2 Troopers, 1 Constable (currently vacant), 1 Corporal; another Trooper position in FY '78.

   Other Trooper-related costs such as for building and vehicle maintenance were unobtainable for each specific location.

5. Educational expenditures are available by school district only. Comparative costs have been computed per average daily membership (ADM), an average daily school attendance figure that provides a more meaningful basis of comparison than would per capita allotments. Per Capita costs are not included due to the difficulties in ob taining reliable population estimates for each school district.

6. FY '77 funds shown here were granted through the Revenue Sharing Program with Community and Regional Affairs. They were provided for the development of a park with play and picnic areas in Delta Junction and for 2 campgrounds and a community center in Fort Yukon. This program bases allotments on a $5 per capita rate for each city/ village that applies in the state. FY '78 appropriations depend upon applications submitted and will be determined later.

7. Money for alcohol programs thru the Office of Alcoholism and Drug Abuse is available if applied for. Fort Yukon and Delta Junction have not submitted applications within the past several years and therefore have received no state funds. Allocations of FY '78 funds have not yet been determined.

TABLE B

Education Expenditures in Boroughs vs. Unorganized Borough, FY'77 & FY'78

		Boroughs	Unorganized Borough
FY'77	Population	329,060	69,160
	ADM	65,427	16,558
	State Aid	$ 121,474,550	60,408,733
	Aver. State Aid/ADM	1,857	3,648
	Aver. State Aid/Capita	369.	873.
FY'78 Estimates	Population	338,952	72,046
	ADM	66,773	17,356
	State Aid	$ 135,971,910	74,715,377.
	Aver. State Aid/ADM	2,036.	4,305.
	Aver. State Aid/Capita	401.	1,037.

FORT YUKON INCOME SOURCES — FY76

3% SALES TAX	$ 43,630	
MUNICIPLE LIQUOR STORE SALES	379,815	
COMMUNITY CENTER VENDING MACHINES	545	
BUILDING RENT	5,925	
SNOW MACHINE FEES	1,905	
FINES	35	
MISCOLMENS REVENUE	325	
		$ 432,180
STATE REVENUE SHARING (GRANT)		
POLICE, FIRE, PARKS AND REC. AND LAND USE PLANNING	51,065	
BUSINESS LISCENSE (REFUND) —	4 200	
LIQUOR LISCIENS REFUND.	500	
LAW ENFORCEMENT (LEAA) (REFUND OR REIMBURSMENT)	17,335	
STATE SERVICES (REIMBURSEMENT)	16,030	
		89,130
FEDERAL REVENUE SHARING (GRANT)	1,025	
FEDERAL REIMBURSMENT IN SERVICES (REIMBURSMENT)	5,025	
		6,050
TOTAL —		$ 527,360

REPORT OF THE INTERIM COMMITTEE ON TAXATION IN THE UNORGANIZED BOROUGH

The purpose of the interim committee was to hold public hearings to receive comments from citizens in Delta, Tok, and Fort Yukon as representative of unorganized areas of the state that would be affected by taxation in the unorganized borough. The vehicle for the hearings was HB 202, by Rep. Charles Parr.

The interim committee was composed of members of the standing House Community and Regional Affairs Committee for the Tenth Alaska State Legislature. The members are:

Representative Lisa Rudd, Chair
Representatives Merle Snider, Bill Miles, Sally Smith, Randy Phillips, Nels Anderson, Pete Lovseth, Al Ose and Tim Kelly.

Staff accompanying the committee were:

Bob Dozier, State Assessor; Jim McKenzie, Legislative Affairs Legal Division and Judith Pinero, Administrative Assistant to the committee.

There was no action taken on the bill nor were there any work sessions or mark-up during the interim.

Public Hearings

Delta	October 17
Tok	October 18
Fort Yukon	October 20

(With stops in Dot Lake, Beaver and Stevens village)

Notification-Publication

August, 1977	Letters to Delta, Tok and Fort Yukon School Board to arrange meeting space in the local shcools.
August, 1977	Letters to Dot Lake, Beaver, and Stevens Village advising community of the committee's plans for an informal visit to talk to residents.
September 1977	Public hearing announcements provided to interested persons and newspapers in the communities and surrounding areas.

Summary and History of House Bill 202

House Bill 202 is"An Act providing for assessment, levy and collection of a tax on developed land in the unorganized borough; and providing for an effective date."

The bill,if enacted, would levy a tax on improved property in the state's unorganized borough - that is, any land in the state which is not within an incorporated borough or a first class or home rule city. House Bill 202 was introduced by Rep. Charles Parr of Fairbanks.

There is a similar bill in the Senate, which was introduced by Senator Joe Orsini of Anchorage.

Only improved property would be taxed and the bill calls for the tax rate to equal the average of the property tax rates levied by the boroughs in the state for the support of borough school districts . The Department of Community and Regional Affairs has estimated that the rate is about 7 mills (7/10ths of 1% of the assessed value of the property).

As the bill is drafted, the following property would be exempt from taxation:

1. Property which has not been improved, such as acreage in woodland.

2. Real property which is exempt from taxation under the state's municipal code, such as the property of churches, veterans' groups and senior citizens;

3. Real property which is being taxed under the state's 20 mill levy on property used for the exploration, production or transportation of oil, and

4. up to $10,000. of the value of residential real property, if it is within a municipality and if the municipality approves the exemption.

The bulk of the legislation, after describing the extent of the tax, addresses the mechanics of assessment, appeals of assessments, collection of the tax, and enforcement processes and penalties.

HB 202 is not the first time the question of a property tax in the unorganized borough has been raised. It came up in 1972 when the 20 mill tax was placed on oil and gas properties. At that time, the question was whether it was fair to tax the pipeline, but not any of the other valuable property in the unorganized areas.

In fact, the oil industry raised this question as a constitutional "equal protection" issue in litigation, but the suit was settled before the issue was decided by the courts. Later efforts to focus on the question of taxation in the unorganized borough came in 1975 with the establishment of rural education attendance areas in the unorganized borough. Some legislators felt at that time that local control and policy making power should not be given to the REAA's without requiring them to make local tax contributions to help support the REAA's.

The fact that the REAA's are entirely supported by the state whereas school districts in incorporated areas must support much of their education services through local tax levies, seems to be the reason for the introduction of HB 202. Urban legislators find it hard to justify this apparent inequity to their constituents, who are paying both local and state taxes to support education in the state.

That the legislature has the power to levy a property tax, or any tax, in the unorganized borough is without doubt. Under the state constitution (Art.X, Sec.6) the legislature is the assembly, or governing body, of the unorganized borough.

PUBLIC HEARING COMMENTS - SYNOPSIS

- taxation imposed by the state forces the formation of local government.

- no assurance that revenues generated would benefit their area.

- taxation without representation.

- cost to the state of levying the tax is too high for the revenues to be realized.

- opposition to property tax in principle.

- amount of taxation would not equal the services to the area.

- punitive legislation

- improved land to be taxed (i.e. local electric company) would result in higher rates to consumer.

SUGGESTED AMENDMENTS TO HB 202;

- remove exemption for unimproved land
- clarify vague language in the bill
- provide a definition of unimproved land

RECOMMENDATIONS BY PUBLIC HEARING PARTICIPANTS:

1. In lieu of enacting HB 202, raise the amount of school tax paid by residents of the unorganized borough.
2. If the tax were to be levied, upon receipt by organized areas of 100% state-funded education, the tax should be lifted.
3. One request was received for a referral of the bill to the House Health, Education and Social Services Committee to determine the effect of the bill on the REAA's.
4. Need for more public testimony.

About 80 people attended each public hearing.- A very large number considering the size of the communities. Only one person (in Delta) testified in favor of the bill. However, after each hearing several people told committee members that they realized that their area should contribute to the cost of the education services they receive but had not dared say so in face of community opposition to the tax.

The House Community and Regional Affairs Committee is continuing work on the issue of taxation in the unorganized borough during the 1978 Legislative session.

Respectfully submitted,

Lisa Rudd, Chair
House Community and Regional
Affairs Committee

March 1 1978
LR/vb

ADM = average daily membership

AGNES SHACK (2865)

7/7/77

STATE OF ALASKA
DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
FINAL REPORTS RECAPITULATION
1976-77 FISCAL YEAR

School District	Revised ADM End of 1st. Qtr.	Final ADM 1976-77	Instr. Units	Instr. Unit Allotment	Basic Need	Level of State Support (95% Min.)	Final Computation of Entitlement	(Per Pupil) Per ADM
Anchorage	35,622	35,332	2,060	25,000	51,500,000	95.4038	49,132,957	$1,391
*Contact Schools,other	244	264	45	25,000	1,125,000	100.0000	1,125,000	4,261
Bristol Bay	258	264	*27/26	33,141	894,807	95.4993	854,534	3,237
Cordova	527	533	*48/47	28,750	1,380,000	97.3176	1,342,983	2,520
Craig	160	182	19	26,875	510,625	98.9177	505,099	2,775
Dillingham	426	411	*40/39	33,141	1,325,640	98.6323	1,307,509	3,181
Fairbanks	9,387	9,071	*607/591	27,813	16,882,491	95.1513	16,063,910	1,771
Galena	135	136	15	35,110	526,650	99.4123	523,555	3,850
Haines	444	454	42	26,875	1,128,750	96.3233	1,087,249	2,395
Hoonah	280	280	29	26,875	779,375	99.4278	774,915	2,768
Hydaburg	105	100	*14/13	26,875	376,250	99.3584	373,836	3,738
Juneau	4,325	4,253	*296/295	25,000	7,400,000	96.4447	7,136,908	1,678
Kake	208	202	*22/21	26,875	591,250	99.4979	588,281	2,912
Kenai	5,248	5,162	382	26,875	10,266,250	95.0000	9,752,937	1,889
Ketchikan	2,600	2,583	*181/179	25,000	4,525,000	95.2884	4,311,800	1,669
King Cove	124	126	15	33,141	497,115	99.2887	493,579	3,949
Klawock	78	79	8	26,875	215,000	99.4347	213,785	2,706
Kodiak	2,129	2,102	*173/172	28,219	4,881,987	97.0442	4,737,588	2,254
Mat-Su	3,474	3,501	246	25,938	6,380,748	95.6512	6,103,262	1,743
Nenana	189	189	22	33,438	735,636	98.9667	728,035	3,852
Nome	887	829	*71/67	33,141	2,353,011	99.0591	2,330,872	2,812
North Slope	1,136	1,069	*117/115	35,110	4,107,870	95.0000	3,902,476	3,651
Pelican	34	33	5	28,219	141,095	96.1117	135,609	4,109
Petersburg	613	597	46	25,938	1,193,148	97.0889	1,158,414	1,940
Pelawik	197	193	*20/19	35,110	702,200	99.7249	700,268	3,628
Sitka	1,672	1,656	*123/120	25,938	3,190,374	95.9206	3,060,226	1,848
Skagway	215	208	*20/19	26,875	537,500	95.0133	510,696	2,455
St. Mary's	104	101	17	34,125	580,125	99.6919	578,338	5,726
Unalaska	129	119	*16/14	33,141	530,256	97.5325	517,172	4,346
Valdez	958	953	77	28,750	2,213,750	95.0000	2,103,062	2,207
Wrangell	538	516	*45/44	25,938	1,167,210	97.6175	1,139,401	2,208
Yakutat	162	152	18	28,219	507,942	99.3098	504,436	3,319
Totals	72,608	71,650	*4866/4827				123,798,692	
Correspondence (Centeralized)	434	434	26		650,000		650,000	
							124,448,692	

*Entitlement based on first quarter reporting. AS Sec. 14.17.180

SUPPLEMENTAL TO FINAL FOUNDATION REPORT DATED 7-7-77

STATE OF ALASKA
DEPARTMENT OF EDUCATION

School District	Final ADM 1976-77	Property Value	Value per ADM	Index	Level of State Support (95% Min.)	Matching Ratio: 1 Local Support
Anchorage	35,332	2,935,044,735	83,094	.91924	95.4038	20.7571
Contact Schools	-	-	-	-	-	-
Bristol Bay	264	21,481,048	81,368	.90014	95.4993	21.2187
Cordova	533	25,847,685	48,495	.53648	97.3176	36.2799
Craig	182	3,561,060	19,566	.21646	98.9177	91.3978
Dillingham	411	10,162,467	24,726	.27354	98.6323	72.1159
Fairbanks	9,071	795,157,070	87,659	.96975	95.1513	19.6239
Galena	136	1,445,000	10,625	.11754	99.4123	169.1534
Haines	454	30,177,406	66,470	.73534	96.3233	26.1984
Hoonah	280	2,896,750	10,346	.11445	99.4278	173.7497
Hydaburg	100	1,160,000	11,600	.12833	99.3584	154.8517
Juneau	4,253	273,362,585	64,275	.71106	96.4447	27.1271
Kake	202	1,833,500	9,077	.10041	99.4979	198.1774
Kenai	5,162	727,586,155	140,950	1.55929	95.0000	19.0000
Ketchikan	2,583	220,019,825	85,180	.94232	95.2884	20.2242
King Cove	126	1,607,325	12,859	.14225	99.2887	139.5969
Klawock	79	807,425	10,221	.11307	99.4347	175.8864
Kodiak	2,102	112,324,150	53,437	.59115	97.0442	32.8321
Mat-Su	3,501	275,250,605	78,621	.86975	95.6512	21.9950
Nenana	189	3,549,395	18,781	.20666	98.9667	95.7763
Nome	829	14,101,800	17,011	.18818	99.0591	105.2795
North Slope	1,069	560,968,180	524,760	5.80525	95.0000	19.0000
Pelican	33	2,319,785	70,297	.77767	96.1117	24.7179
Petersburg	597	31,420,066	52,630	.58223	97.0889	33.3503
Selawik	193	959,950	4,974	.05502	99.7249	362.4781
Sitka	1,656	122,573,565	73,751	.81588	95.9206	23.5134
Skagway	208	18,751,910	90,153	.99734	95.0133	19.0533
St. Mary's	101	562,500	5,569	.06161	99.6919	323.6149
Unalaska	119	5,308,500	44,609	.49350	97.5325	39.5270
Valdez	953	228,073,510	239,322	2.64754	95.0000	19.0000
Wrangell	516	22,225,110	43,072	.47649	97.6175	40.9735
Yakutat	152	1,884,050	12,477	.13803	99.3098	143.8952
Totals	71,386	6,452,423,112				
		90,394	Average			

SUPPLEMENT TO FINAL FOUNDATION REPORT DATED 7-7-77

STATE OF ALASKA
DEPARTMENT OF EDUCATION

School District	1976-77 FINAL ADM: Final ADM	Elem.	Second	Sp. Ed. (non-add)	Corres.	Voc. Ed. (non-add)	INSTRUCTIONAL UNITS: Elem.	Second	Spec. Educ.	Corres.	Voc. Ed.	Total
Anchorage	35,332	17,435	17,897	1,758	--	1,890	810	980	164	--	106	2,060
Contr. Schs.	264	95	169	264	--	--	7	13	25	--	--	45
Bristol Bay	264	106	158	17	--	35	9	11	3	--	3	26
Cordova	533	277	256	90	--	72	17	16	9	--	5	47
Craig	182	81	101	10	--	11	7	8	2	--	2	19
Dillingham	411	167	244	57	--	41	11	18	6	--	4	39
Fairbanks	9,071	4,657	4,289	722	125	467	242	243	67	9	30	591
Galena	136	61	75	10	--	12	5	6	2	--	2	15
Haines	454	226	228	36	--	28	15	17	5	--	5	42
Hoonah	280	144	136	48	--	30	10	10	6	--	3	29
Hydaburg	100	48	52	11	--	10	5	5	2	--	1	13
Juneau	4,253	2,172	2,070	400	11	305	117	119	38	2	19	295
Kake	202	114	88	16	--	37	8	7	3	--	3	21
Kenai	5,162	2,780	2,266	373	116	293	175	138	35	8	26	382
Ketchikan	2,583	1,201	1,356	218	26	166	65	79	21	3	11	179
King Cove	126	92	34	10	--	12	7	4	2	--	2	15
Klawock	79	79	--	12	--	--	6	--	2	--	--	8
Kodiak	2,102	1,175	906	192	21	157	78	60	19	3	12	172
Mat-Su	3,501	1,583	1,686	180	232	266	94	100	18	15	19	246
Tenana	189	120	69	19	--	14	9	6	3	--	4	22
Nome	829	403	426	105	--	75	24	27	11	--	5	67
North Slope	1,069	615	450	200	4	84	46	36	19	--	14	115
Pelican	33	22	11	--	--	--	3	2	--	--	--	5
Petersburg	597	406	191	43	--	35	25	13	5	--	3	46
Selawik	193	77	116	18	--	16	6	8	3	--	2	19
Sitka	1,656	742	909	130	5	136	45	52	13	1	9	120
Skagway	208	114	94	10	--	11	8	7	2	--	2	19
St. Mary's	101	72	29	41	--	26	6	3	5	--	3	17
Unalaska	119	61	58	9	--	13	5	5	2	--	2	14
Valdez	953	648	300	107	5	68	38	21	11	1	6	77
Wrangell	516	253	263	59	--	46	16	17	7	--	4	44
Yakutat	152	86	66	19	--	15	7	6	3	--	2	18
TOTALS	71,650	36,112	34,993	5,184	545	4,371	1,926	2,037	513	42	309	4,827

STATE OF ALASKA DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
FINAL REPORT RECAPITULATION: 1976-77 FISCAL YEAR

REGIONAL EDUCATION ATTENDANCE AREAS	Revised ADM End 1st Qtr.	Final ADM 1976-77	Instr. Units	Instr. Unit Allotment	Basic Need	Equiv. of Local Support $611.00/ADM	Final Computation of Entitlement	Per ADM
1. Adak	623	588	* 44/ 41	$33,141	$1,458,204	$359,268	$1,817,472	$3,091
2. Alaska Gateway	440	423	* 48/ 46	27,813	1,335,024	258,453	1,593,477	3,767
3. Aleutian	235	220	* 31/ 30	33,141	1,027,371	134,420	1,161,791	5,281
4. Annette	400	398	* 34/ 33	26,250	892,500	243,178	1,135,678	2,853
5. Bering Straits	322	306	* 42/ 39	33,141	1,391,922	186,966	1,578,888	5,160
6. Chatham	155	157	23	27,235	626,405	95,927	722,332	4,601
7. Chugach	72	64	* 10/ 8	30,188	301,880	39,104	340,984	5,329
8. Copper River	740	699	* 68/ 66	28,750	1,955,000	427,089	2,382,089	3,408
9. Delta/Greely	835	786	* 64/ 60	27,813	1,780,032	480,246	2,260,278	2,876
10. Iditarod	305	277	* 40/ 37	35,110	1,404,400	169,247	1,573,647	5,681
11. Kuspuk	366	360	45	35,110	1,579,950	219,960	1,799,910	5,000
12. Lake & Peninsula	346	362	53	33,141	1,756,473	221,182	1,977,655	5,463
13. Lower Kuskokwim	1457	1418	*113/112	34,125	3,856,125	866,398	4,722,523	3,330
14. Lower Yukon	729	704	* 72/ 70	34,125	2,457,000	430,144	2,887,144	4,101
15. Northwest Arctic	1310	1318	120	35,110	4,213,200	805,298	5,018,498	3,808
16. Pribilof	185	181	* 22/ 21	33,141	729,102	110,591	839,693	4,639
17. Southeast Island	396	397	47	26,250	1,233,750	242,567	1,476,317	3,719
18. Southwest	520	530	66	33,141	2,187,306	323,830	2,511,136	4,738
19. Upper Railbelt	358	356	* 42/ 41	33,438	1,404,396	217,516	1,621,912	4,556
20. Yukon Flats	292	293	37	35,110	1,299,070	179,023	1,478,093	5,045
21. Yukon Koyukuk	699	682	* 86/ 85	35,110	3,019,460	416,702	3,436,162	5,038
Totals	10,785	10,519	1107/1080		$35,908,570	$6,427,109	$42,335,679	
Anchorage On-Base	2,876	2,866	176	25,000	4,400,000	--	4,400,000	
Fairbanks On-Base	2,475	2,427	153	27,813	4,255,389	--	4,255,389	
Grand Totals	16,136	15,812	1,436		$44,563,959	$6,427,109	$50,991,068	

*Entitlement based on first quarter reporting. AS Sec. 14.17.180

Supplement of REAA Final Foundation report dated 7-11-77

STATE OF ALASKA
DEPARTMENT OF EDUCATION

REGIONAL EDUCATION ATTENDANCE AREAS	1976-77 Final ADM						Instructional Units					
	Total ADM	Elem.	Sec.	Sp. Ed. (Non-Add)	Corres.	Voc. Ed. (Non-Add)	Elem.	Sec.	Sp. Ed.	Corres.	Voc. Ed.	Total Units
Adak	588	383	205	6	--	15	23	15	1	-	2	41
Alaska Gateway	423	275	106	25	42	12	24	12	4	4	2	46
Aleutian	220	183	37	16	--	11	19	6	3	-	2	30
Annette	398	228	170	26	--	24	16	11	4	-	2	33
Bering Straits	306	160	146	19	--	18	18	16	3	-	2	39
Chatham	157	85	72	13	--	8	10	9	2	-	2	23
Chugach	64	45	19	5	--	--	5	2	1	-	-	8
Copper River	699	392	243	63	64	32	33	18	6	6	3	66
Delta Greely	786	420	340	54	26	48	25	22	6	3	4	60
Iditarod	277	180	97	12	--	13	20	13	2	-	2	37
Kuspuk	360	240	104	11	16	12	26	13	2	2	2	45
Lake & Peninsula	362	269	77	38	16	23	33	10	5	2	3	53
Lower Kuskokwim	1418	670	748	107	--	109	43	49	11	-	9	112
Lower Yukon	704	446	258	68	--	55	34	22	7	-	7	70
Northwest Arctic	1313	742	571	57	5	57	58	49	6	1	6	120
Pribilof	181	117	64	16	--	13	10	6	3	-	2	21
Southeast Island	397	234	57	26	106	5	29	5	4	8	1	47
Southwest	530	363	152	49	15	37	37	16	6	2	5	66
Upper Railbelt	356	203	153	15	--	35	18	16	3	-	4	41
Yukon Flats	293	219	74	16	--	11	21	11	3	-	2	37
Yukon Koyukuk	682	429	206	38	47	44	44	25	5	5	6	85
Totals	10519	6283	3899	680	337	582	546	346	87	33	68	1080
Anchorage On-Base	2866	2866	--	243	--	--	153	--	23	-	-	176
Fairbanks On-Base	2427	1710	712	162	5	63	95	44	11	-	3	153
Grand Totals	15812	10859	4611	1085	342	645	794	390	121	33	71	1409

1975 PERSONAL INCOME TAX COLLECTIONS

ORGANIZED BOROUGHS

CENSUS DIVISION	NUMBER OF RETURNS	TOTAL ADJUSTED GROSS INCOME	INCOME PER RETURN	EST. STATE INCOME TAX REVENUES	50% OF EST. STATE INCOME TAX REVENUES	40% OF EST. STATE INCOME TAX REVENUES	30% OF EST. STATE INCOME TAX REVENUES
ANCHORAGE	36,209	$550,868,891	$15,213	$22,280,962	$11,140,481	$8,912,384	$6,684,288
BARROW-NORTH SLOPE	769	$10,722,809	$13,943	$433,704	$216,852	$173,481	$130,111
BRISTOL BAY BOROUGH	232	$3,062,136	$13,198	$123,854	$61,927	$49,541	$37,156
FAIRBANKS	17,233	$310,274,674	$18,004	$12,549,661	$6,274,830	$5,019,864	$3,764,898
HAINES	526	$6,692,153	$12,722	$270,677	$135,338	$108,270	$81,203
JUNEAU	4,120	$59,481,069	$14,437	$2,405,827	$1,202,913	$962,330	$721,748
KENAI-COOK INLET	5,094	$84,132,431	$16,515	$3,402,899	$1,701,449	$1,361,159	$1,020,869
KETCHIKAN	3,953	$56,618,151	$14,322	$2,290,031	$1,145,015	$916,012	$687,009
KODIAK	2,532	$30,271,687	$11,955	$1,224,397	$612,198	$489,758	$367,319
MATANUSKA-SUSITNA	3,169	$53,155,715	$16,773	$2,149,986	$1,074,993	$859,994	$644,995
SEWARD	1,037	$14,138,478	$13,634	$571,858	$285,929	$228,743	$171,557
SITKA	2,087	$29,728,861	$14,244	$1,202,441	$601,220	$480,976	$360,732
TOTALS	76,961	$1,209,147,055		$48,906,301	$24,453,150	$19,562,520	$14,671,890
AVERAGES		$100,762,254	$15,711	$635	$317	$254	$190

UNORGANIZED BOROUGH

CENSUS DIVISION	NUMBER OF RETURNS	TOTAL ADJUSTED GROSS INCOME	INCOME PER RETURN	EST. STATE INCOME TAX REVENUES	50% OF EST. STATE INCOME TAX REVENUES	40% OF EST. STATE INCOME TAX REVENUES	30% OF EST. STATE INCOME TAX REVENUES
ALEUTIAN ISLANDS	647	$6,353,344	$9,819	$256,973	$128,486	$102,789	$77,[illegible]
ANGOON	125	$733,682	$5,869	$29,675	$14,837	$11,870	$8,902
BETHEL	1,623	$13,716,145	$8,451	$554,776	$277,388	$221,910	$166,432
BRISTOL BAY	809	$7,872,127	$9,730	$318,403	$159,201	$127,361	$95,521
CORDOVA-MCCARTHY	625	$8,224,031	$13,158	$332,636	$166,318	$133,054	$99,791
KOBUK	1,007	$11,326,381	$11,247	$458,117	$229,058	$183,246	$137,435
KUSKOKWIM	336	$3,669,253	$10,920	$148,410	$74,205	$59,364	$44,523
NOME	1,446	$14,427,556	$9,977	$583,550	$291,775	$233,420	$175,065
OUTER KETCHIKAN	396	$4,358,103	$11,005	$176,271	$88,135	$70,508	$52,881
PRINCE OF WALES	336	$3,026,843	$9,008	$122,426	$61,213	$48,970	$36,727
SKAGWAY-YAKUTAT	739	$8,959,353	$12,123	$362,378	$181,189	$144,951	$108,713
SOUTHEAST FAIRBANKS	1,033	$20,167,033	$19,522	$815,694	$407,847	$326,277	$244,708
UPPER YUKON	333	$3,635,754	$10,918	$147,055	$73,527	$58,822	$44,116
VALDEZ-CHITNA-WHITTIER	2,083	$45,636,152	$21,908	$1,845,842	$922,921	$738,337	$553,752
WADE HAMPTON	626	$4,713,158	$7,529	$190,632	$95,316	$76,253	$57,189
WRANGELL-PETERSBURG	1,825	$23,044,697	$12,627	$932,087	$466,043	$372,835	$279,626
YUKON-KOYUKUK	1,384	$20,691,808	$14,950	$836,920	$418,460	$334,768	$251,076
TOTALS	15,373	$200,555,420		$8,111,853	$4,055,926	$3,244,741	$2,433,556
AVERAGES		$11,797,377	$13,045	$527	$263	$211	$158

OUTSIDE OF ALASKA AND UNCLASSIFIED IN ALASKA

	NUMBER OF RETURNS	TOTAL ADJUSTED GROSS INCOME	INCOME PER RETURN	EST. STATE INCOME TAX REVENUES
OUTSIDE ALASKA	70,348	$1,364,662,247	$19,399	$55,196,357
UNCLASSIFIED IN ALASKA	17,545	$320,867,984	$18,288	$12,978,115
STATE TOTALS	180,227	$3,095,232,706	$17,174	$125,192,700

prepared by:
legislative affairs agency
january, 1978

1975 PERSONAL INCOME TAX COLLECTIONS

ORGANIZED BOROUGHS

CENSUS DIVISION	NUMBER OF RETURNS	TOTAL ADJUSTED GROSS INCOME	INCOME PER RETURN	EST. STATE INCOME TAX REVENUES	50% OF EST. STATE INCOME TAX REVENUES	40% OF EST. STATE INCOME TAX REVENUES	30% OF EST. STATE INCOME TAX REVENUES
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prepared by:
legislative affairs agency
january, 1978

Shively

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3570

9 May 1978

Mr. John Shively
Vice President of Operations
Nana Development Corporation, Inc.
P.O. Box 4-U
Anchorage, Alaska 99509

Dear John,

Thanks so much for your thoughtful letter about HB 202 (taxation in the unorganized borough). I am enclosing a copy of my response to Ms. Johnston's letter. I would like also to address the concerns you raise.

It is not completely true that local governments have been formed when a local tax base develops. There is no local government in Tok, for instance, although there is certainly enough tax base there for at least a second class city. I understand that there is a move afoot to form a borough in the Yukon Flats area, using 150 miles of pipeline as its tax base. (In fact, I have been instrumental in getting $90,000 put into the state budget for FY 79 to fund studies, surveys and public meetings to help the Yukon Flats people decide whether to form a borough.)

I am not at all sure that the state per capita limit on local government taxation of oil and gas production facilities works a hardship on local governments. Rather than being held under the level of other local governments the North Slope Borough and the Kenai Peninsula Borough collect more property taxes per capita than any other boroughs, and the North Slope Borough collects 3 1/2 times as much property tax per capita as the Kenai Borough. (I am referring here to 1976 figures, the only ones available to me as I write this on a Sunday afternoon).

You can argue if you wish that rural areas are supporting the state through oil production, but the fact is that the North Slope development is on state land which the state leased to the oil compaines and the royalties which go into the state treasury were granted to the state in the Statehood Act. If you believe it is true even after all that that the rural areas are supporting the state, then you must a least recognize that it is not because of any effort put forth by

the rural populations of the state.

The thing that I think we need the most in this state is the formation of local governments. There is a very unhealthy love/hate relationship developing between the unincorporated areas of the state and the state government. Rural people are dependant on the state and powerless to influence it. I would be willing to have the state fund the entire cost of local governments in the rural areas to get things started, as we have done with the REAAs. But I would have to have some assurances that local governments would tax themselves as soon as their property valuation reached a certain per capita amount. In fact, I have tried to initiate discussions with my own committee and some rural legislators along these lines and have been firmly rebuffed. It is only natural, I suppose, that as long as people in the rural areas can get things free they will resist any proposals which may lead to their having to pay.

To summarize: the present situation is unhealthy. The best way to end it is to encourage the formation of local governments in the rural areas of the state. I have made a number of efforts this year to interest other legislators in various methods of encouraging the formation of local governments without putting financial burdens on those local governments. So far I am the only legislator I know who is interested in that approach.

I believe that unless something is done to form local governments soon we will see the enactment of a state property tax, for the reasons I outlined in my letter to Ms. Johnston.

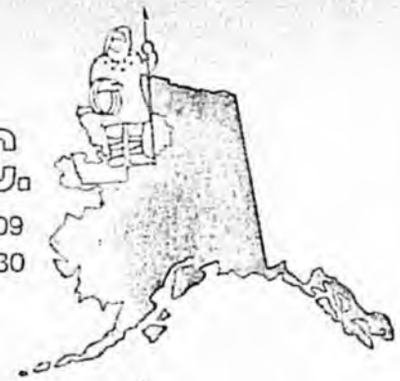
Let's sit down and talk this over next time you're in Juneau.

Yours sincerely,

Lisa Rudd

LR/vb
cc: Elizabeth Johnston, General Counsel
Janie Leask, Exec. V.P., AFN

NANA DEVELOPMENT CORPORATION, INC.
P.O. BOX 4-U, ANCHORAGE, ALASKA 99509
TELEPHONE (907) 276-6030



April 24, 1978

Honorable Lisa Rudd
Alaska State House of Representatives
Pouch V
State Capital Building
Juneau, Alaska 99811

Dear Lisa:

Elizabeth Johnson of Bristol Bay Native Corporation, was kind enough to send me a copy of a letter relating to taxation in the unorganized borough. I would like to say that I personally concur with all of her comments. I think that the letter states fairly clearly the dilemma facing the State Legislature in attempting to levy a property tax on the unorganized borough.

I believe that there are a couple of further points to be made in regard to taxation in the unorganized borough. The first and most important is that whenever there has been industrial or other economic development in the rural areas, which have provided for a tax base, local government of some kind has been formed. Sometimes in rural areas, this government has been formed over the vigorous objection of people in the State Legislature and the State administration as in the case of the North Slope Borough. It is not that rural people do not want a tax system, it is just tht presently there is not a base out there to support any kind of meaningful government.

You should realize that the State has reduced the possibility of potential rural governments by limiting the amount of taxation that can be received from oil development. It is quite possible that one or more boroughs could have been formed along the pipeline route, but with the State limitation on taxation, this will most likely not take place. It seems inconsistent to me that the State Legislature on one hand limits rural people's ability to tax major economic development such as pipeline yet wants to mandate a tax on small homes and businesses owned by individuals that can barely afford to eek out a living.

I think another point worthy of note is that presently State government is supported by the rural areas. Without the income received from oil development, fisheries, and to a limited extent timber, the State government could not exist in its present form. There seems to be a myth among many Anchorage legislators

that the rural parts of the State do not carry out their own weight. I am sure rural people would be more than pleased to retain those revenues that are produced from the rural areas and let Anchorage and Fairbanks try to subsist on the revenues produced from their contributions to the State.

I would be glad to talk to you further on this issue if you would like.

Sincerely yours,

John Shively
Vice President of Operations

JS/mt

cc Elizabeth Johnson
Janie Leask

ltr. V.P.
AFN.

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

26 April 1978

Ms. Elizabeth Johnston
General Counsel - Bristol Bay
Native Corporation
445 E. 5th Avenue P.O. Box 220
Anchorage, Alaska 99510

Dear Ms. Johnston,

Thank you very much for your remarks concerning HB 202, taxation in the unorganized borough. HB 202 has passed out of the Community and Regional Affairs Committee and is now in the House Finance Committee.

My personal feeling is that HB 202 is a needed bill in that it will address an inequity which has existed since statehood. That is, that those residents in the organized municipalities are paying to support not only local government services in their own areas, but also for local government services provided by the state to residents in the unorganized borough.

You suggested that local autonomy cannot be fostered by HB 202. I would, of course, prefer local government incorporation to HB 202. This would allow for local autonomy. However, as long as the state is funding what are normally local government services in the unorganized areas of the state, I must support the levy of a state property tax there.

It may interest you to know that the territorial government instituted a property tax which was levied throughout Alaska. One of the benefits which accrued from that tax and which will accrue to the state again if HB 202 is implemented, is that we will have a current inventory of properties and ownership throughout the state. The cadastral mapping process will straighten out property descriptions and title claims. This is an important tool for planning and value estimating during important negotiations such as D-2, the natural gas pipeline, and other future issues, as well as aiding in the planning of future municipalities.

I do not believe that cadastral mapping and property valuation will be as difficult as you envision. Properties do change hands fairly frequently in the bush. The same mechanisms for property assessment which are used in the organized areas of the state are relevant in the unorganized borough. The sheer magnitude of the inventory task will undoubtedly make it expensive, but once the program is in operation, revenues can be expected to exceed expenses.

To address your points regarding low income in the bush, information presented to the committee did not indicate that Bristol Bay residents are below the state average per capita income level. Rather, they are above the state average. High employment is a normal condition throughout the state --urban and rural, organized and unorganized areas. This is not a desirable condition, but it remains with us and property taxes remain an effective mechanism for funding local services.

As the bill passed out of committee, unimproved land was exempted from taxation. With regard to Native Lands, it is clear in the Alaska Native Claims Settlement Act that the state can tax only lands which have been leased or developed. Among those, HB 202 proposes to tax only those which are "improved." I have enclosed a memorandum from Richard Bradley of Legislative Affairs Agency which discusses this issue.

Please rest assured that HB 202 is not in any way a retreat from the state's obligation to provide education for all its residents. As you have stated, the state pays twice as much for education in the unorganized borough as in the organized boroughs. To provide for a property tax in the unorganized borough is simply an effort to equalize the tax burden. And although education is the largest area of concern there is no dedication of funds to education contained in HB 202. The bill is concerned with all those services which are normally local government services provided by the State in the unorganized borough.

I will say in closing that the time for HB 202 has probably not yet arrived, but I believe such a program is not far away. The obvious alternative for people in the unincorporated areas of the state is to form local governments.

Last year the legislature (led by my Community and Regional Affairs Committee) changed the powers of third class boroughs so that the only mandatory responsibility they now have is providing education within their boundaries. Since the state pays most of the cost of education anyway and since many other local government services are supported by revenue sharing from the state, the cost to rural people of maintaining a minimal

local government structure should not be too great. I have proposed a minimum $25,000 grant to small villages which receive revenue sharing money, which should ease the burden even further.

Again, thank you for your letter. I hope that my response has clarified some of the issues for your.

Yours sincerely,

Lisa Rudd

Lisa Rudd, Chair

LR/vb
cc: Rep. Nels Anderson
Bristol Bay Native Corporation
Bristol Bay Health Corporation
Enc: Copy of Bradley memo

Bristol Bay Native Corporation
445 E. 5TH AVENUE / P.O. BOX 220 / ANCHORAGE, ALASKA 99510 / PH (907) 278-3602

March 31, 1978

The Honorable Lisa Rudd
Alaska State House of
Representatives
Pouch V
State Capitol Building
Juneau, AK 99811

Dear Representative Rudd:

We have reviewed the proposed H.B. 202 and S.B. 35 dealing with real property taxes in the unorganized borough. While real property taxes are the favored way to support school systems, they cannot be justified in the present instance.

1. Real property taxes have basically three virtues: they preserve the autonomy of the local decision-making; they are subject to equitable exemptions for the poor and elderly; finally, they are relatively simple or inexpensive to administer. However, if real property taxes are levied in unorganized borough, none of these goals will be achieved.

a. Local autonomy cannot be fostered by the State Legislature making decisions on local tax rates, exemptions or spending. Not only is the State Legislature removed from the locale to be taxed, but seventy-five percent of that body is elected by persons not subject to the tax.

b. Although Alaska Statute 29.53.025(a) permits certain equitable exemptions, they are optional only. For any of them to be effective, a municipality within the borough, then the borough, and finally, in some instances, the voters must act. Unless first-class cities within the unorganized borough have created a $10,000 exemption for residences, the State Legislature functioning as a borough assembly cannot make said exemption a reality. Equity is thereby lost.

c. Real property taxes are, in general, relatively inexpensive to administer. This fact coupled with high compliance makes them extremely appealing to government. However, the factors which make these taxes inexpensive are absent in the bush. In the unorganized borough, real property descriptions, locations, or recorded owners are almost nonexistent. Furthermore, an identifiable market on which to base full and true value is also lacking. Since the comparable sales approach could not be used for valuation, only the capitalization of income and the cost replacement approaches remain. The income approach, of course, could be used only on income-producing property, yet values will be needed for all "improved" real property. Finally, the cost replacement approach is the least fair or reliable one and, in any case, is of aid only as to buildings. Giving these administrative and valuation problems, costs will be substantial, and the worth of any tax correspondingly reduced.

2. Certain weaknesses or problems are inherent in real property taxes. Such taxes are regressive, and their high effective rate influences economic behavior. Both of these problems are exacerbated when real property taxes are instituted in the bush.

a. Real property taxes are regressive. Unlike income taxes, they impose a greater proportional burden on those with low income. For instance, the estimated income per return of Bristol Bay residents is only half that of Anchorage residents while their cost of living is twenty-eight percent higher. Clearly, the proportional burden of real property taxes on such people is great.

b. Real property taxes influence economic choices or the use of resources. Therefore, care must be taken so that such taxes will foster the type of resource allocation which the State favors. At present, the State of Alaska is trying to protect traditional subsistence and, at the same time, trying to encourage development sufficient to reduce unemployment. Neither of these goals is enhanced by real property taxes.

For instance, it is very expensive for commercial enterprises to locate in rural Alaska. They incur additional costs in housing, communications and transportation by so doing. At present, only the fishing or extractive industries are drawn there because of certain resources.

As a result, rural Alaskans suffer from high unemployment which is only partially offset by their subsistence rights. Many outside communities which have struggled with depressed economies have not only cut taxation, but also donated lands to businesses willing to relocate. Yet Alaska is proposing a real property tax for depressed areas.

To complicate matters further, Bob Dozier of the State Assessor's office has proposed that the unimproved land be taxed too. Such an action would force the landowner to choose among developing, paying taxes out of his other income, or losing his land to the State. Therefore such taxes increase pressure for development but, as discussed above, without the existence of development opportunities. Given that many rural Alaskans do not have much by way of other income, more land would move into State ownership through foreclosure. Certainly, this does not protect a subsistence life-style or encourage development.

Even if the problems discussed above do not exist, two technical or legal difficulties remain. H.B. 202 and S.B. 35 fail to adequately take into account Section 21(d) of the Alaska Native Claims Settlement Act and Article IX, Section 7 of the Alaska Constitution. Confusion, litigation and additional expenses for the State and private property owners alike would result.

1. Generally, Section 21(d) provides that Native lands are exempt for twenty years provided that they are not leased or developed. Congress granted this tax moratorium for many reasons. Partially it was additional compensation for Native claims. Partially it was to allow for necessary adjustments to the economic mainstream. The intent was to give Native corporations time to experiment economically before assuming substantial tax burdens, to provide temporary sanctuary for traditional subsistence, and to retard the inexorable movement of Native lands to non-Native hands. Price, The Tax Exemption of Native Lands Under Section 21(d) of the Alaska Native Claims Settlement Act, 6 UCLA-AK. L.REV. 1 (1976). In so doing, Congress has preempted and limited the State of Alaska's options.

The relevant language of section 21(d) is as follows:

> Real property interests conveyed, pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State and local real property taxes for a period of twenty years ... Provided

Clear in ANCSA that state can tax only lands which have been leased or developed. Among these, HB 202 proposes to tax only those which are "improved."

> That ... local real property taxes ... may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State ...

Yet the State Legislature proposes to tax all improved real property. How does this fit with the phrase "leased or developed"? When the State Legislature is acting as a borough assembly, is it imposing a State or a local tax? Where is the landowner/third-party distinction recognized by the State? Certainly, the proposed bills as presently drafted do not make clear that the State will not encroach on Native rights granted by Congress.

Ed a concern in fact Habeid does not contain any such

2. Article IX, Section 7 of the Alaska Constitution states that "the proceeds of any State tax or license shall not be dedicated to any special purpose ..." Yet S.B. 35 appropriates the net revenues generated by taxation for the benefit of the unorganized borough. Assuming, arguendo, that S.B. 35 imposes a State tax, then the attempt to dedicate revenues to schools or to local government is unconstitutional. It is of no effect. 1969 Atty Gen'l Opinion #3.

Our final concern is that H.B. 202 and S.B. 35 attempt to link the burdens of taxation to the benefits of education. Yet for the foreseeable future, taxable lands in rural Alaska cannot pay for the high cost of education in the bush. Is the State retreating from its commitment to equal opportunities for all Alaska's children? At present, the State spends twice the money ADM in the unorganized borough as it does in the boroughs. If the State does not continue this type of commitment, only areas with a high assessed valuation of real property can choose to have quality education. For the unorganized borough, such choice is illusory. The State's withdrawal, therefore, would violate equal protection. Serrano v. Priest, 557 P.2d 929 (1977) cert. denied.

Very truly yours,

Elizabeth Johnston
General Counsel

cc: Rep. Nels Anderson, Jr.
Bristol Bay Area Health Corp.
Bristol Bay Native Association

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

January 19, 1978

MEMORANDUM

SUBJECT: Individual Income Tax Base in Municipalities (W.O. #4480)

TO: The Honorable Lisa Rudd

FROM: Ken Humphreys
Research Analyst

This memorandum is in response to your request for information concerning the income tax base in municipalities. We have obtained data from the Department of Revenue which sheds some light on the geographical distribution of individual Alaska income tax collections.

The enclosed table gives actual tabulations for the number of 1975 returns for each census district and total adjusted gross income. Returns were assigned to census divisions on the basis of zip codes. Some 70,348 returns (39% of the total number accounting for 44% of total adjusted gross income) were filed with a zip code outside the state; another 17,545 returns (about 10% of the total number accounting for about 10% of total adjusted gross income) had an Alaskan zip code but are "unclassified" by census district.

On the basis of these tabulations, we have assumed that income tax revenues are proportional to adjusted gross income and generated an estimate for state income tax revenues for each division. Finally, we have, as you requested, applied factors of 30%, 40% and 50% to the estimated state income tax revenues for each division to arrive at approximate amounts that might have been generated under a local income tax such as H.B. 75 would allow.

Census divisions have been categorized under a heading of either Organized Boroughs or Unorganized Borough even though boundaries do not exactly correspond.

Zip code allocation of 1976 returns will not be available until March at the earliest. Until then, the best estimate for 1976 individual income tax revenues by census division can be obtained by multiplying the

figures in the enclosed table by $\frac{176,732,500}{125,192,700}$ or 1.41, the ratio of 1976 to 1975 total collections. There is evidence to suggest that there are appreciable differences in the distribution of income from 1975 to 1976, so this method of estimation is not recommended.

Please let us know if you would like further information.

Attachment
KH:dh

SUPPLEMENT TO REVISED FOUNDATION REPORT DATED 1-9-78

STATE OF ALASKA

DEPARTMENT OF EDUCATION

	Revised ADM 1st Qtr.	Elem.	Second.	Sp.Ed. (non-add)	Corres.	Voc.Ed. (non-add)	Elem.	Sec.	Spec.Ed.	Corres.	Voc. Ed.	Total Units
Anchorage	35,125	17,212	17,913	2,107	-	1,806	801	977	198	--	102	2078*
Bristol Bay	237	103	134	12	-	38	9	11	2	--	3	25
Cordova	497	253	244	53	-	64	16	16	6	--	5	43
Craig	190	82	108	11	-	11	7	8	2	--	2	19
Dillingham	405	175	230	57	-	35	12	17	16	--	3	38
Fairbanks	9,003	4,640	4,214	517	149	574	241	237	48	10	38	574
Galena	164	72	92	9	-	24	6	7	2	--	2	17
Hianes	423	207	216	40	-	27	14	16	5	--	3	38
Hoonah	276	132	144	48	-	33	9	10	5	--	3	27
Hydaburg	99	64	35	12	-	21	6	4	2	--	2	14
Juneau	4,305	2,129	2,167	366	9	348	114	123	35	1	21	294
Kake	200	107	93	18		32	8	7	3	--	3	21
Kenai	5,634	3,053	2,442	330	139	265	193	148	31	10	26	408
Ketchikan	2,563	1,176	1,336	206	51	180	66	78	20	5	11	180
King Cove	121	55	66	13	-	13	5	6	2	--	2	15
Klawock	77	77	-	9	-	-	6	-	2	--	--	8
Kodiak	2,040	1,139	878	216	23	150	77	58	21	3	12	171
Mat-Su	3,823	1,749	1,869	182	205	314	105	110	18	13	21	267
Nenana	198	127	71	17	-	26	9	6	3	--	4	22
Nome	799	438	361	101	-	55	26	24	10	--	4	64
North Slope	1,095	593	495	132	7	107	45	39	13	1	15	113
Pelican	35	21	14	-	-	2	3	2	-	--	-	5
Petersburg	581	406	175	43	-	45	25	12	5	--	4	46
Sitka	1,765	798	959	123	8	137	48	55	12	1	8	124
Skagway	232	124	108	12	-	17	9	8	2	--	2	21
St. Mary's	108	82	26	40	-	35	7	3	5	--	3	18
Unalaska	129	65	64	11	-	10	6	6	2	--	2	16
Valdez	826	368	458	134	-	63	22	32	13	--	6	73
Wrangell	499	267	232	47	-	42	17	15	6	--	4	42
Yakutat	168	94	74	21	.	16	7	6	3	--	2	18
TOTALS	71,617	35,808	35,218	4,887	591	4,490	1,919	2,041	482	44	313	4,799

* Based on a preliminary report from the district. The first quarter entitlement has not been determined at this date.

STATE OF ALASKA DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
REVISED REPORT RECAPITULATION
1977-78 FISCAL YEAR

12-13-77

Regional Education Attendance Areas	Final ADM 1976-77	Revised ADM 1st qtr.	Instr. Units	Instr. Unit Allot.	Basic Need	Equiv. of Local Support Estimate $650.00	Revised Computation of Entitlement	per ADM
Adak	588	615	44	$38,500	$1,694,000	$399,750	$2,093,750	$3,404
AK Central Railbelt	356	357	42	36,781*	1,544,802	232,050	1,776,852	4,977
Alaska Gateway	423	415	47	33,000	1,551,000	269,750	1,820,750	4,387
Aleutian	220	231	33	41,250	1,361,250	150,150	1,511,400	4,387
Annette Metlakatla	398	325	33/29**	28,875*	952,875	211,250	1,164,125	3,582
Bering Straits	306	472	65	42,625	2,770,625	306,800	3,077,425	6,520
Chatham	157	189	23	29,958*	689,034	122,850	811,884	4,296
Chugach	64	48	9/8**	33,206*	298,854	31,200	330,054	6,876
Copper River	699	751	70	31,625	2,213,750	488,150	2,701,900	3,598
Delta/Greely	786	765	62	33,000	2,046,000	497,250	2,543,250	3,325
Iditarod	277	271	40	42,625	1,705,000	176,150	1,881,150	6,941
Kuspuk	360	356	48	42,625	2,046,000	231,400	2,277,400	6,397
Lake & Peninsula	362	384	56	42,625	2,387,000	249,600	2,636,600	6,866
Lower Kuskokwim	1418	1469	125	42,625	5,328,125	954,850	6,282,975	4,277
Lower Yukon	704	902	87	42,625	3,708,375	586,300	4,294,675	4,761
Northwest	1318	514	148	42,625	6,308,500	984,100	7,292,600	4,817
Pribilof	181	187	22	41,250	907,500	121,550	1,029,050	5,503
Southeast	397	437	56	28,875*	1,617,000	284,050	1,901,050	4,350
Southwest	530	518	65	42,625	2,770,625	336,700	3,107,325	5,998
Yukon Flats	293	285	37	42,625	1,577,125	185,250	1,762,375	6,184
Yukon-Koyukuk	682	657	78	42,625	3,324,750	427,050	3,751,800	5,702
TOTALS	10,519	11,148	1,190/1,185		46,802,190	7,246,200	54,048,390	

* SLA 1977, Chapter 90, Sec.9

** AS Sec.14.17.031(d)

SUPPLEMENT TO REVISED FOUNDATION REPORT DATED 1-9-78

STATE OF ALASKA
DEPARTMENT OF EDUCATION

School District	Revised ADM 1st Qtr. 1977-78	1-1-76 Property Value	Value per ADM	Index	Level of State Support (95% Min.)	Matching Ratio: 1 Local Support
Anchorage	35,125	$3,739,897,143	$106,474	.77783	96.1108	22.2248
Bristol Bay	237	26,122,279	110,221	.80521	95.9740	23.8386
Cordova	497	31,145,500	62,667	.45781	97.7110	42.6866
Craig	190	4,788,275	25,201	.18411	99.0795	107.6446
Dillingham	405	12,169,965	30,049	.21952	98.9024	90.1098
Fairbanks	9,003	1,237,213,035	137,422	1.00393	95.0000	19.0000
Galena	164	1,589,500	9,692	.07080	99.6460	281.5049
Haines	423	35,901,910	84,874	.62004	96.8998	31.2557
Hoonah	276	3,318,375	12,023	.08783	99.5608	226.7108
Hydaburg	99	1,269,775	12,826	.09370	99.5315	212.4497
Juneau	4,305	326,964,635	75,950	.55485	97.2258	35.0464
Kake	200	2,126,165	10,631	.07766	99.6117	256.5145
Kenai	5,634	908,583,275	161,268	1.17813	95.0000	19.0000
Ketchikan	2,563	245,439,315	95,763	.69958	96.5021	27.5886
King Cove	121	2,290,785	18,932	.13831	99.3085	143.6015
Klawock	77	906,400	11,771	.08600	99.5700	231.4853
Kodiak	2,040	145,763,615	71,453	.52199	97.3900	37.3143
Mat-Su	3,823	453,284,865	118,568	.86619	95.6691	22.0899
Nenana	198	3,563,695	17,998	.13149	99.3426	151.1019
Nome	799	19,273,555	24,122	.17622	99.1189	112.4944
North Slope	1,095	1,794,223,660	1,638,560	11.97034	95.0000	19.0000
Pelican	35	2,646,250	75,607	.55234	97.2383	35.2109
Petersburg	581	33,067,805	56,915	.41579	97.9211	47.1024
Sitka	1,765	150,585,865	85,318	.62328	96.8836	31.0883
Skagway	232	23,421,050	100,953	.73750	96.3125	26.1186
St. Mary's	108	660,000	6,111	.04464	99.7768	446.8984
Unalaska	129	13,903,863	107,782	.78739	96.0630	24.4002
Valdez	826	544,885,760	659,668	4.81914	95.0000	19.0000
Wrangell	499	35,755,600	71,655	.52347	97.3827	37.2073
Yakutat	168	2,562,435	15,253	.11143	99.4429	178.5104
TOTALS	71,617	$9,803,324,350				
		136,885 average				

Supplement to REAA Revised Foundation Report dated 12-13-77

STATE OF ALASKA

DEPARTMENT OF EDUCATION

REAA	1977-78 Revised ADM 1st Qtr. ADM 1977-78	Instructional Units Elem.	Sec.	Spec.Ed. (Non-Add)	Corres.	Voc. Ed (Non-add)	Elem.	Sec.	Spec. Ed.	Corres.	Voc. Ed.	Total
Adak	615	411	204	6	-	29	25	15	1	-	3	44
AK Central Railbelt	357	198	139	14	-	24	19	17	2	-	4	42
Alaska Gateway	415	225	138	30	52	15	20	16	4	5	2	47
Aleutian	231	156	64	24	11	8	18	9	3	2	1	33
Annette Metlakatla	325	167	158	32	-	29	11	11	4	-	3	29
Bering Straits	472	119	344	28	9	93	15	35	4	1	10	65
Chatham	189	95	94	13	-	11	11	8	2	-	2	23
Chugach	48	39	9	5	-	-	5	2	1	-	-	8
Copper River	751	422	247	55	82	44	35	18	6	7	4	70
Delta/Greely	765	412	317	54	36	65	25	22	6	4	5	62
Iditarod	271	156	103	11	12	27	18	14	2	2	4	40
Kuspuk	356	212	130	11	14	11	25	17	2	2	2	48
Lake & Peninsula	384	281	91	37	12	23	33	13	5	2	3	56
Lower Kuskokwim	1469	622	847	137	-	98	41	61	14	-	9	125
Lower Yukon	902	608	294	72	-	71	45	26	8	-	8	87
Northwest	1514	769	735	106	10	106	64	59	11	2	12	148
Pribilof	187	114	73	16	-	12	10	7	3	-	2	22
Southeast	437	272	65	27	100	13	35	7	4	8	2	56
Southwest	518	345	160	48	13	34	35	17	6	2	5	65
Yukon Flats	285	204	66	19	15	13	19	11	3	2	2	37
Yukon-Koyukuk	657	349	226	34	82	44	38	24	4	7	5	78
TOTALS	11,148	6,176	4,524	779	448	770	547	409	95	46	88	1,185

STATE OF ALASKA
DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
REVISED REPORT RECAPITULATIONS
1977-78 FISCAL YEAR

1-9-78

	Final ADM (1976-77)	Revised ADM 1st Qtr.	Instr. Units	Instr. Unit Allotment	Basic Need	Level of State Support (95% Min.)	Final Computation of Entitlement	Per ADM
Anchorage	35,332	35,125	2,078*	$27,500	$57,145,000	96.1108	$54,922,517	$1564
Bristol Bay	264	237	25	42,625	1,065,625	95.9740	1,022,723	4315
Cordova	533	497	43	31,625	1,359,875	97.7110	1,328,747	2674
Craig	182	190	19	29,700	564,300	99.0795	559,106	2943
Dillingham 40/39	411	405	38	42,625	1,619,750	98.9024	1,601,972	3955
Fairbanks	9,071	9,003	574	30,800	17,679,200	95.0000	16,795,240	2926
Galena	136	164	17	42,625	724,625	99.6460	722,060	4403
Haines	454	423	38	31,625	1,201,750	96.8998	1,164,493	2753
Hoonah	280	276	27	30,800	831,600	99.5608	827,948	3000
Hydaburg	100	99	14	29,700	415,800	99.5315	413,852	4180
Juneau	4,253	4,305	294	27,500	8,085,000	97.2258	7,860,706	1826
Kake	202	200	21	29,700	623,700	99.6117	621,278	3106
Kenai	5,162	5,634	408	29,700	12,117,600	95.0000	11,511,720	2043
Ketchikan	2,583	2,563	180	27,500	4,950,000	96.5021	4,776,854	1864
King Cove	126	121	15	41,250	618,750	99.3085	614,471	5078
Klawock	79	77	8	29,700	237,600	99.5700	236,578	3072
Kodiak	2,102	2,040	171	30,800	5,266,800	97.3900	5,129,377	2514
Mat-Su	3,501	3,823	267	28,600	7,636,200	95.6691	7,305,484	1911
Nenana	189	198	22	36,781**	809,182	99.3426	803,862	4060
Nome	829	799	64	42,625	2,728,000	99.1189	2,703,964	3384
North Slope	1,069	1,095	113	42,625	4,816,625	95.0000	4,575,794	4179
Pelican	33	35	5	31,040**	155,200	97.2383	150,914	4312
Petersburg	597	581	46	28,600	1,315,600	97.9211	1,288,250	2217
Sitka	1,656	1,765	124	28,600	3,546,400	96.8836	3,435,880	1947
Skagway	208	232	21	29,700	623,700	96.3125	600,701	2589
St. Mary's	101	108	18	42,625	767,250	99.7768	765,537	7088
Unalaska	119	129	16	41,250	660,000	96.0630	634,016	4915
Valdez	953	826	73	31,625	2,308,625	95.0000	2,193,194	2655
Wrangell	516	499	42	28,600	1,201,200	97.3827	1,169,761	2344
Yakutat	152	168	18	33,000	594,000	99.4429	590,691	3516
TOTALS	71,457	71,617	4,799		141,668,957		136,327,690	
Centralized Corres.	434	537	32	27,500	880,000	100.00	880,000	1639

**SLA 1977, Chapt 90, Sec. 9

* Based on a preliminary report from the district. The first quarter entitlement has not been determined at this date.

STATE OF ALASKA DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
REVISED REPORT RECAPITULATION
1977-78 FISCAL YEAR

12-13-77

Regional Education Attendance Areas	Final ADM 1976-77	Revised ADM 1st qtr.	Instr. Units	Instr. Unit Allot.	Basic Need	Equiv. of Local Support Estimate $650.00	Revised Computation of Entitlement	er T
Adak	588	615	44	$38,500	$1,694,000	$399,750	$2,093,750	$3,404
AK Central Railbelt	356	357	42	36,781*	1,544,802	232,050	1,776,852	4,977
Alaska Gateway	423	415	47	33,000	1,551,000	269,750	1,820,750	4,387
Aleutian	220	231	33	41,250	1,361,250	150,150	1,511,400	4,387
Annette Metlakatla	398	325	33/29**	28,875*	952,875	211,250	1,164,125	3,582
Bering Straits	306	472	65	42,625	2,770,625	306,800	3,077,425	6,520
Chatham	157	189	23	29,958*	689,034	122,850	811,884	4,296
Chugach	64	48	9/8**	33,206*	298,854	31,200	330,054	6,876
Copper River	699	751	70	31,625	2,213,750	488,150	2,701,900	3,598
Delta/Greely	786	765	62	33,000	2,046,000	497,250	2,543,250	3,325
Iditarod	277	271	40	42,62[illegible]	1,705,000	176,150	1,881,150	6,941
Kuspuk	360	356	48	42,675	2,046,000	231,400	2,277,400	6,397
Lake & Peninsula	362	384	56	42,625	2,387,000	249,600	2,636,600	6,866
Lower Kuskokwim	1418	1469	125	42,625	5,328,125	954,850	6,282,975	4,277
Lower Yukon	704	902	87	42,625	3,708,375	586,300	4,294,675	4,761
Northwest	1318	1514	148	42,625	6,308,500	984,100	7,292,600	4,817
Pribilof	181	187	22	41,250	907,500	121,550	1,029,050	5,503
Southeast	397	437	56	28,875*	1,617,000	284,050	1,901,050	4,350
Southwest	530	518	65	42,625	2,770,625	336,700	3,107,325	5,998
Yukon Flats	293	285	37	42,625	1,577,125	185,250	1,762,375	6,184
Yukon-Koyukuk	682	657	78	42,625	3,324,750	427,050	3,751,800	5,702
TOTALS	10,519	11,148	1,190/1,185		46,802,190	7,246,200	54,048,390	

* SLA 1977, Chapter 90, Sec.9

** AS Sec.14.17.031(d)

STATE OF ALASKA DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
REVISED REPORT RECAPITULATION
1977-78 FISCAL YEAR

12-13-77

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* SLA 1977, Chapter 90, Sec.9

** AS Sec.14.17.031(d)

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 March 7, 1977

SUBJECT: HB 202; certain questions

TO: Representative Lisa Rudd
Chairperson of C & R A

FROM: Richard A. Bradley
Legislative Counsel

You have requested my comments on certain features of HB 202, introduced by Representative Parr.

An analysis of §100(b)(1): This subsection provides that certain property is exempt from the tax levied under §100(a). Four classes of property are listed:

"(1) unimproved land." Section 21(d) of the Alaska Native Claims Settlement Act provides:

> (d) Real property interests conveyed pursuant to this Act, to a Native individual, Native Group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from state and local real property taxes for a period of twenty years after the date of enactment of this Act (December 18, 1971): Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the state: Provided further, That easements, rights of way, leaseholds, and similar interests in such real property may be taxed in accordance with state or local law. All rents, royalties, profits and other revenues or proceeds derived from such property interests shall be taxable to the same extent as such revenues or proceeds are taxalbe when received by a non-Native individual or corporation.

Congress possesses constitutional authority to deal with Natives (or Indians) differently than non-Natives. Art. I, §8, clause 3, United States Constitution. Accordingly, §21(d) does not violate the "equal protection clause" of the

Fourteenth Amendment. There is a general consensus, however, that states do not have a similar authority and must deal with all their residents equally.

It strikes me that a provision of state law according a preferred status tax-wise to unimproved property establishes a reasonable classification for tax purposes; the existence of §21(d) is an adequate basis for the exemption. If a more elaborate rationale needs to be developed, consider the thesis that undeveloped land (in rural settings) is unproductive and hence should not be taxed. In an age concerned with the environment, a policy of establishing tax patterns which do not encourage (or force) development is socially desirable. Other states (and Alaska, AS 29.53.035) currently give special tax status to agricultural lands. Whether all the lands which will benefit from this exemption are agricultural does not seem significant.

Note that section 21(d) would allow taxation when property interests in third parties are created by lease. The exemption in §100(b)(1) does not seek to reach unimproved property held by lessees.

Note also that "unimproved land" is defined in the bill at §230(2).

"(2) real property exempt from taxation under AS 29-.53.020," this provision of the municipal code establishes "required exemptions." They include (under §20(a)):

(a)(1) municipal, state, or federally owned property. This section merely recites existing law, that is, the listed property is exempt, not because of this section but because of Federal and State law. Note that the section explicitly recognizes that to the extent that lessees are taxable, they pay taxes to the extent of their interest.

(2) household furniture of individual householders not exceeding $500.

(3) property used exclusively by nonprofit religious, charitable, hospital, cemetary or educational purposes.

(4) property of veterans' organization.

(5) "money on deposit."

(6) property owned by senior citizens under the terms of the exemption at §20(e).

The provisions of subsections (b) through (i) of 20 elaborate on the rights granted under (a), above.

"(3) real property exempted by a second class city under AS 29.53.025(a)." Second class cities may exist within the unorganized borough, AS 29.03.010. Such cities possess a "limited property tax," AS 29.53.410. A municipality levying that tax may grant an exemption on the first $10,000 of value on a residence, AS 29.53.025(a).

"(4) real property subject to or exempt from taxation under AS 43.56 and AS 43.58." AS 43.56 establishes "oil and gas exploration production, and pipeline transportation property taxes." AS 43.58 establishes the "oil and gas reserves ad valorem tax." The property described in this paragraph is exempt from the taxes levied under HB 202 because the scheme of taxation established under AS 43.56 and AS 43.58 is comprehensive and is considered to result in full taxation of the properties subject to those taxes.

If you have any questions on the analysis here, please advise.

You also requested our comments on the implications of HB 202 for Village Housing or for ASHA projects generally that may exist in the unorganized borough.

AS 18.55.250 provides:

> The property of the [Alaska State Housing] authority is public property used for essential public and governmental purposes and this property and the authority are exempt from all taxes and special assessments of a municipality, the state or a political subdivision of the state. However, instead of taxes, the authority may make payments to the municipality or political subdivision for improvements services and facilities furnished by it for the benefit of a housing or public building project.

Regional Native Housing Authorities created under AS 18-55.995-.996 are given "all [the] powers, rights, and functions now or subsequently specified for the Alaska State Housing Authority...under §§10-290 of [AS 18.55].

Accordingly, it appears that any improvements to lands owned by ASHA or the regional native housing authorites will be tax exempt (and will also contribute funds in lieu of taxes, if any are levied).

If you have any other questions, please advise; if you need me at the hearing Thursday, I am as close as your telephone and can come over immediately (3896).

RAB:smh

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

April 12, 1977

SUBJECT: Comparison of Per Capita Individual Income Tax Derived From the Unorganized Borough With That Derived From the Organized Boroughs (W.O.# 3666)

TO: The Honorable Lisa Rudd

FROM: Alexander Hoke AH
Research Analyst

WITH: Gregg K. Erickson
Director of Research

The Audit Division of the Department of Revenue informs us that the means to distinguish between those state individual income tax returns from the organized boroughs and those from the unorganized borough is not available to the department at the present time. Gary Jenkins, Director of the Audit Division, estimates that his present staff size must be at least doubled in order to extract and retain from the returns the additional data elements crucial to answering this and many similar questions referred to his office every year.

In the face of Revenue's inability to provide the data you need, we have developed an alternative approach.

The U.S. Bureau of Census generates population estimates annually, and the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce provides statistics on per capita personal income by Census Division. The BEA data and the Census Bureau data (adjusted by the Alaska Department of Labor) used in this study is published in the Alaska Department of Commerce and Economic Development analysis of The Alaskan Economy Mid-Year Performance Report 1976 (hereinafter referred to as Mid-Year Report). A systematic categorization of the Census Division data into the organized borough or unorganized borough classifications provides a basis for estimating the proportion of state personal income tax revenues derived from each jurisdiction. Our method, though very complex, yields estimates that are--in our opinion-reasonably accurate *when used for the purposes intended*, i.e., to provide a comparison of the aggregate income tax burden in the organized and unorganized boroughs.

Our first assumption, then, is that the Census Division boundaries correspond closely enough to borough boundaries that Census Division population and income data can be grouped into borough classifications with a relatively high degree of confidence.

The second assumption we must make is that 1974 BEA statistics for per capita income (the most current available) are directly proportional to 1975 levels. [It is our opinion that an evaluation of 1974 data would prove so far removed from present reality that such an analysis would be valueless. Hence, we have chose to adjust 1974 data to correspond with 1975 conditions.] Naturally, there exists the very real danger, discussed in more detail later, that pipeline construction activity, Alaska Native Settlement Act impact, and other causes may have significantly disturbed the arithmetic relationship of a given Census Division with that of any other division.

Next, we note the "known" statistics which we manipulate on the basis of the above assumptions, namely the following statewide statistics for 1975 which provide guidelines for our computations:

404,634 = state total population for 1975
(Department of Labor)

$2,306,407,942 = state total taxable income for calendar 1975
(Department of Revenue)

$119,385,690 = state individual income tax revenues calculated from fiscal 1976 collections of $146,202,135

plus 1st Quarter Withholding of FY 1975	+26,582,449
plus 2nd Quarter Withholding of FY 1975	+33,406,030
minus 1st Quarter Withholding of FY 1976	-37,216,531
minus 2nd Quarter Withholding of FY 1976	-49,588,393
(Department of Revenue)	$119,385,690

182,907 = number of state individual income tax returns
(Department of Revenue)

Referring, now, to the attached computer printout (1975 Personal Income Tax Evaluation) we define each column of the printout as to its origin and/or derivation:

Census Division: This column represents a categorization of the Census Divisions into either the organized boroughs classification or the unorganized borough classification.

Population: These figures are taken directly from the Mid-Year Report (Table 10, page 45).

Estimated Per Capita Taxable Income: Table 15, page 49 of the Mid-Year Report offers Bureau of Economic Analysis residency adjusted estimates of per capita personal income (adjusted gross income) by Census Division for 1974. Recalling that we have a reliable 1975 total for state taxable income, $2,306,407,942, we assume that taxable income is directly proportional to adjusted gross income, for which we have BEA 1974 statistics. If we further assume that the 1974 taxable income per Census Division is directly proportional to 1975 taxable income per Census Division, we can compute the appropriate proportionality factor which will lead us to an estimate of the 1975 state total taxable income figure. To summarize our procedure, the figures in the Estimated Per Capita Taxable Income column of the computer printout represent the product of 1974 BEA per capita personal income statistics and two factors of proportionality--one converting adjusted gross income to taxable income, and the other adjusting 1974 data to 1975 levels.

Estimated Total Taxable Income: The Census Division total taxable income is merely the product of the population and the per capita taxable income.

Estimated State Income Tax Revenues: We have a reliable estimate of calendar 1975 state individual income tax revenues, $119,385,690. In line with our earlier assumption that the taxable income per Census Division is proportional to the BEA personal income figures, we further assume that income tax revenues per Census Division are proportional to the total taxable income for the division. Census Division income tax revenue figures are then equal to the product of state total individual income tax revenues times the quotient of total taxable income for the division as a fraction of the total taxable income for the state.

Estimated Number of Returns: Assuming that the number of tax returns from a given Census Division is proportional to the population of that division, we compute the number of returns per division as the product of the total number of returns for the state and the ratio of the population of that Census Division to the total state population.

Estimated Income Per Return: Per return income is the quotient of total taxable income for the Census Division (numerator) and the number of tax returns (denominator).

Method 1 Estimated Tax Per Return: Method 1 computes per return income tax as a function of the per return income for the Census Division as applied to the tax tables, and is adjusted proportionately so that total state income tax revenues matches the value supplied by the Department of Revenue.

Method 2 Estimated Tax Per Return: Method 2 is offered as a check against method 1 values, and is simply the quotient of the income tax revenues for the Census Division divided by the number of tax returns. It should be noted that when the per return income tax falls below $668, method 1 values are less than the corresponding method 2 values, and when the per return tax is greater than $668, method 1 values are greater than the corresponding method 2 values. This is the relationship we expected, in light of the progressive nature of the income tax tables.

It is our belief that the methodology used in this evaluation is the most useful and the most responsible procedure attainable under present circumstances. Nevertheless, several caveats are in order. Obtaining a satisfactory total for state population, for instance, is a highly speculative matter. The disparity between the Bureau of the Census estimates for 1975 state population (352,000) and the estimates provided by the Alaska Department of Labor (404,634) readily attests to the magnitude of the problem. Moreover, because revenue sharing allocations are based on the number of residents, there is much squabbling among borough governments over the residency of many pipeline construction workers. Hence, the proper ranking of Census Divisions in terms of population size is uncertain.

Additionally, many of our assumptions are subject to some degree of error. For example, while we have assumed a direct relationship between the number of tax returns and the population size of a Census Division, common sense dictates that in rural areas, where a significant proportion of residents rely on a subsistence economy, the ratio of the number of returns to the number of residents may differ widely from the same ratio in the urban areas.

Furthermore, according to the Mid-Year Report, radical changes in the BEA personal income statistics after 1973 arose from the large transfer payments of the Alaska Native Settlement Act. Although state averages were not greatly affected, certain Census Divisions (Angoon, Barrow, Bethel, Wade Hampton, etc.) experienced marked increases in personal income levels as a consequence of these transfer payments, due primarily to the subsistence economy prevalent in these districts. The question that arises is--just what sort of changes have taken place from our 1974 BEA income statistics to our 1975 income estimates?

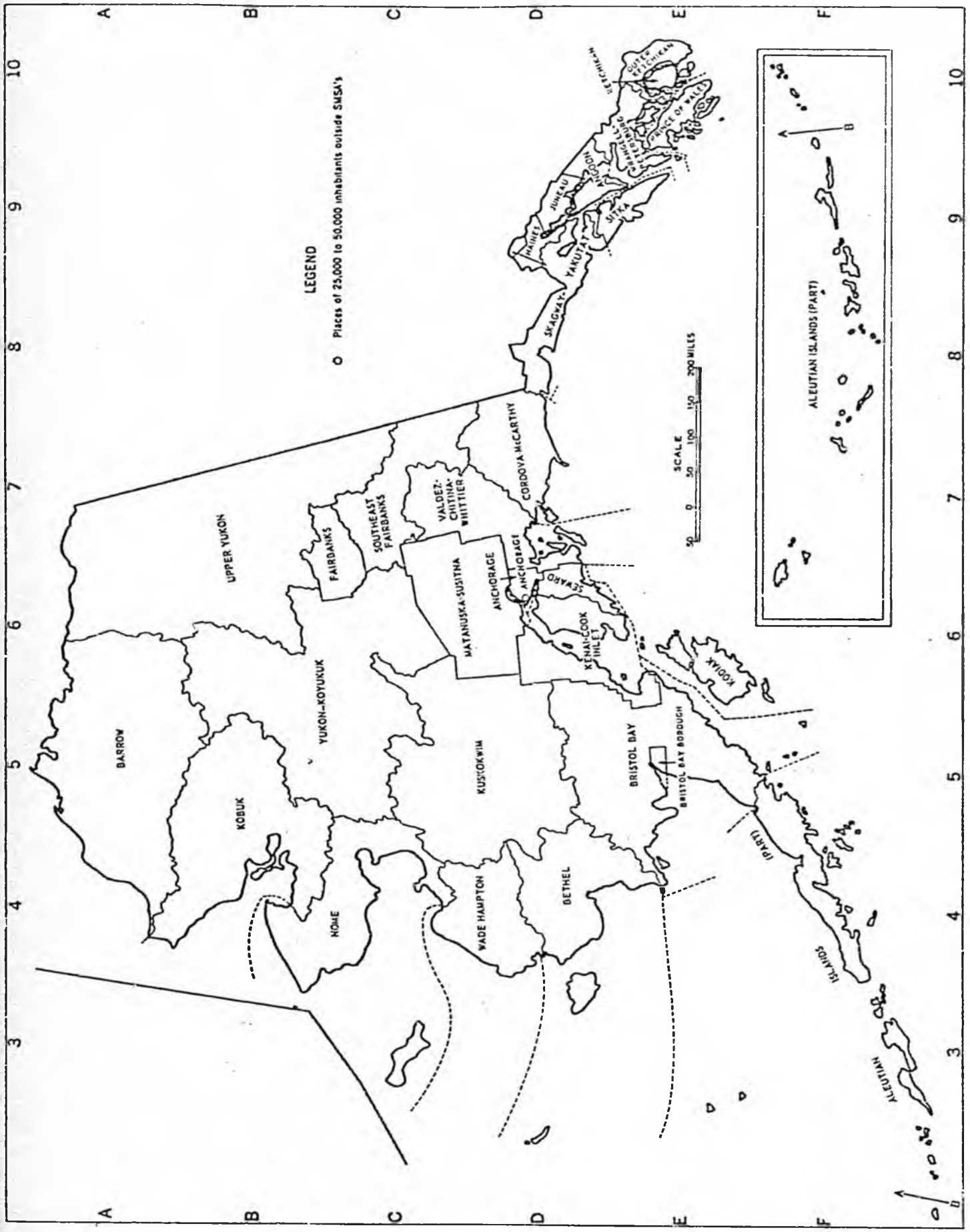
To further compound the problem, BEA assumes, for purposes of personal income calculations, that these Alaska Native Settlement Act transfer payments are present, tangible income to the individual natives involved. In fact, the payments are made to regional native corporations and hence the income is essentially non-transferable (until 1991) stock in the corporations. In other words, the BEA per capita income figures tend to infer higher incomes than is actually the case since the transfer payment income is not a readily accessible or liquid income.

An additional problem emanates from the methodology used by the Bureau of the Census for population estimates. The Census Bureau population migration estimates are directly related to the number of school age children in a Census Division over the period of time in question. The Division of Economic Enterprise, according to the Mid-Year Report, believes that this methodology ignores the phenomenon of the preponderence of pipeline construction workers being either single or having decided not to bring their families to Alaska. Consequently, the per capita personal income data supplied by BEA, for those Census Divisions affected most severely by pipeline construction, is skewed toward higher values, since the relatively low numbers of school children would reflect a low general population (according to Census Bureau methodology).

In summary, avenues for the introduction of error into our calculations are clearly present in this evaluation. Nevertheless, we feel that a reliance on the relative magnitudes and interrelationships of the data is warranted, particularly in view of the close agreement of the estimated income tax as calculated by the two different methods.

AH:mo
Attachments

Census Divisions and Selected Places



1975 PERSONAL INCOME TAX EVALU

ORGANIZED BOROUGHS

CENSUS DIVISION	POPULATION	ESTIMATED PER CAPITA TXBL INCOME	ESTIMATED TOT TAXABLE INCOME
ANCHORAGE	177,817	$5,919	$1,052,526,156
BARROW-NORTH SLOPE	6,454	$3,286	$21,211,596
BRISTOL BAY BOROUGH	1,914	$6,369	$12,191,733
FAIRBANKS	55,517	$6,156	$341,787,580
HAINES	2,069	$4,644	$9,608,866
JUNEAU	17,714	$6,616	$117,213,251
KENAI-COOK INLET	15,621	$5,485	$85,695,302
KETCHIKAN	11,311	$6,181	$69,916,157
KODIAK	8,801	$6,282	$55,288,978
MATANUSKA-SUSITNA	12,462	$4,355	$54,280,116
SEWARD	3,149	$5,558	$17,504,230
SITKA	6,595	$6,042	$39,849,290
AVERAGES		$5,876	
TOTALS	219,424		$1,877,073,261

UNORGANIZED BOROUGH

CENSUS DIVISION	POPULATION	ESTIMATED PER CAPITA TXBL INCOME	ESTIMATED TOT TAXABLE INCOME
ALEUTIAN ISLANDS	7,086	$6,628	$46,969,970
ANGOON	481	$3,959	$1,904,571
BETHEL	8,576	$3,561	$30,539,850
BRISTOL BAY	3,847	$3,059	$11,768,772
CORDOVA-MCCARTHY	2,003	$6,402	$12,824,887
KOBUK	4,548	$3,486	$15,857,375
KUSKOKWIM	2,721	$4,166	$11,336,530
NOME	6,660	$4,249	$28,303,790
OUTER KETCHIKAN	1,764	$5,565	$9,817,150
PRINCE OF WALES	2,502	$5,221	$13,063,751
SKAGWAY-YAKUTAT	2,732	$4,994	$13,645,730
SOUTHEAST FAIRBANKS	5,894	$5,833	$34,385,548
UPPER YUKON	8,780	$7,073	$62,104,316
VALDEZ-CHITNA-WHITTIER	9,699	$4,716	$45,466,851
WADE HAMPTON	4,284	$3,094	$13,257,955
WRANGELL-PETERSBURG	5,270	$5,909	$31,141,652
YUKON-KOYUKUK	8,423	$5,573	$46,945,977
AVERAGES		$5,038	
TOTALS	85,210		$429,334,681

STATE TOTALS	404,634		$2,306,407,942

* Please note attached memorandum

TION

EST. STATE INCOME TAX REVENUES	ESTIMATED NBR OF RETURNS	ESTIMATED INCOME PER RETURN	METHOD 1 ESTIMATED TAX PER RETURN	METHOD 2 ESTIMATED TAX PER RETURN
$54,481,498	80,3[illegible]9	$13,094	$682	$677
$1,097,967	2,917	$7,270	$302	$376
$631,075	[illegible]5	$14,091	$760	$729
$17,621,816	25,[illegible]5	$13,619	$723	$704
$497,380	935	$10,274	$483	$531
$5,067,353	8,[illegible]7	$14,638	$806	$757
$4,435,812	7,[illegible]1	$12,136	$608	$628
$3,618,042	5,1[illegible]2	$13,674	$727	$707
$2,861,901	3,978	$13,897	$745	$719
$2,809,680	5,633	$9,635	$442	$498
$906,064	1,423	$12,297	$621	$636
$2,062,707	2,931	$13,367	$703	$691
		$12,999	$678	$672
97,162,207	144,390			

EST. STATE INCOME TAX REVENUES	ESTIMATED NBR OF RETURNS	ESTIMATED INCOME PER RETURN	METHOD 1 ESTIMATED TAX PER RETURN	METHOD 2 ESTIMATED TAX PER RETURN
$2,431,283	3,[illegible]03	$14,663	$808	$759
$98,585	[illegible]17	$8,759	$389	$453
$1,580,822	3,[illegible]76	$7,877	$336	$407
$609,152	1,[illegible]38	$6,767	$275	$350
$663,849	[illegible]05	$14,164	$766	$733
$820,819	2,[illegible]56	$7,713	$327	$399
$586,808	1,[illegible]29	$9,216	$417	$477
$1,465,073	3,[illegible]10	$9,401	$428	$486
$508,161	[illegible]07	$12,311	$622	$637
$676,213	1,[illegible]30	$11,550	$568	$597
$706,309	1,[illegible]34	$11,049	$534	$571
$1,779,835	2,[illegible]54	$12,906	$668	$668
$3,214,681	3,[illegible]38	$15,647	$889	$809
$2,353,482	4,[illegible]67	$10,434	$494	$540
$686,266	1,[illegible]06	$6,846	$279	$354
$1,611,973	2,[illegible]32	$13,072	$681	$676
$2,430,046	3,[illegible]17	$12,329	$623	$638
		$11,146	$556	$576
$2,323,482	39,[illegible]17			
$3,335,689	182,[illegible]57			

Legislative Affairs Agency
Research Division
12 April 1977

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 31, 1977

SUBJECT: Legislative Powers in the Unorganized Borough

TO: Representative Lisa Rudd

FROM: Richard Bradley, Legislative Counsel RB

Judith Pinero's memorandum raised questions regarding the responsibilities of the legislature when it exercises powers granted to a borough assembly in organized boroughs. Specifically, she asked that I comment on two questions:

> (1) Since the legislature acts as the assembly for the unorganized borough, does the legislature then fall under the statutory restrictions on the taxing powers of the boroughs? If so, what are those restrictions?
>
> (2) Given the same authority of the legislature for the unorganized borough, does the legislature fall under any statutory requirements on the assessment and the appeal process of assessments?

Under the Alaska Constitution,

> The legislative power of the State is vested in a legislature consisting of a senate ... and a house of representatives .... (Art. II, sec. 1)

Acting under this grant of authority, the legislature has created the framework of cities and boroughs and given them the broad range of powers they exercise. The legislature has established by statute the taxing powers of cities and boroughs (AS 29.53.010); similarly it has established the statutory requirements on assessment of property and has established an appeal process on assessments (AS 29.53.100 et. seq.)

At the same time, the Alaska Constitution recognizes that not all areas of the State may be organized into cities and boroughs. The areas excluded from organized municipal

context, in fact the legislature does not presently possess the responsibility, in any capacity, to act as an assessment review board. Since any legislation establishing such taxes and necessitating a review process may well deal with this issue explicitly, it seems undesirable to address the question abstractly. I suggest, moreover, that the legislature may wish to consider alternatives to the assumption of this function in any future legislation establishing a real property tax. See, for example, AS 43.56.040.

RB:lmk

STATE OF ALASKA DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
REVISED REPORT RECAPITULATION
1977-78 FISCAL YEAR

12-13-77

Regional Education Attendance Areas	Final ADM 1976-77	Revised ADM 1st qtr.	Instr. Units	Instr. Unit Allot.	Basic Need	Equiv. of Local Support Estimate $650.00	Revised Computation of Entitlement	per ADM
Adak	588	615	44	$38,500	$1,694,000	$399,750	$2,093,750	$3,404
AK Central Railbelt	356	357	42	36,781*	1,544,802	232,050	1,776,852	4,977
Alaska Gateway	423	415	47	33,000	1,551,000	269,750	1,820,750	4,387
Aleutian	220	231	33	41,250	1,361,250	150,150	1,511,400	4,387
Annette Metlakatla	398	325	33/29**	28,875*	952,875	211,250	1,164,125	3,582
Bering Straits	306	472	65	42,625	2,770,625	306,800	3,077,425	6,520
Chatham	157	189	23	29,958*	689,034	122,850	811,884	4,296
Chugach	64	48	9/8**	33,206*	298,854	31,200	330,054	6,876
Copper River	699	751	70	31.625	2,213,750	488,150	2,701,900	3,598
Delta/Greely	786	765	62	33,000	2,046,000	497,250	2,543,250	3,325
Iditarod	277	271	40	42,625	1,705,000	176,150	1.881,150	6,941
Kuspuk	360	356	48	42,625	2,046,000	231,400	2,277,400	6,397
Lake & Peninsula	362	384	56	42,625	2,387,000	249,600	2,636,600	6,866
Lower Kuskokwim	1418	1469	125	42,625	5,328,125	954,850	6,282,975	4,277
Lower Yukon	704	902	87	42,625	3,708,375	586,300	4,294,675	4,761
Northwest	1318	1514	148	42,625	6,308,500	984,100	7,292,600	4,817
Pribilof	181	187	22	41,250	907,500	121,550	1,029,050	5,503
Southeast	397	437	56	28,875*	1,617,000	284,050	1,901,050	4,350
Southwest	530	518	65	42,625	2,770,625	336,700	3,107,325	5,998
Yukon Flats	293	285	37	42,625	1,577,125	185,250	1,762,375	6,184
Yukon-Koyukuk	682	657	78	42,625	3,324,750	427,050	3,751,800	5,702
TOTALS	10,519	11,148	1,190/1,185		46,802,190	7,246,200	54,048,390	

* SLA 1977, Chapter 90, Sec.9

** AS Sec.14.17.031(d)

Supplement to REAA Revised Foundation Report dated 12-13-77

STATE OF ALASKA

DEPARTMENT OF EDUCATION

REAA	1977-78 Revised ADM 1st Qtr. ADM 1977-78	Instructional Units Elem.	Sec.	Spec.Ed. (Non-Add)	Corres.	Voc. Ed (Non-add)	Elem.	Sec.	Spec. Ed.	Corres.	Voc. Ed.	Total
Adak	615	411	204	6	-	29	25	15	1	-	3	44
AK Central Railbelt	357	198	159	14	-	24	19	17	2	-	4	42
Alaska Gateway	415	225	138	30	52	15	20	16	4	5	2	47
Aleutian	231	156	64	24	11	8	18	9	3	2	1	33
Annette Metlakatla	325	167	158	32	-	29	11	11	4	-	3	29
Bering Straits	472	119	344	28	9	93	15	35	4	1	10	65
Chatham	189	95	94	13	-	11	11	8	2	-	2	23
Chugach	48	39	9	5	-	-	5	2	1	-	-	8
Copper River	751	422	247	55	82	44	35	18	6	7	4	70
Delta/Greely	765	412	317	54	36	65	25	22	6	4	5	62
Iditarod	271	156	103	11	12	27	18	14	2	2	4	40
Kuspuk	356	212	130	11	14	11	25	17	2	2	2	48
Lake & Peninsula	384	281	91	37	12	23	33	13	5	2	3	56
Lower Kuskokwim	1469	622	847	137	-	98	41	61	14	-	9	125
Lower Yukon	902	608	294	72	-	71	45	26	8	-	8	87
Northwest	1514	769	735	106	10	106	64	59	11	2	12	148
Pribilof	187	114	73	16	-	12	10	7	3	-	2	22
Southeast	437	272	65	27	100	13	35	7	4	8	2	56
Southwest	518	345	160	48	13	34	35	17	6	2	5	65
Yukon Flats	285	204	66	19	15	13	19	11	3	2	2	37
Yukon-Koyukuk	657	349	226	34	82	44	38	24	4	7	5	78
TOTALS	11,148	6,176	4,524	779	448	770	547	409	95	46	88	1,185

STATE OF ALASKA
DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FOUNDATION PROGRAM COMPUTATIONS
REVISED REPORT RECAPITULATIONS
1977-78 FISCAL YEAR

1-9-78

	Final ADM (1976-77)	Revised ADM 1st Qtr.	Instr. Units	Instr. Unit Allotment	Basic Need	Level of State Support (90% Min.)	Final Computation of Entitlement	Per ADM
Anchorage	35,332	35,125	2,078*	$27,500	$57,145,000	96.1108	$54,922,517	$1564
Bristol Bay	264	237	25	42,625	1,065,625	95.9740	1,022,723	4315
Cordova	533	497	43	31,625	1,359,875	97.7110	1,328,747	2674
Craig	182	190	19	29,700	564,300	99.0795	559,106	2943
Dillingham 40/39	411	405	38	42,625	1,619,750	98.9024	1,601,972	3955
Fairbanks	9,071	9,003	574	30,800	17,679,200	95.0000	16,795,240	2926
Galena	136	164	17	42,625	724,625	99.6460	722,060	4403
Haines	454	423	38	31,625	1,201,750	96.8998	1,164,493	2753
Hoonah	280	276	27	30,800	831,600	99.5608	827,948	3000
Hydaburg	100	99	14	29,700	415,800	99.5315	413,852	4180
Juneau	4,253	4,305	294	27,500	8,085,000	97.2258	7,860,706	1826
Kake	202	200	21	29,700	623,700	99.6117	621,278	3106
Kenai	5,162	5,634	408	29,700	12,117,600	95.0000	11,511,720	2043
Ketchikan	2,583	2,563	180	27,500	4,950,000	96.5021	4,776,854	1864
King Cove	126	121	15	41,250	618,750	99.3085	614,471	5078
Klawock	79	77	8	29,700	237,600	99.5700	236,578	3072
Kodiak	2,102	2,040	171	30,800	5,266,800	97.3900	5,129,377	2514
Mat-Su	3,501	3,823	267	28,600	7,636,200	95.6691	7,305,484	1911
Nenana	189	198	22	36,781**	809,182	99.3426	803,862	4060
Nome	829	799	64	42,625	2,728,000	99.1189	2,703,964	3384
North Slope	1,069	1,095	113	42,625	4,816,625	95.0000	4,575,794	4179
Pelican	33	35	5	31,040**	155,200	97.2383	150,914	4312
Petersburg	597	581	46	28,600	1,315,600	97.9211	1,288,250	2217
Sitka	1,656	1,765	124	28,600	3,546,400	96.8836	3,435,880	1947
Skagway	208	232	21	29,700	623,700	96.3125	600,701	2589
St. Mary's	101	108	18	42,625	767,250	99.7768	765,537	7088
Unalaska	119	129	16	41,250	660,000	96.0630	634,016	4915
Valdez	953	826	73	31,625	2,308,625	95.0000	2,193,194	2655
Wrangell	516	499	42	28,600	1,201,200	97.3827	1,169,761	2344
Yakutat	152	168	18	33,000	594,000	99.4429	590,691	3516
TOTALS	71,457	71,617	4,799		141,668,957		136,327,690	
Centralized Corres.	434	537	32	27,500	880,000	100.00	880,000	1639

**SLA 1977, Chapt 90, Sec. 9

* Based on a preliminary report from the district. The first quarter entitlement has not been determined at this date.

SUPPLEMENT TO REVISED FOUNDATION REPORT DATED 1-9-78

STATE OF ALASKA
DEPARTMENT OF EDUCATION

School District	Revise ADM 1st Qtr. 1977-78	1-1-76 Property Value	Value per ADM	Index	Level of State Support (95% Min.)	Matching Ratio: 1 Local Support
Anchorage	35,125	$3,739,897,143	$106,474	.77783	96.1108	22.2248
Bristol Bay	237	26,122,279	110,221	.80521	95.9740	23.8386
Cordova	497	31,145,500	62,667	.45781	97.7110	42.6866
Craig	190	4,788,275	25,201	.18411	99.0795	107.6446
Dillingham	405	12,169,965	30,049	.21952	98.9024	90.1098
Fairbanks	9,003	1,237,213,035	137,422	1.00393	95.0000	19.0000
Galena	164	1,589,500	9,692	.07080	99.6460	281.5049
Haines	423	35,901,910	84,874	.62004	96.8998	31.2557
Hoonah	276	3,318,375	12,023	.08783	99.5608	226.7108
Hydaburg	99	1,269,775	12,826	.09370	99.5315	212.4497
Juneau	4,305	326,964,635	75,950	.55485	97.2258	35.0464
Kake	200	2,126,165	10,631	.07766	99.6117	256.5145
Kenai	5,634	908,583,275	161,268	1.17813	95.0000	19.0000
Ketchikan	2,563	245,439,315	95,763	.69958	96.5021	27.5886
King Cove	121	2,290,785	18,932	.13831	99.3085	143.6015
Klawock	77	906,400	11,771	.08600	99.5700	231.4853
Kodiak	2,040	145,763,615	71,453	.52199	97.3900	37.3143
Mat-Su	3,823	453,284,865	118,568	.86619	95.6691	22.0899
Nenana	198	3,563,695	17,998	.13149	99.3426	151.1019
Nome	799	19,273,555	24,122	.17622	99.1189	112.4944
North Slope	1,095	1,794,223,660	1,638,560	11.97034	95.0000	19.0000
Pelican	35	2,646,250	75,607	.55234	97.2383	35.2109
Petersburg	581	33,067,805	56,915	.41579	97.9211	47.1024
Sitka	1,765	150,585,865	85,318	.62328	96.8836	31.0883
Skagway	232	23,421,050	100,953	.73750	96.3125	26.1186
St. Mary's	108	660,000	6,111	.04464	99.7768	446.8984
Unalaska	129	13,903,863	107,782	.78739	96.0630	24.4002
Valdez	826	544,885,760	659,668	4.81914	95.0000	19.0000
Wrangell	499	35,755,600	71,655	.52347	97.3827	37.2073
Yakutat	168	2,562,435	15,253	.11143	99.4429	178.5104
TOTALS	71,617	$9,803,324,350				
		136,885	average			

SUPPLEMENT TO REVISED FOUNDATION REPORT DATED 1-9-78

STATE OF ALASKA

DEPARTMENT OF EDUCATION

	Revised ADM 1st Qtr.	Elem.	Second.	Sp.Ed. (non-add)	Corres.	Voc.Ed. (non-add)	Elem.	Sec.	Spec.Ed.	Corres.	Voc. Ed.	Total Units
Anchorage	35,125	17,212	17,913	2,107	-	1,806	801	977	198	--	102	2078*
Bristol Bay	237	103	134	12	-	38	9	11	2	--	3	25
Cordova	497	253	244	53	-	64	16	16	6	--	5	43
Craig	190	82	108	11	-	11	7	8	2	--	2	19
Dillingham	405	175	230	57	-	35	12	17	16	--	3	38
Fairbanks	9,003	4,640	4,214	517	149	574	241	237	48	10	38	574
Galena	164	72	92	9	-	24	6	7	2	--	2	17
Hianes	423	207	216	40	-	27	14	16	5	--	3	38
Hoonah	276	132	144	48	-	33	9	10	5	--	3	27
Hydaburg	99	64	35	12	-	21	6	4	2	--	2	14
Juneau	4,305	2,129	2,167	366	9	348	114	123	35	1	21	294
Kake	200	107	93	18		32	8	7	3	--	3	21
Kenai	5,634	3,053	2,442	330	139	265	193	148	31	10	26	408
Ketchikan	2,563	1,176	1,336	206	51	180	66	78	20	5	11	180
King Cove	121	55	66	13	-	13	5	6	2	--	2	15
Klawock	77	77	-	9	-	-	6	-	2	--	--	8
Kodiak	2,040	1,139	878	216	23	150	77	58	21	3	12	171
Mat-Su	3,823	1,749	1,869	182	205	314	105	110	18	13	21	267
Nenana	198	127	71	17	-	26	9	6	3	--	4	22
Nome	799	438	361	101	-	55	26	24	10	--	4	64
North Slope	1,095	593	495	132	7	107	45	39	13	1	15	113
Pelican	35	21	14	-	-	2	3	2	-	--	-	5
Petersburg	581	406	175	43	-	45	25	12	5	--	4	46
Sitka	1,765	793	959	123	8	137	48	55	12	1	8	124
Skagway	232	124	108	12	-	17	9	8	2	--	2	21
St. Mary's	108	82	26	40	-	35	7	3	5	--	3	18
Unalaska	129	65	64	11	-	10	6	6	2	--	2	16
Valdez	826	368	458	134	-	63	22	32	13	--	6	73
Wrangell	499	267	232	47	-	42	17	15	6	--	4	42
Yakutat	168	94	74	21		16	7	6	3	--	2	18
TOTALS	71,617	35,808	35,218	4,887	591	4,490	1,919	2,041	482	44	313	4,799

* Based on a preliminary report from the district. The first quarter entitlement has not been determined at s
da .

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 March 7, 1977

SUBJECT: HB 202; certain questions

TO: Representative Lisa Rudd
Chairperson of C & R A

FROM: Richard A. Bradley
Legislative Counsel

You have requested my comments on certain features of HB 202, introduced by Representative Parr.

An analysis of §100(b)(1): This subsection provides that certain property is exempt from the tax levied under §100(a). Four classes of property are listed:

"(1) unimproved land." Section 21(d) of the Alaska Native Claims Settlement Act provides:

> (d) Real property interests conveyed pursuant to this Act, to a Native individual, Native Group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from state and local real property taxes for a period of twenty years after the date of enactment of this Act (December 18, 1971): Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the state: Provided further, That easements, rights of way, leaseholds, and similar interests in such real property may be taxed in accordance with state or local law. All rents, royalties, profits and other revenues or proceeds derived from such property interests shall be taxable to the same extent as such revenues or proceeds are taxalbe when received by a non-Native individual or corporation.

Congress possesses constitutional authority to deal with Natives (or Indians) differently than non-Natives. Art. I, §8, clause 3, United States Constitution. Accordingly, §21(d) does not violate the "equal protection clause" of the

Fourteenth Amendment. There is a general consensus, however, that states do not have a similar authority and must deal with all their residents equally.

It strikes me that a provision of state law according a preferred status tax-wise to unimproved property establishes a reasonable classification for tax purposes; the existence of §21(d) is an adequate basis for the exemption. If a more elaborate rationale needs to be developed, consider the thesis that undeveloped land (in rural settings) is unproductive and hence should not be taxed. In an age concerned with the environment, a policy of establishing tax patterns which do not encourage (or force) development is socially desirable. Other states (and Alaska, AS 29.53.035) currently give special tax status to agricultural lands. Whether all the lands which will benefit from this exemption are agricultural does not seem significant.

Note that section 21(d) would allow taxation when property interests in third parties are created by lease. The exemption in §100(b)(1) does not seek to reach unimproved property held by lessees.

Note also that "unimproved land" is defined in the bill at §230(2).

"(2) real property exempt from taxation under AS 29-.53.020," this provision of the municipal code establishes "required exemptions." They include (under §20(a)).

(a)(1) municipal, state, or federally owned property. This section merely recites existing law, that is, the listed property is exempt, not because of this section but because of Federal and State law. Note that the section explicitly recognizes that to the extent that lessees are taxable, they pay taxes to the extent of their interest.

(2) household furniture of individual householders not exceeding $500.

(3) property used exclusively by nonprofit religious, charitable, hospital, cemetary or educational purposes.

(4) property of veterans' organization.

(5) "money on deposit."

(6) property owned by senior citizens under the terms of the exemption at §20(e).

The provisions of subsections (b) through (i) of 20 elaborate on the rights granted under (a), above.

"(3) real property exempted by a second class city under AS 29.53.025(a)." Second class cities may exist within the unorganized borough, AS 29.03.010. Such cities possess a "limited property tax," AS 29.53.410. A municipality levying that tax may grant an exemption on the first $10,000 of value on a residence, AS 29.53.025(a).

"(4) real property subject to or exempt from taxation under AS 43.56 and AS 43.58." AS 43.56 establishes "oil and gas exploration production, and pipeline transportation property taxes." AS 43.58 establishes the "oil and gas reserves ad valorem tax." The property described in this paragraph is exempt from the taxes levied under HB 202 because the scheme of taxation established under AS 43.56 and AS 43.58 is comprehensive and is considered to result in full taxation of the properties subject to those taxes.

If you have any questions on the analysis here, please advise.

You also requested our comments on the implications of HB 202 for Village Housing or for ASHA projects generally that may exist in the unorganized borough.

AS 18.55.250 provides:

> The property of the [Alaska State Housing] authority is public property used for essential public and governmental purposes and this property and the authority are exempt from all taxes and special assessments of a municipality, the state or a political subdivision of the state. However, instead of taxes, the authority may make payments to the municipality or political subdivision for improvements services and facilities furnished by it for the benefit of a housing or public building project.

Regional Native Housing Authorities created under AS 18-55.995-.996 are given "all [the] powers, rights, and functions now or subsequently specified for the Alaska State Housing Authority...under §§10-290 of [AS 18.55].

Accordingly, it appears that any improvements to lands owned by ASHA or the regional native housing authorites will be tax exempt (and will also contribute funds in lieu of taxes, if any are levied).

If you have any other questions, please advise; if you need me at the hearing Thursday, I am as close as your telephone and can come over immediately (3896).

RAB:smh

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES

Pouch V
Juneau 99811

2827 Lore Road
Anchorage 99507

Committee Members File - HB 202

First Class Cities in the Unorganized Borough (15)

Craig
Dillingham
Galena
Hoonah
Hydaburg
Kake
King Cove
Klawock
Nenana
Nome
Pelican
St. Mary's
Skagway
Unalaska
Yakatat

Home Rule Cities in the Unorganized Borough (4)

Cordova
Petersburg
Valdez
Wrangell

All of the above exempt from HB 202

H.B. 202

Submitted by: Parr

The purpose of this bill is to remedy at least in part, an existing inequity in taxation across the state. At present, in all the organized borough and first class cities, property owners must pay real property taxes, part of which go for the support of the educational system. Still carrying over from earlier days, however, is a lack of any taxation of a sort on real property in the unorganized borough.

Once upon a time this exemption may have been justified. There was little in the Bush except one or two-room cabins, sod houses, and fish camps. The cost of collecting taxes would have far exceeded the amount of revenue derived.

Now, however, the situation has changed. Lodges and service stations, stores, restaurants and other business have sprung up along the major highways of the state. The owners of these properties pay only state income tax toward the cost of the state and a portion of this income tax goes to support schools. They are obviously getting a free ride at the expense of property owners in the boroughs and cities.

Under the bill real property in the unorganized borough would be assessed at its fair market value (what a willing buyer would pay to a willing seller with both of them knowing property values) as is now the case required by law for organized municipalities. All of the exemptions presently authorized for municipalities are included in the bill (Senior citizens have a basic $10,000 exemption authorized under the pipeline act).

Unimproved land which is held by native corporations under the Alaska Native Claim Settlement Act is exempted by that Act and in order to avoid discrimination this exemption has been extended to the whole unorganized borough.

The millage rate would be the average millage rate presently levied for educational purposes in the organized municipalities. It is my guess that this will be about a 5 mill rate.

I have no desire to tax nor do I believe it would be feasible to tax the small low value cabins in many of the villages. People who live in such cabins to frequently do not have the wherewithal to support themselves much less to pay a property tax. The committee may decide that an exemption ceiling greater than $10,000 is desirable if taxation of this kind of property is to be avoided. The $10,000 figure was picked because it is presently the ceiling authorized by law for the boroughs and cities. There is, however, in my mind no justification for failing to tax the significant properties in the unorganized borough and requiring the property owners in the organized areas to bear an unfair share of the burden.

RELATED MATERIAL
HB202

November 4, 1977

Sally Smith - State Representative
321 Chuch St.
Fairbanks, AK. 99701

Dear Representative Smith,

Regarding the articles printed in the Mukluk News Oct. 20,'77 by Glen Marunde on the tax meeting held in Tok.

It can be easily seen that Mr. Marunde and a few other large property owners are against local government or State taxes. They also state that they don't want any State or Federal Programs. Yet, they seem to forget and didn't mention how many people attended the meeting that are on the State and Federal payroll here in Tok. In fact, as a contractor, Mr. Marunde put a notice in the paper a year or so ago stating he was not in the contracting business for private homes but would only bid or work on State and Federal projects. You might also notice on Page3 of the School News , Mr. marunde was awarded a contract for major maintenance of the schools in this area. He is , therefore, paid by the Alaska taxpayers, Also, a few years ago he was a leader inaquireing a R.D.A. grant to build the Tok Fire Dept/ building, also an appropriation from the State legislature, Alaska tax payer's money.

Most of the ones attending the meeting were the same ones who 3 years ago were having meetings to get Public Works funding to build roads to their property. This raised the value of their property which some are now asking $ 4,500 for 2 1/2 acres and higher. They forget, who do they have maintaining these roads now and complain if they aren't maintained, none other than the State Highway Dept. with State equipment and personnel. This takes up their time that could be used on our main highways. But, there is no concern about that as long as their own needs are met, "to hell with the rest".

It seems they want local control but will make no effort to Incorporate. It's not fair to other areas who are organized to have to pay their share for schools and police protection when another area is getting the same services for free.

If it wasn't for the State and Federal payroll in Tok it could not exist at its present size. Some people are inclined to bite the hand that feeds them. Something Mr. Marunde should think about.

I personally am not for higher taxes, but it is something we have to put up with if we want improvements and better services. I believe in fairness to all Alaska residents to all pay our share.

Some of the same people at that meeting stand to make some good money from the gas pepeline as tt will be going right through their property.

On the front page of the Nov. 3 news, I have marked out a para-

graph written by Mr. Marunde where he states he would like a new state building for Tok. He could see a chance for a contracting job, otherwise he wouldn't be interested. You might check with the Dept. of Highways, Tok. This past summer, they had funds to construct a warm storage building for their equipment. The Dept.'s construction crew was here from Fairbanks working on the building and just before freeze-up, Mr. Marunde complained so loudly about local contractors doing the plumbing that it stopped the project. Now the Dept. has an unheated and incomplete building to try and use this winter on account of one persons greed of more money for himself. As long as the ones complaining get what they want, they could care less of the needs of others.

Plumbing

It is estimated that there is approximately 900 people living in the Tok area, with about 208 who voted in the last general election. So, I would not call it a majority of the people who attended the meeting. That group led by Mr. Marunde likes to state that they express the views of the people. They're just making the loudest noise because they might lose a dollar. They better start looking at where they're getting the money to make their living, and most of them are making a real good living and quite a bit extra, above cost. The biggest % of the Tok funds are State and Federal.

I am hoping that you will pass this information on to the other members of the tax committee.

Sincerely,

Charlie R. Biederman

Charlie R. Biederman

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907·465·3800

December 12, 1977

MEMORANDUM

SUBJECT: Unorganized Borough Appropriations
W. O. #4363

TO: The Honorable Lisa Rudd

FROM: Linda Haagensen LH
Research Analyst

Attached are rough estimates of general fund appropriations for Delta Junction, Tok, and Fort Yukon in the categories you have requested. Please keep in mind that these figures do not precisely reflect what is being spent in the three locations because in many cases budget allocations are not formulated by region but on the basis of overall program costs. Persons contacted in the various state agencies provided us with he estimates along with qualifying information attached. (See Table A)

In answer to the second part of your request regarding per capita state expenditures in the organized boroughs compared to the unorganized borough, the information in Table B summarizes educational costs for FY 77 and projected figures for FY 78.

Costs are given per ADM for comparisons based upon actual attendance figures and per capita. Population estimates were obtained from the Department of Labor. As these cost figures indicate, the state spends twice as much per ADM and roughly two and 1/2 times as much per capita in the unorganized borough as it does in organized boroughs.

You stated during our meeting of November 1, that you would also like a per capita estimate of what the state is spending in general inside boroughs as opposed to within the unorganized borough if such information were relatively easy to obtain. Overall state expenditures are not available in categories that would allow for an accurate computation of costs. Our only means of deriving these figures would entail a lengthy process with extremely rough estimates of low reliability as results. For this reason, we have not included this information.

Please advise us if the enclosed information is insufficient for your purposes, so that we may implement further research.

LH:fc
Attachment

GENERAL FUND APPROPRIATIONS FOR FORT YUKON, DELTA JUNCTION AND TOK IN SELECTED CATEGORIES

	FY 77		FY 78	
	Allocation	Per Capita*	Allocation	Per Capita*
HEALTH CLINICS[1]				
Fort Yukon	$ 69,600 Operating 124,000 Capital Improvements $193,600	$ 109 $ 304	$ 64,800 Operating	$ 102
Delta Junction	$ 40,400 Operating	$ 45	$ 17,000 Operating	$ 19
Tok	$ 55,000 Operating 10,000 Capital Improvements $ 65,000	$ 64 $ 76	$ 47,000 Operating	$ 55
AMBULANCE[2]	0	-	0	-
TOURISM[3]				
Fort Yukon	0	-	0	-
Delta Junction	$ 4,000	$ 4.50	0	-
Tok	0	-	$ 2,000	$ 2.34
TROOPERS[4]				
Fort Yukon	$ 42,550	$ 67	$ 43,250	$ 68
Delta Junction	$135,700	$ 152	$148,875	$ 167
Tok	$181,700	$ 212	$192,125	$ 225
SCHOOLS & EDUCATION[5]				
Yukon Flats (includes Ft.Yukon)	$1,478,093	$5,038/ADM	$2,040,875	$6,378/ADM
Delta Greely (includes Delta J.)	$2,505,541	$3,188/ADM	$2,989,819	$3,448/ADM
Alaska Gateway (includes Tok)	$1,393,477	$3,767/ADM	$1,879,750	$4,131/ADM
RECREATION CENTERS[6]				
Fort Yukon	$ 3,185	$ 5	See notes following	
Delta Junction	$ 4,460	$ 5		
Tok	0	-		
ALCOHOL PROGRAMS[7]				
Fort Yukon	0	-	See notes following	
Delta Junction	0	-		
Tok	$ 15,700	$ 18		

Based on population estimates from the Department of Community and Regional Affairs

TABLE A

Notes to Table A:

1. Health Clinics - includes costs for Public Health nursing and Capital Improvement Funding.

   Fort Yukon's FY '77 funding covered services to additional villages of Allakaket, Anaktuvuk Pass, Arctic Village, Beaver, Beetle, Birch Creek, Chalkyitsik, Stevens Village, and Venetie with an estimated population of 1400. Capital Improvement money was appropriated for Health Center to increase FY '76 amount of $200,000.

   FY '78 funds covered services to additional villages of Arctic Village, Beaver, Birch Creek, Chalkyitsik, Rampart, Stevens Village, and Venetie with an estimated total population of 1,150. Delta Junction's funding covers services to additional villages of Cantwell, Circle, Clear, Eagle, Healy, Mt. McKinley, Nenana, Suntrana and Usibelli.

   FY '78 funds were reduced because a part-time nursing position was relocated from another service to provide more coverage for Delta area and reduce the workload of the Fairbanks Itinerant nurse position.

   Tok's operating costs covered services to the following villages: Dot Lake, Mentasta, Northway, Richardson Highway (from mile 219), Tanacross, Tetlin, Tok, Area North of Mile 63.5 to Porcupine Creek. FY 77 Capital Improvements for repair of community buildings leased by Tanana Valley Physicians Clinic in Fairbanks.

2. The only locations in the state where general funds have been allocated for ambulance services are Cooper Landing and Healy to assist with gas and maintenance costs.

3. The Division of Tourism in the Department of Commerce awarded money to Delta Junction and Tok for visitor information services.

4. These figures reflect salaries and benefits estimates for Trooper positions assigned to the three areas which include:

   Fort Yukon - 1 Trooper (currently vacant)

   Delta Junction - FY '77 - 1 Dispatcher, 1 Corporal, 2 Troopers; another 1/2 time Dispatcher allocated for FY '78.

   Tok - FY '77 - 2 Troopers, 1 Constable (currently vacant), 1 Corporal; another Trooper position in FY '78.

   Other Trooper-related costs such as for building and vehicle maintenance were unobtainable for each specific location.

5. Educational expenditures are available by school district only. Comparative costs have been computed per average daily membership (ADM), an average daily school attendance figure that provides a more meaningful basis of comparison than would per capita allotments. Per Capita costs are not included due to the difficulties in ob taining reliable population estimates for each school district.

6. FY '77 funds shown here were granted through the Revenue Sharing Program with Community and Regional Affairs. They were provided for the development of a park with play and picnic areas in Delta Junction and for 2 campgrounds and a community center in Fort Yukon. This program bases allotments on a $5 per capita rate for each city/ village that applies in the state. FY '78 appropriations depend upon applications submitted and will be determined later.

7. Money for alcohol programs thru the Office of Alcoholism and Drug Abuse is available if applied for. Fort Yukon and Delta Junction have not submitted applications within the past several years and therefore have received no state funds. Allocations of FY '78 funds have not yet been determined.

TABLE B

Education Expenditures in Boroughs vs. Unorganized Borough, FY'77 & FY'78

		Boroughs	Unorganized Borough
FY'77	Population	329,060	9,160
	ADM	65,427	16,558
	State Aid	$ 121,474,550	60,408,733
	Aver. State Aid/ADM	1,857	3,648
	Aver. State Aid/Capita	369.	873.
FY'78 Estimates	Population	338,932	72,046
	ADM	66,773	17,356
	State Aid	$ 135,971,910	74,715,377.
	Aver. State Aid/ADM	2,036.	4,305.
	Aver. State Aid/Capita	401.	1,037.

EDITORIAL COMMENT

The DELTA PAPER
VOL. 2, NO. 22
Oct. 12, 1977

The time has come, like it or not, to again consider formation of a borough for the Delta area. Most people are aware of the public hearing scheduled for next Monday evening concerning legislation which would levy a property tax on Alaska's huge unorganized borough.

Many hours will be consumed during the next few weeks as we engage in discussion about property taxes on the unorganized borough and about the possibility of a city sales tax. Imposition of either would affect just about everyone living within the greater Delta area. The unorganized borough includes all of the state of Alaska which is not already defined as being part of a specific borough.

According to their own news release, the legislature's Interim Committee on Taxation in the Unorganized Borough declares that "the tax would be equal to the average of the mill rates levied by the boroughs of the state for the support of school district activities, a figure currently estimated as seven mills." Our guess is, it would not be long before that figure is more like 10 mills, the figure previously

EDITORIAL COMMENT
(Continued from Page 1)

proposed by other legislation as a tax on the unorganized borough.

The Alaska Legislature has recently expanded the powers of the third class borough, making it flexible and yet far less constricting than a second class borough.

Our own third class borough could receive a portion of the state's ad valorem tax on the trans-Alaska pipeline and probably something similar from the planned natural gas line. To get the tax on the oil pipeline, we must also tax ourselves - it is generally agreed by those who have explored this avenue that a tax of abou 3 mills would bring monies enough to provide for the needs of the people in a Delta area borough for a long time.

One of the problems which arose when the Deltana Borough was proposed in 1974 was the matter of a boundary. The local study committee suggested a relatively small area; the Dept. of Community and Regional Affairs wanted to impose a much larger one - including towns and areas not related according to the guidelines for establishment of boroughs. The people within a borough need to be socially, economically and culturally compatible. Part of the "boundary battle" would appear to be solved as a re-

The publishers of The Delta Paper realize full-well that taking a stand on the borough issue will probably make them unpopular with a number of local residents. We felt it was something we had to do, however, and if some people choose to no longer read The Delta Paper because of this, so be it, we are sorry. Readers are welcome to express their own opinions in letters to the editor, though unsigned, anonymous letters will not be published.

REAA School District, which closely follows the borough boundary suggested in 1974 and was approved by Community and Regional Affairs.

Though it had some support, the previous attempt toward the formation of a borough drew quite vocal opposition from some residents. Most opponents felt we could "put off" taxation and development - maintain the "status quo".

Who was here before Fort Greely? Only a handful of people remain who came to this area prior to the construction of the army post in the early 50's. The entire economic base of the area - Delta Junction, Big Delta, Clearwater - is dependent upon employment at Fort Greely and the providing of support services related to the post and its personnel and employees.

Beyond the obvious economic base, most of us live here because we like it here. We stayed on through the tough times and have enjoyed the good times. Few people can say (honestly) that they moved to Delta because there were no taxes here.

We can direct community progress and growth but we cannot stop it lest we also stop our own personal growth. And, the Delta area has grown in spite of those who would stop it.

No one can put a cuddly puppy in a box, because [illegible]

EDITORIAL COMMENT...(Continued from Page 2)

stay just the way he is. By nature, he will grow and mature; the only way to stop it is to kill him.

Those who would stop reasonable growth and development would kill a community in their effort to keep it as they liked it. How much better to grow with it and help guide it and enjoy it as it grows!

As far as military facilities are concerned, Fort Greely is still on the "endangered species" list. If and when it should go - where will be the much-guarded status quo? The days of preserving status quo have passed - standing still means going backward as a community.

We need to stay informed on matters related to the coming natural gas pipeline; not only that it will undoubtedly bring economic benefits, but we need to encourage a take-off point so that Delta homes and businesses can enjoy lower cost heating, we need to explore the possibility of getting petro-chemical industry into the area - perhaps a urea plant to manufacture fertilizer to assist the agricultural development in the area. We must look to ways of supporting ourselves and our community IF Fort Greely were closed or greatly curtailed.

The comment is often heard: "Once 'they' get taxes 'they' keep raising them." Who is 'they'? Think about it.

Taxes are coming - that fact is inevitable - a few details are still debatable.

Do we want to govern ourselves and tax ourselves and have a part in deciding what to do with our own tax monies? Or do we want to sit back and let the "big city" legislators govern us and impose the unorganized borough tax while we beg to have some of our own tax money spent in this area? Do we opt for "taxation without representation"? That is hardly the position one would expect the intelligent hard-working, independent thinkers of the Delta area to take.

Taxation and related matters will surely be among the topics brought up for discussion during Town Meeting which is planned for October 23. We sincerely hope that future matters of this nature will not again result in the dissension which occurred in 1974 when borough formation was attempted and again in 1975 when the City of Delta Junction voted down a taxing ordinance. An old clipping from the Fairbanks Daily News-Miner of December 5, 1975, is a painful reminder of "Delta Junction divided by tax" as the headline stated.

(Continued on Page 9)

EDITORIAL COMMENT...

(Continued from Page 4)

The story was circulated by Associated Press and concluded with: "According to..., the chairwoman for the Anti-property tax committee, feelings are so bitter in the community that long-time friends and neighbors are refusing to speak to each other." Hopefully, we have grown and matured enough to avoid another situation which divides residents so drastically.

In the past, it has been evident that the Delta area would be in line for more frequent and larger shares of state and federal funding if there were some amount of local effort - something more than bake sales and dances, which are commendable efforts but not terribly lucrative. Delta is noticeably missing out on two current funding items - see news stories on pages 8 and 10.

The City of Delta Junction is presently proposing to levy a three per cent sales tax. As Mayor Stan Orcutt pointed out in his column last week, the city's financial problems cannot be ignored any longer. Perhaps the answer would be a third class borough, with unified government which would allow the Delta area to control its future with as little government as would be absolutely necessary - there would then be no need for a sales tax within the city. We certainly don't have all the answers; we do feel that people working together can find them.

The time has come, it is here, now, to once again study the third-class borough - it may be our only hope to preserve the things we enjoy about this place we have chosen to call home.

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES

Pouch V
Juneau 99811

2827 Lore Road
Anchorage 99507

Committee Members File - HB 202

First Class Cities in the Unorganized Borough (15)

Craig
Dillingham
Galena
Hoonah
Hydaburg
Kake
King Cove
Klawock
Nenana
Nome
Pelican
St. Mary's
Skagway
Unalaska
Yakatat

Home Rule Cities in the Unorganized Borough (4)

Cordova
Petersburg
Valdez
Wrangell

All of the above exempt from HB 202

FORT YUKON INCOME SOURCES

	FY 76	
3% SALES TAX	$ 43,630	
MUNICIPLE LIQUOR STORE SALES	379,815	
COMMUNITY CENTER VENDING MACHINES	545	
BUILDING RENT	5,925	
SNOW MACHINE FEES	1,905	
FINES	35	
MISCOLMENS REVENUE	325	
		$ 432,180
STATE REVENUE SHARING (GRANT)		
POLICE, FIRE, PARKS AND REC. AND LAND USE PLANNING	51,065	
BUSINESS LISCENSE (REFUND) -	4 200	
LIQUOR LISCIN REFUND.	500	
LAW ENFORCEMENT (LEAA) (REFUND OR REIMBURSMENT)	17,335	
STATE SERVICES (REIMBURSEMENT)	16.030	
		89,130
FEDERAL REVENUE SHARING (GRANT)	1,025	
FEDERAL REIMBURSMENT FOR SERVICES (REIMBURSMENT)	5,025	
		6,050
TOTAL -		$ 527,360

EDITORIAL

TAXES, what a dirty word. I am sure that a lot of you, like me, are paying taxes that exceed what our yearly income was a few years back.

We have heard a lot about taxes recently. A few days ago there was a legislative hearing in Tok, dealing with a proposed unorganized burough property tax. This hearing was attended by a few people from our area. I did not attend. I do have information that indicates that things were not what our leading anti-everything man reports that they were. He would have us believe that an overwhelming majority of the 700+ citizens of Tok rose up in mass to protest this gross invasion of our soverign rights. Believe me this was not the case.

Our "Anti-man" made an issue of our tax money being spent in Tok. He seems to object to the fact that we have an ambulance paid for with state (tax) money. We have a volunteer fire department (true) but where did the money come from to build that fire hall? Where does the money come from (based on our population) to support our volunteer fire department activities? Where did the money come from to remodel the clinic garage so we can house our ambulance safely and not have to shop around for storage space? Where did the money come from to renovate our clinic sewage system to the point where it will work in cold weather? Where does the money come from to provide a feeling of "We have not been forgotten" to the senior citizens of our area, the money that allows them to come to town, do their shopping, do their laundry and maybe have a hot meal along with their friends.

Where does the money come from to support our one million dollar plus, school system? It comes from tax money, your tax money, PROPERTY TAX money.

I don't like taxes. You don't like taxes. We don't like to be freeloaders either, do we?

CHAMBER OF COMMERCE

The annual election meeting of the Chamber of Commerce was held on October 28. The position of secretary and treasurer was combined and Jackie Currington was elected as secretary-treasurer. Mellie Terwilliger was re-elected as 2nd Vice President and Wally Wallis as president.

(continued on Page 7

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES

Pouch V
Juneau 99811

2827 Lore Road
Anchorage 99507

December 1, 1977

Mr. Carl A. Propes, Jr.
Land Manager
Chugach Natives, Inc.
912 East 15th Avenue
Anchorage, Alaska 99501

Dear Mr. Propes:

Thank you for your letter regarding HB 202. The Committee is looking at several other means by which rural residents could help with school costs.

In my opinion, the new law on 3rd class boroughs provides a means for rural areas to incorporate and provide themselves with needed local government services without placing an onerous tax burden upon themselves. You might call the Anchorage Legislative Information office and ask them to send you a copy of the new law.

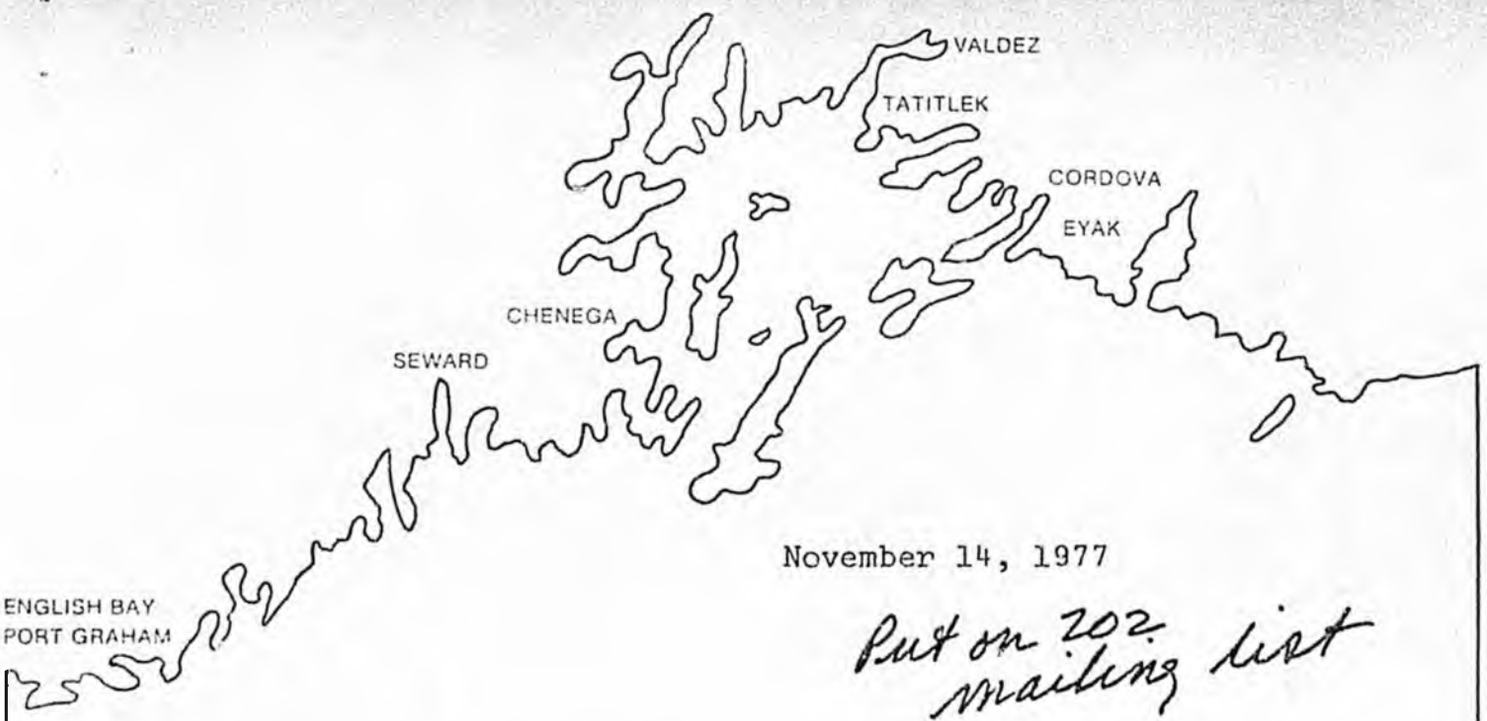
We will try to keep you informed of further action on HB 202.

Cordially,

Lisa Rudd

LR/mcv

cc: C&RA Committee Members



November 14, 1977

Put on 202 mailing list

Rep. Lisa Rudd, Chairman
Interim Committee on Taxation
in the Unorganized Borough
Alaska State Legislature
Juneau, Alaska 99811

Dear Representative Rudd,

I have seen several articles recently in the Tundra Times concerning your hearings in Delta, Tok and Fort Yukon on House Bill 202. The possibility of a tax on personal and real property within the unorganized areas of Alaska greatly concerns Chugach Natives, as the majority of our land selections under the Alaska Native Claims Settlement Act lie outside of incorporated areas. We would therefore like to be kept informed of any developments which take place on this subject, both during the "off-season" and the regular legislative session.

Of special concern to me is the definition of "unimproved land" in section 29.03.230(2) of H.B. 202. This may have to be refined so that the discretion of the state assessor in making his own definitions is kept to a minimum.

What troubles me most about H.B. 202 is its potential for indirectly instigating areas and communities which are presently unincorporated to organize. If they are to be taxed anyway, why shouldn't the inhabitants of these regions want increased local control over how their tax dollars are spent? Most of the state's rural areas which would be caught in this bind lack the unity of interest and the economic base needed to sustain viable organized governments. Moreover, I believe that the majority of residents in these remote areas and villages prefer to continue to

912 East 15th Avenue, Anchorage, Alaska 99501, Phone (907) 274-4558

Chugach Natives, Inc.

live as they have traditionally, without being bothered by more restrictions imposed by government.

Therefore, I recommend that if H.B. 202 is to be passed by the Legislature, a strong statement of purpose is needed to declare that the intent of the bill is not to compel hasty and premature incorporations of new governmental entities. Those brave and hardy persons who reside in the Alaskan "bush" must be allowed full self-determination over issues such as this, and only as a last resort should the Legislature enact a bill which would have the effect of reducing their freedoms.

Before H.B. 202 is seriously considered by the Legislature I would further hope that all other means by which rural residents could pay their fair share of school costs would be thoroughly analyzed.

I appreciate this opportunity to communicate my views on H.B. 202 to you and your Committee.

Sincerely,

Carl A. Propes Jr.

Carl A. Propes, Jr.,
Land Manager

cc: Rep. Bill Miles
Rep. Sally Smith
Rep. Merle Snider
Rep. Pete Loveseth
Rep. Nels Anderson
Rep. Tim Kelly
Rep. Al Ose

Leston L. McNeil
P.O. Box 333
Delta Junction, Ak 99737

Ms Lisa Rudd
Community and Regional Affairs Committee
Alaska House of Representatives
Pouch V, Juneau, Alaska 99811

19 October 1977

Dear Chairperson:

I regret that I was unable to attend the public hearing on HB 202, (Real Property Tax in Rural Alaska), that was held in Delta Junction on October 17. You have asked for written comments on this Bill and my comments are as follow.

First I would like to state that the people living in Rural Alaska, ie, the unorganized boroughs, pay exactly the same Alaska State and Federal taxes as does anyone else living in the Cities or in the Organized boroughs. We pay the Federal and Alaska State Income tax and the Alaska School tax and thése are the only Federal and State taxes paid by anyone in the State.
Secondly I would like to point out that the State of Alaska does not pay one cent more towards the education of a child living in the unorganized borough than it does to help educate one living in the organized boroughs. The amount paid per child is the same. At least this is my understanding.

In that the people in the unorganized boroughs pay the same State and Federal taxes as does the people in the organized boroughs it would appear to be an act of gross discrimination for the State of Alaska to place a Real Property tax on one part of the State population and not on the other part. The fact that one part of the population has voted to tax it's self and the other part has choosen not to tax themselves should have no bearing on whether the State levies a tax or not.

Unless HB 202 is expanded to tax ALL the people of Alaska equally I will provide financial support to any group of citizens formed to challenge the constitutionality of this discrimatory tax in the courts.

Sincerly

Leston L. McNeil

CC: Fairbanks Daily News Miner
The Delta Paper

Box 198
Delta Junction, Ak. 99737
October 24, 1977

Lisa Rudd, chairperson
Community and Regional Affairs Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Congressperson:

I am sorry I missed the meeting in Delta Junction about HB 202 and consequently don't know the wording on the bill. Actually, it doesn't matter. I only had one important question: Why is this bill necessary at this time?

Any bill that wants to extract more taxes from Alaskans at a time when we should rejoice and reap the fruits of our oil royalties looks, to say the least, strange. To say nothing about a congress working on bills to put millions of surplus dollars into saving accounts and at the same time trying to collect more taxes. It shows the mentality of our legislators to always want more power and more money even if there is more than enough already. Mr. Parr, for instance, initiated HB 202 for more taxes. He never thought of initiating a bill instead to lower an already heavy tax burden for his constituants in Fairbanks.

A few years back another Alaskan congress wanted to abolish the state income tax or finance all schools in Alaska by the state with our oil royalties. This would make much more sense now, and lower our tax burden considerably. Strangely enough, Alaska's population did not even double since 1965, but the government more than tripled during that time and it seems that the more oil money and taxes are collected, the bigger our government gets with little or no improvement in services. What we have now is taxes for taxation's sake and no other reason. If it is not stopped, it can happen again and again at any time to borough, city and bush residents alike. Think about it.

Sincerely,

Joseph Bohmer

cc: Daily News Miner
Delta Paper

Bristol Bay Native Corporation
445 E. 5TH AVENUE / P.O. BOX 220 / ANCHORAGE, ALASKA 99510 / PH (907) 278-3602

March 13, 1978

The Honorable Lisa Rudd
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Representative Rudd:

We have reviewed H.B. 202 (taxation in the unorganized boroughs) and for the immediate we are opposed to the legislation, however we do have some recommendations.

In order for any taxation policy to work properly an economic base needs to be strong enough if any services are to be rendered. To my knowledge, none of the regions have a strong economic base. What good is taxation if the citizens of the area don't have the income to pay taxes?

It would be in the best interest of everybody to have the State study the effects of this type of legislation (H.B. 202) more thoroughly. One recommendation would be for the State to appropriate funds to create a model of a borough based on the same lines of a region such as Bristol Bay. The important factors of this is; what does it cost to provide the present services? What would it cost to provide more services such as police, fire, etc.? Is there a good tax base? What is the economic base in the area? What is the income per capita? Is there enough revenue to provide services?

These are very important questions that should be answered before any legislation is acted upon.

Sincerely,

Donald F. Nielsen

Donald F. Nielsen
Vice President Operations

cc: Rep. Nels Anderson, Jr.
Bristol Bay Area Health Corp.
Bristol Bay Native Association

CHARLIE PARR
ALASKA LEGISLATURE

S. R. Box 50599
Fairbanks, Alaska 99701
456-5029

Pouch V
Juneau, Alaska 99811
465-3797

April 19, 1978

Ms. Elizabeth Johnston
Bristol Bay Native Corporation
P.O. Box 220
Anchorage, Alaska 99510

Dear Ms. Johnston:

Representative Nels A. Anderson, Jr. has kindly given me a copy of your letter of March 31 to Representative Lisa Rudd.

Since I am the sponsor of HB 202 some comments may in in order in reply to your remarks on that bill. To deal with your points in order:

1. Your discussion of the virtues of real property taxes is highly simplified, if not simplistic. You set up straw men, then demolish them.

a. The "seventy-five percent" (of the Legislature) which "is elected by persons not subject to the tax" is the same seventy-five percent which consistently funds the schools in the untaxed areas of the state.

b. Your logic escapes me. The legislature can't give the exemption in the unorganized borough unless it's being given in first-class cities? Try reading the parable of the workers in the vineyard.

c. I don't know if you have worked in property assessing-I did for a while, and can say only that you're wrong. True, there won't be a lot of revenue for the first two years or so, but then the program will more than pay for itself.

2. You appear to be making an argument against real property taxes in general, and much of what you say would apply to such taxes in the organized cities and boroughs as well. Is it your argument that they should be abolished? If so, in favor of...?

a. Sales taxes are even more regressive...

b. All taxes do this. Your point about subsistence and development isn't very clear, unless you are opposing

a subsidy for development (i.e., a tax exemption).

The latter part of your letter is addressed by the enclosed memorandum from Mr. Bradley.

Finally, Ms. Johnston, one point which your letter ignores. A lot of people in the unorganized borough are getting a free ride, and a significant percentage don't need it. Tell me why the owner of a $400,000 lodge in Tok pays no property taxes, while one in Fairbanks North Star Borough does.

Because of this free ride, my constituents are paying more than their share. These are the simple facts of the case.

Sincerely,

Charles H. Parr

CHP:sg

cc: Representative Lisa Rudd
Representative Nels A. Anderson, Jr.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

April 17, 1978

SUBJECT: HB 202; Comment on letter to Representative Rudd from general counsel of Bristol Bay Native Corporation. (Work Order No. 5357)

TO: Representative Charles H. Parr

FROM: Richard A. Bradley
Legislative Counsel

You have provided me with a copy of a letter to Representative Lisa Rudd from Elizabeth Johnston, General Counsel of the Bristol Bay Native Corporation, dated March 31, 1978.

You ask that I comment on two questions.

Ms. Johnston's first question arises under section 21(d) of the Settlement Act. She notes that certain protections are given to the lands conveyed to Native Corporations. Because the language of the section is significant, it is useful to set out the material language:

> Real property interests conveyed pursuant to this Act, to a Native individual, Native group, or Village or Regional Corporation which are not developed or leased to third parties, shall be exempt from State or local real property taxes for a period of twenty years after the date of enactment of this Act [December 18, 1971]: Provided, That municipal taxes, local real property taxes, or local assessments may be imposed upon leased or developed real property within the jurisdiction of any governmental unit under the laws of the State: ...

The language of HB 202 [and SB 35] exempts "unimproved land." Both Jack Chenoweth [the drafter of SB 35] and I appear to conclude that the phrase "unimproved land" is the opposite of the phrase in §21(d) prohibiting taxes on "leased or developed real property."

In my opinion, the judgment is completely proper; if anything, the phrase is quite conservative since lands subject to a leasehold interest without development, while taxable under the Federal law, do not become taxable under either HB 202 or SB 35 until they are "improved."

In my opinion, the phrase "leased or developed" need not be used in state legislation for it to be effective and the words actually used are effective and within the authority allowed to the legislature under the Settlement Act.

Ms. Johnston then asks whether the legislature, when it acts as a borough assembly, is imposing a "state or a local tax." The distinction is not significant although section 21(d) could well have been written with more precision.

(1) The first sentence of §21(d) exempts the property "from state or local property taxes" if it is not "developed or leased to third parties..."

(2) The first proviso allows "municipal taxes, local real property taxes, or local assessments on leased or developed real property within the jurisdiction of any governmental unit under the laws of the state:..."

(3) The second proviso allows taxation of "leaseholds, and similar interests in such real property" "in accordance with state or local law."

(4) The second sentence allows taxation of "all rents, royalties, profits, and other revenue or proceeds derived from such property interests."

Under the first phrase quoted, a state or local real property tax may be assessed and collected if the lands are "developed or leased to third parties." Since these phrases authorize state or local real property taxes and since the three remaining phrases do not explicitly contradict the first phrase, no problems are presented. However, if the first phrase is not relied on, it seems that it is quite reasonable to conclude that under our constitutional framework, the legislature is the effective agent for local government when it acts as the borough assembly for the unorganized borough.

Finally, it is not clear what Ms. Johnston means by her comment on the "landowner/third-party" distinction. If by her comment she is implying that taxation can occur only when the real property is [both] "developed and leased" to third parties, then I suggest that she note that the language of sec. 21(d) rather reads "developed or leased" each time it is used in the section. The language clearly suggests that development of protected, unimproved lands either by a village or regional corporation or by a third party equally, in either situation, subjects the lands to property taxes. Nothing in the legislative history is to the contrary. See 2, 1971 USCCAN at 2192, 2247. While there are valid reasons for Congress to prevent the "tax alienation" which has plagued Indian lands in the other states, (an event that typically occurs when the lands are unproductive or under-productive and the owner lacks the wherewithal to pay the taxes) there seem minimal policy arguments for a conclusion that development of the protected lands by a Native Corporation should be more protected from taxation than development of the same lands by "third parties."

Her second and final concern is essentially a policy question addressed to the legislature. She states

> "Yet for the foreseeable future, taxable lands in rural Alaska cannot pay for the high cost of education in the bush. Is the state retreating from its commitment to equal opportunities for all Alaska's children. At the present, the state spends twice the money ADM in the unorganized borough as it does in the boroughs."

While to this observer, no lack of commitment by the state legislature to education "in the bush" seems apparent, the concern vis-a-vis HB 202 is unfocussed and perhaps irrelevant.

HB 202 is a tax-raising measure, taxing the unorganized borough property not exempted at a rate

> "equal to the average of the mill rates levied in boroughs in the state for support of the borough school districts on January 1 of the preceding year ..."

There is no explicit or implicit correlation between the tax realizeable under HB 202 and the amounts appropriated to the support of education in bush Alaska, [or for that matter, between the amounts raised in organized boroughs by the property tax and the amounts spent there for education].

The citation of Serrano v. Priest is inapposite. Serrano essentially says that the rule should be

> "From each according to his ability; to each according to his needs."

RAB:jpd

February 24, 1978

Report of the Local Government Committee
RurAlCap Citizen Participation Conference

The committee recognized the large number of House and Senate bills, either proposed or already introduced, addressing state, city, and borough needs. In addition, the committee recognized the limited time available to review and comment on these bills.

The committee, therefore, decided to study only those bills of extreme importance, that have the greatest impact on boroughs and cities. The committee, following the advise and suggestion of the assigned Technical Assistant, chose to consider, in detail, the following bills:

see below
- o HB843: "Providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes".
- o SB502 Identical to HB843.

see below
- o SB208 "Relating to municipal organization grants".

add non residents
- o SSHB75 "Authorizing a borough or city tax on net income".
- o HB~~302~~ "Providing for assessment, levy, and collection of a tax on developed land in the unorganized borough".
- o HB~~309~~ "Exempting certain items from sales tax".
- o HB~~378~~ "Relating to the levy and collection of sales and use tax by municipalities".

The committee, after study and evaluation of the bills identified above, recommended the following:

1. HB843/SB502: The committee supports this bill in principle, with the stipulation that: (a) Section 29.88.010(b) be revised to indicate that the grant made available to a municipality be a minimum of $50,000 in those cases where the indicated formula grant is lower than $50,000, and (b) the last sentence of Section 29.89.010(a) ("No payment may be made...") be eliminated.

2. SB208: The committee supports this bill with the proposed Department of Community and Regional Affairs ammendments relative to dollar amounts available under Section 29.18.180(1) and (2) (please see the attached). Further, the committee feels that a section should be added to provide for pre-planning study grants of up to $50,000 for borough incorporation, and up to $25,000 for city incorporation; provided that: (1) the applicant submit a projected budget, (2) unexpended grant monies be returned to the State, and (3) identification of local governing bodies eligible for pre-planning grants occur.

3. SSHB75: The committee supports the concept of this bill with a stipulation that Section 29.53.500(g) be modified to include transient residents as subject to income tax payment. The concern of the committee is that non-resident wage earners should be taxed on their earned income.

commercial workers, etc.

The committee members unanimously agreed that they cannot support HB202, HB509, and HB578 and, therefore, have recommend to the entire Citizen Participation Conference delegation that it not support the bills.

Submitted: February 24, 1978

Committee Chairperson: Mr. Lutena Mulitalo
Facilitator: Mr. Gordon Jackson
Technical Assistant: Mr. Bill Pritchard

HB

202

(Public Hearings

File)

1975 PERSONAL INCOME TAX EVALUATION

ORGANIZED BOROUGHS

CENSUS DIVISION	POPULATION	ESTIMATED PER CAPITA TXBL INCOME	ESTIMATED TOT TAXABLE INCOME	EST. STATE INCOME TAX REVENUES	ESTIMATED NBR OF RETURNS	ESTIMATED PER RETURN INCOME	ESTIMATED PER RETURN INC. TAX	ESTIMATED PER RETURN INC. TAX
ANCHORAGE	177,817	$5,919	$1,052,526,156	$54,481,498	80,379	$13,094	$682	$677
BARROW-NORTH SLOPE	6,454	$3,286	$21,211,596	$1,097,967	2,917	$7,270	$302	$376
BRISTOL BAY BOROUGH	1,914	$6,369	$12,191,733	$631,075	865	$14,091	$760	$729
FAIRBANKS	55,517	$6,156	$341,787,580	$17,691,816	25,095	$13,619	$723	$704
HAINES	2,069	$4,644	$9,608,866	$497,380	935	$10,274	$483	$531
JUNEAU	17,714	$6,616	$117,213,251	$6,067,263	8,007	$14,638	$806	$757
KENAI-COOK INLET	15,621	$5,485	$85,695,302	$4,435,812	7,061	$12,136	$608	$628
KETCHIKAN	11,311	$6,181	$69,916,157	$3,619,042	5,112	$13,674	$727	$707
KODIAK	8,801	$6,282	$55,288,978	$2,861,901	3,978	$13,897	$745	$719
MATANUSKA-SUSITNA	12,462	$4,355	$54,280,116	$2,809,680	5,633	$9,635	$442	$498
SEWARD	3,149	$5,558	$17,504,230	$906,064	1,423	$12,297	$621	$636
SITKA	6,595	$6,042	$39,849,290	$2,062,703	2,981	$13,367	$703	$691
AVERAGES		$5,876				$12,999	$678	$672
TOTALS	319,424		$1,877,073,261	$97,162,207	144,390			

UNORGANIZED BOROUGH

CENSUS DIVISION	POPULATION	ESTIMATED PER CAPITA TXBL INCOME	ESTIMATED TOT TAXABLE INCOME	EST. STATE INCOME TAX REVENUES	ESTIMATED NBR OF RETURNS	ESTIMATED PER RETURN INCOME	ESTIMATED PER RETURN INC. TAX	ESTIMATED PER RETURN INC. TAX
ALEUTIAN ISLANDS	7,086	$6,628	$46,969,970	$2,431,288	3,203	$14,663	$808	$759
ANGOON	481	$3,959	$1,904,571	$98,585	217	$8,759	$389	$453
BETHEL	8,576	$3,561	$30,539,850	$1,580,822	3,876	$7,877	$336	$407
BRISTOL BAY	3,847	$3,059	$11,768,772	$609,182	1,738	$6,767	$275	$350
CORDOVA-MCCARTHY	2,003	$6,402	$12,824,887	$663,849	905	$14,164	$766	$733
KOBUK	4,548	$3,486	$15,857,375	$820,819	2,055	$7,713	$327	$399
KUSKOKWIM	2,721	$4,166	$11,336,530	$586,808	1,229	$9,216	$417	$477
NOME	6,660	$4,249	$28,303,790	$1,465,078	3,010	$9,401	$428	$486
OUTER KETCHIKAN	1,764	$5,565	$9,817,150	$508,161	797	$12,311	$622	$637
PRINCE OF WALES	2,502	$5,271	$13,063,751	$676,213	1,130	$11,550	$568	$597
SKAGWAY-YAKUTAT	2,732	$4,994	$13,645,730	$706,338	1,234	$11,049	$534	$571
SOUTHEAST FAIRBANKS	5,394	$5,833	$34,385,548	$1,779,885	2,664	$12,906	$668	$668
UPPER YUKON	8,780	$7,073	$62,104,316	$3,214,681	3,968	$15,647	$889	$809
VALDEZ-CHITNA-WHITIER	9,639	$4,716	$45,466,851	$2,353,482	4,357	$10,434	$494	$540
WADE HAMPTON	4,284	$3,094	$13,257,955	$686,266	1,936	$6,846	$279	$354
WRANGELL-PETERSBURG	5,270	$5,909	$31,141,652	$1,611,973	2,382	$13,072	$681	$676
YUKON-KOYUKUK	8,423	$5,573	$46,945,977	$2,430,046	3,807	$12,329	$623	$638
AVERAGES		$5,038				$11,146	$556	$576
TOTALS	85,210		$429,334,681	$22,223,482	38,517			
STATE TOTALS	404,634		$2,306,407,942	$119,385,689	182,907			

February 21, 1977

RE: Basic Tax Information / Purpose and Authority

State Tax System

Personal Income Tax: Should stand-out as the single most important revenue instrument in the state tax system and should produce close to 25% of total state-local tax revenues.

General Sales Tax: As the other major state tax it should produce 20 to 25% of the total state-local tax revenue without imposing an extraordinary burden on low income families. Retail sales tax rests on the belief that consumption is an appropriate basis on which to distribute a substantial part of the state tax load.

Local Tax System

Property Tax: Provides 5 out of 6 local tax dollars.

In many states there are existing constitutional and statutory restrictions on the taxing powers of local governments in terms of specific rates or allowed rates of increase, coupled with requirements for specific referendum approval of proposed property tax levies.

The State Role

The state has a useful and significant coordinative role to play in the administration of local income taxes as well as in other non-property taxes. Income taxes are preferable to sales and many other types of taxes because they can be structured to distribute their burden in conformity with ability to pay and with necessary regard to the taxpayer's family obligations.

Income tax limitations for use at the local level:

- frequently people live in one jurisdiction and work in another.

- people often supplement their wages and salaries from local sources with investment and other unearned income from other parts of the state; however, local jurisdictions that now use these taxes generally limit them to income from wages and salaries, the type of income most easily taxed.

HB 202 is one of two bills which have been introduced in the legislature which, if enacted, would levy a tax on improved property in the state's unorganized borough — that is, any land in the state which is ~~outside~~ not or a 1st class or within an incorporated borough. ~~The bill was sent~~ HB 202 was introduced by Rep. Charles Parr of Fairbanks, ~~while~~. There is a similar bill in the Senate, which was introduced by ~~Rep~~ Senator Joe Orsini of Anch. home rule city

Only improved property would be taxed and the bill calls for the tax rate to equal the average of the property tax rates levied by the boroughs in the state for the support of borough school districts. The Dept. of C&RA has estimated that that rate is about 7 mills (7/10 of 1% of the assessed value of the property).

As the bill is drafted, the following property would be exempt from taxation:

1. property which has not been improved, such as acreage in woodland
2. real property which is exempt

from taxation under the state's municipal code, such as the property of churches, veterans' groups & senior citizens;

3. real property which is being taxed under the state's 20 mill levy on property used for the exploration, production or transportation of oil, and

4. up to $10,000 of the value of residential real property, if ~~the~~ it is within a municipality and if the municipality approves the exemption.

The bulk of the legislation, after describing the extent of the tax, addresses ~~#~~ the mechanics of assessment, appeals of assessment, collection of the tax, and enforcement processes and penalties. The state assessor, from the Dept. of C&RA, is here with us and can discuss specific questions involving what constitutes "improved" land, assessment practices, & the role of the Dept. should the bill pass.

HB 202 is not the first time the question of a property tax in the unorganized borough has been raised. It first came up in, &

think, 1972, when the 20 mill tax was placed on ~~pipeline~~ oil + gas properties. at that time the question was whether it was fair to tax the pipeline, but not any of the other valuable property in the unorganized areas. In fact, I believe the oil industry raised this question as a constitutional "equal protection" issue in litigation, but the suit was settled before the issue was decided.

Later efforts to focus on the question of taxation in the unorganized borough came ~~at the time of the creation~~ in 1975 when the rural education attendance areas were established in the unorganized borough. Some legislators felt at that time that local control and policy making power should not be given to the REAA's without requiring them to make local tax contributions to help support ~~the education~~ the REAAs.

The fact that the REAAs are entirely supported by the state, whereas school districts in incorporated areas must support much of their education services through local tax levies, seems

to be the ~~doing away with the third~~ reason for the introduction of HB 202. Urban legislators frankly find it hard to justify this apparent inequity to their constituents, who are paying both local and state taxes to support education in the state.

That the legislature has the power to levy a property tax, or any tax, in the unorganized borough is without doubt. Under the state constitution (Art. X, Sec. 6) the legislature is the assembly, or governing body, of the unorganized borough. Whether the legislature will act on HB 202 during the '78 session will turn, in part, on your testimony here tonight.

Describe bill passage process.
Introduce everyone.

Nice to listen
questions first, then testimony

Ft. Yukon - 2nd Cl. city
possible DEC

file 202

House Bill 202 is one of two bills before the Legislature (the other being SB 35 by Orsini) which, if enacted, would levy and collect a property tax on property within the state's unorganized borough. The bill was introduced by Representative Charles Parr of Fairbanks.

If enacted, the bill would levy a tax on improved property ~~within~~ in the unorganized borough. The tax would be at a rate which equals the average of the property tax rates levied by all boroughs in the state for the support of borough school districts, a figure which has been estimated by the Department of Community and Regional Affairs at about seven mills (seven-tenths of one per cent of the value of property taxable) per year.

As drafted, the bill would exempt from taxation

(1) property which nas not been improved, such as acreage in woodland;

(2) real property which is exempt from taxation under ~~certain provisions of~~ the state's municipal code -- the property of churches, veteran's groups, and senior citizens;

(3) real property ~~picked up~~ taxed under the state's 20 mill levy on property used for the exploration, production or transportation of oil (pipeline property tax);

(4) ~~a maximum of the first~~ up to $10,000 of the value of residential real property, if the municipality authorizes the exemption and the voters approve by ordinance -- but I assume that the exemption would only be allowed in municipalities which themselves approve levy of a property tax by the municipality and would not be authorized in a municipality which itself did not levy

and collect a tax but approved the exemption for the purpose of reducing payment due under the state levy.

~~5) Land selected by Native Corps. is~~

As I read the bill, agricultural lands used for farming -- which are exempted in boroughs and cities -- would not necessarily be exempted from levy under this tax -- the definition of "unimproved" would seem not to ~~preclude~~ Permit a tax on lands actually put to the plow, but would recognize lands as exempt if held for grazing purposes. (This could be a major point of discussion at the Delta Junction hearing.)

improved = put to plow
unimproved = grazing

The bulk of the legislation, after describing the ~~reach of the levy,~~ extent of the tax addresses mechanical things such as the manner of assessment, procedures for collection and appeals, and enforcement processes and penalties. The state assessor, in the Department of Community and Regional Affairs, will be with the committee and can discuss specific questions involving assessment practices and the nature of the Department's role should the legislation be enacted.

The House Bill is not the first ~~in time~~ to call for an unorganized borough tax levy. The question of levy was first seriously raised at the time the 20 mill property tax was levied on the pipeline -- at that time the question was one of equity between taxation of the pipeline and taxation, or rather non-taxation, of all other property in the unorganized areas, a typical "equal protection" based argument which the oil industry once raised in litigation but which, I understand, was settled prior to final hearing or appeal. Later efforts to focus on the question of levy in the unorganized borough came at the time of reform of the state-operated school system and its replacement by the system of rural educational ~~service~~ attendance areas (1975 session), where some legislators were

1972.?

year?

asking whether it was fair to provide for local control and policy-making responsibility without adding the concomitant requirement of local tax contribution to support of educational services.

This, I suspect, is the chief reason underlying introduction of this bill: urban residents -- where property tax rates are hefty -- are asking legislators who represent them why it is that a dual system of education financing is permitted to continue [urban areas = Foundation program plus local property/sales tax; rural areas = no local effort], and if the legislature cannot figure out some way to reduce urban property/sales tax rates and levies, at least it could require a contribution for support of local schools by residents of rural areas.

The other bill, Senator Orsini's SB 35, is farther reaching: it would levy a flat ten mills (with a slightly broader system of tax credits) and indicates that an amount equal to the annual total receipts from the tax would be re-appropriated for the benefit of the unorganized borough, [an effort to avoid the "dedicated fund prohibition" problem.] Presumably the Orsini bill is grounded upon the assumption that residents of rural areas should contribute not only for local support of education but for general government services as well.

The levy and collection of any tax in the state's unorganized borough would be a step of major and historic proportions. In the unorganized area, aside from the first class cities which are school districts unto themselves, and are required to contribute to school costs, only one city levies a property tax, the City of Eagle, at three mills. About one-third of the second class cities levy a sales tax for the support of

general government (not educational) services, including Fort Yukon (3%), but not including Delta Junction ~~with all the transient travel activity and the increase in business volume due to pipeline construction~~. Tok is, of course, unincorporated.

This, and it should be stressed, is not the opening gun in the salvo leading to mandatory incorporation of new boroughs. (Admittedly, mandatory incorporation is always possible, ~~but the current administration won't address it in an election year, and a legislative initiative to that end is impossible without strong gubernatorial prodding.~~ but at present it is improbable. However, the same result could be obtained by, say, the levy of a very high property tax rate -- 20 or 25 mills -- which would force the citizen-taxpayers to seriously consider taking steps of their own volition to remove themselves from unorganized status.

~~On this point~~, you ~~should know that the Department of Community and~~ Regional Affairs ~~has received tentative inquiries from residents of Fort Yukon asking advice and assistance through the preliminary stages~~ of organization of a general law borough in the region generally embracing the Upper Yukon REAA. ~~Usually such "feelers" die an early natural death; in this instance, there is reason to be slightly more optimistic, if only because of the exceptional tax base provided in that region by the trans-Alaska pipeline. The committee's consideration of a property tax for the unorganized borough - as distinct from any initiative by the members, serving as members of the House Community and Regional Affairs Committee, to overhaul or substantially modify the pipeline property tax and the generous treatment given under it to boroughs and cities containing pipeline property -- ought not to adversely affect the Fort Yukon area borough study effort.~~

That the legislature can levy a property tax -- or any tax -- in the unorganized borough is undoubted: under the constitution, ~~you are~~ the legis. is the assembly of the unorganized borough (Article X, sec. 6). Whether, for reasons of equity or practical finance, the Legislature will act or avoid action in this session will turn, in part, on the reception given the idea of levy and collection of a tax by the residents of the unorganized borough themselves.

~~In short, what the Interim Committee on Taxation in the Unorganized Borough is being asked to do is act to disprove the validity of the shopworn proverb: "Nothing is certain except death and, except in Alaska's unorganized borough, taxes." HB 202 is merely a gentle step in that direction.~~

Your information...

copies of letters sent...

Send to Judith Pinnow

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

September 19, 1977

The Honorable John A. Carlson
Mayor, Fairbanks-North Star Borough
P.O. Box 1267
Fairbanks, Alaska 99707

Dear Mayor Carlson:

My thanks to you for working with Representative Sally Smith to provide an opportunity for the members of the House Community and Regional Affairs Committee to meet with elected municipal officials of the Fairbanks area to discuss matters of mutual interest and concern. I understand that the meeting has been scheduled for Wednesday, October 19, at 7:30 p.m., at the Borough Assembly chambers, 520 Fifth Avenue.

By this letter, I am extending a cordial invitation to you and the members of the Fairbanks-North Star Borough Assembly to meet with us at that time. I look forward to that meeting and hope that you and as many members of the assembly as possible will attend.

Sincerely,

/s/ Lisa Rudd by jc

Representative Lisa Rudd
Chairperson
House Community and
Regional Affairs Committee

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

September 19, 1977

The Honorable Carleta Lewis
Mayor, City of North Pole
P.O. Box 5109
North Pole, Alaska 99705

Dear Mayor Lewis:

In conjunction with public hearings in the Interior of Alaska during the third week of October, the House Community and Regional Affairs Committee will have an opportunity to meet with municipal officials from the metropolitan Fairbanks area. Mayor John Carlson of the Fairbanks-North Star Borough has graciously offered the use of the Borough Assembly Chambers for that meeting.

By this letter, I am extending a cordial invitation to you and the members of the council of the City of North Pole to meet with us to review matters of mutual interest. There will be no formal agenda: rather, the members of the committee will be available to review with you legislation currently pending, your ideas concerning other needed legislation, and any other matters of mutual concern.

The meeting will be held at 7:30 p.m., Wednesday, October 19 in the Borough Assembly chambers, 520 Fifth Avenue, Fairbanks. I welcome the opportunity to meet with you and hope that you and as many members of the council as possible will attend.

Sincerely,

/s/ Lisa Rudd by jc
Representative Lisa Rudd
Chairperson
House Community and
Regional Affairs Committee

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

September 19, 1977

The Honorable Harold Gillam
Mayor, City of Fairbanks
410 Cushman
Fairbanks, Alaska 99701

Dear Mayor Gillam:

In conjunction with public hearings in the Interior of Alaska during the third week of October, the House Community and Regional Affairs Committee will have an opportunity to meet with municipal officials from the metropolitan Fairbanks area. Mayor John Carlson of the Fairbanks-North Star Borough has graciously offered the use of the Borough Assembly Chambers for that meeting.

By this letter, I am extending a cordial invitation to you and the members of the council of the City of Fairbanks to meet with us to review matters of mutual interest. There will be no formal agenda: rather, the members of the committee will be available to review with you legislation currently pending, your ideas concerning other needed legislation, and any other matters of mutual concern.

The meeting will be held at 7:30 p.m., Wednesday, October 19 in the Borough Assembly chambers, 520 Fifth Avenue, Fairbanks. I welcome the opportunity to meet with you and hope that you and as many members of the council as possible will attend.

Sincerely,

/s/ Lisa Rudd by jc

Representative Lisa Rudd
Chairperson
House Community and
Regional Affairs Committee

Glenn Marunde – testimony - Voice of the Bush TAX

- AdiAK
- more advanced notice
- October 8th > postcard arrived
- advertisement on 202 -
- assurance of separation between real & personal tax
  levy on unorganized borough by legislature
- def. of unimproved land

Questions: large tract with one structure?
- question the amt. of revenue to be generated
- possibility of redistricting that would affect the satellite REAA's – wants the bill sent to H-HESS

formal request

Bill - REAA school board
real tax base would be in Tok
no assurance of return of funds to area
assessed valuation is too excessive
referred to H-HESS

Bill Simmons
- fireball, visitors center, clinic, ambulance
- less than $35,000 in grants from state
- courthouse, jail, library, trooper, licensing > tourist info building
- highway that goes to other parts of the state
- not going to benefit Alaskans or Alaska
- recommend – do not PASS
-

Owner of Golden Bear -
- wants service to equal tax

LaVale Wilson – spokesman for essential service
food stamps office, welfare office, clinic (alcoholism) those receiving services not those that pay the tax

Terry Bringer - objects on tax
a) forces local gov't organiz.
b) mapping & ownership in unorg. area
- opposes prop. tax in principle
no relationship to tax $ social services
No defense for social services

Paul McCollum - what is the amount of federal $ to TOK area?
penalty tax on citizens

- Amendment:
upon receipt of 100% state-funded education requested that tax be lifted

Question borough ~~state~~ owns schools and land in there area ??

Dual function of Legislature -
AMENDMENT
Raise the school tax

Paul Smith of Golden Bear
Jim Wilbough -
study of $ amounts of services going into TOK

Wilson - benefit of living in the unorganized borough
to not pay a tax + a reason for living in bush

Marunde Wrap-up
* 164,000 parcels

Recommendation to cut-off program - time certain, legislature to refer to

Jim Wilbough - raised question of mill rate

Delta

Sign-up Sheet

NAME	ADDRESS
JOE NISTLER	Box 627 DELTA Jct, AK 99737
Cynthia Anderson	Box 306 Delta Jct 99737
Bud Colley 895-4885	Mile 1385 - Alaska Hwy via Delta Jct.
Michael McCann	Mile 1414 Alaska Hwy Delta Jct.
Claim M Canning	Box 823 Delta Jct. AK 99737
Susie Peterson	Box 493 Delta Jct AK 99737
Jill Olivera	Box 224 Delta Jct AK 99737
Lavonne Koon	Box 216 Delta Jct AK 99737
FRANK DIKE	Box 423 Delta Jct AK 99737
Fran. Columbo	Box 964 - D. J. AK - 99737 -
Leonard A. Lemon	Box 102 DJ AK 99737
KEN KUTHEN	Box 486 D.J. AK. 99737
RICHARD SOUHRADA	Box 98 Delta Jct 99737.
DOUG PARSONS	Box 295 DELTA JCT "
	"
Richard Carpenter	Box 884 Delta Jct 99737
Richard Souhrada	Box 98 Delta Jct 99737
Mary E. Dobrowski	Box 832 - Delta Jct 99737
Don Dobrowski	Box 832. Delta Jct 99737
Elizabeth G. Long	Box 835 " "
Judy Dove	P.O. Box 80 Delta Jct "
Barry L Sheldon	Mile 1378 AK Hwy. Delta 99737

S R Miller P O Box 384 Delta Jct
Donna Peckham P.O. Box 605 Delta Jct.
Anne Toth Box 965 Delta Jct.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 202

Title Levy and Collection of Taxes on Developed Property: Unorganized Borough

Requested by Representative Parr Date

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected State Assessor 21 - 73 - 3 - 01 - 16 - 00

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES		428.3	454.0	481.2	510.0	540.6
200	TRAVEL		87.0	92.2	63.5	67.3	71.3
300	CONTRACTUAL		673.6	719.7	114.6	121.5	128.8
400	COMMODITIES		35.6	37.7	16.0	17.0	18.2
500	EQUIPMENT		43.8	10.0	10.0	10.6	11.2
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		1,268.3	1,313.7	685.3	726.4	770.1

FUNDING (Thousands of Dollars)

GENERAL FUND		1,268.3	1,313.7	685.3	726.4	770.1
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		18	18	18	18	18
PART TIME						
TEMPORARY						

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

1. @ assessment date January 1, 1979 (Amendment necessary)
2. The estimated tax base for the unorganized borough is based on known taxable property values, parcels per capita and average per parcel valuation within home rule and first class municipalities as of January 1, 1976.
3. Estimated tax base is discounted 20% to reflect the unimproved property exclusion. (809,328,988 = 1,011,661,235 - 20% 202,332,247)
4. Estimated average mill rate for administration of schools within 11 boroughs is 7 mills (7 mills = numerical average 6.11 weighted upward to reflect Anchorage municipality at 8.69 mills.)
5. Estimated revenue is based on a 7 mill tax rate times the adjusted tax base ($5,665,302 = 809,328,988 X .007)

Analysis Continued

IV. DATE 2-24-77 PREPARED BY Robert Dozier

AGENCY Community and Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Parr

COPY OF LETTER SENT...

September 26, 1977

The Honorable Jonathan Soloman
Mayor, City of Fort Yukon
P.O. Box 269
Fort Yukon, Alaska 99740

Dear Mayor Soloman:

I am writing at the request of Representative Lisa Rudd, Chairperson of the Interim Committee on Taxation in the Unorganized Borough. The purpose of the letter is to invite you and the members of the council of the city of Fort Yukon, t to a public hearing to be held in your community on legislation which, if enacted, would levy and collect a property tax in the state's unorganized borough.

The hearing in Fort Yukon has been scheduled for Thursday, October 20, at 7:30 pm in the Fort Yukon School library.

Enclosed please find copies of the legislation and of a recent press release advising of the forthcoming hearing. Should you have need of additional copies of the legislation, please contact:

Legislative Information Office
Legislative Affairs Agency
604 Barnette Street, Room 144
Fairbanks, Alaska 99707

Phone: 452-4449

Sincerely,

John B. Chenoweth
Legislative Counsel

JBC:hjd

Enclosures

Also: Debra Swallow

HB
213

March 1, 1977

TO: LISA
FROM: JUDITH

RE: HB 213 - HOUSING ASSISTANCE OFFICE

Mr. Riggs, the Director of the Alaska State Housing Authority, returned my call on March 1, 1977. He is interested in HB 213 and would like some clarification as to the intent of the legislation. Mr. Riggs said that ASHA is working with the regional housing authorities to get them to take more responsibility for the management of their programs in the rural area. If the creation of a Housing Assistance Office in Community and Regional Affairs would primarily be a coordinating and assistance agency for the regionals, dealing with the problems of rural housing, then his agency is very much in favor of HB 213. Mr. Riggs does not oppose the bill if in fact the intent is to create a more general Housing Assistance Office; however, he would like more time to consider the legislation if the intent of the bill is to include administration of both urban and rural housing authorities.

I informed Mr. Riggs that his comments would be communicated to you and possible made available to the committee members. He requested that I keep him informed which I assured him that I would do.

HB

215

February 8, 1977

TO: LISA
FROM: JUDITH

RE: Day Care Appropriation

My conversation with Mr. Pitts on Monday, February 7, 1977, proved to be very beneficial. He briefed me on the background of HCS 750 which increased the subsidy by $123,000 to include day care for AFDC recepients. The AFDC criterion was mandated to be the first priority and resulted in approximately 400 new children at $12.00 per day X 21 days per month; in excess of the $123,000.

Communities such as Anchorage began taking steps in September and October to reduce their clients to only those families in the lower one-third income categories. Mr. Pitts pointed out that the attached estimated supplemental funding would allow funding of day care in the three communities who are unable to fund all eligible families for the balance of the current fiscal year.

Families whose net income is $7,000 or less are currently eligible in addition to all AFDC families. As I understand it, all other families have been rejected or in the process of being cutback. Fairbanks and Kodiak are currently providing day care to only those at the poverty level and Anchorage apparently will be initiating some additional cutbacks to reduce family eligibility to poverty-level.

Attachments:

Projected Supplemental Appropriation for FY 77
Letter to Representative Larry Carpenter

Thanks very much -

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER / POUCH B – JUNEAU 99811

February 7, 1977

The Honorable Lisa Rudd
Chairman
House Community and Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Fbr peak $ 20,000 per. mo.

Dear Representative Rudd:

The following information is in reference to your inquiry regarding a supplemental appropriation for FY 77 Day Care Funding. Per your request we have projected additional funding to allow total funding of day care in the three communities who are unable to fund all eligible families for the balance of the current fiscal year. The required additional funding is:

1) Fairbanks North Star Borough	$262,800	$75,000
2) City and Borough of Juneau	76,100	$1000 $35,000
3) Kodiak Island Borough	73,600	
	$412,500	

These additional funds would cover the period of March through June, 1977, only. and 80,00

The above total was computed based on the number of subsidized families plus eligible families rejected because of the lack of funds as of December 31, 1976, and using a standard gross index of ten percent overall during the last half of the current fiscal year.

I trust this information will be satisfactory. However, if you desire more please feel free to call me or Mr. Harvey Pitts, Day Care Coordinator in Anchorage, at 279-3462.

Sincerely,

Michael C. Harper
Deputy Commissioner

FRANK J. GOLD, ED. D.
Registered Psychologist
1221 COPPET
FAIRBANKS, ALASKA 99701
(907) 456-4409
452-8959

for your information —
F Gold

January 7, 1977

Larry D. Carpenter, Representative
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Larry,

Please excuse the tardiness of this reply; I wanted to have a response to your letter and the letter written by Ann Maxton to you before you left Fairbanks for Juneau. Unfortunately, the beginning of the month is hectic--and a couple of court appearances didn't help.

The basic facts provided to you by Ms Maxton are basically correct: the amount of funding made available to the Fairbanks North Star Borough for day care assistance is simply inadequate to meet the demand. Although I was successful in getting a supplemental appropriation of approximately $20,000 from the Office of the Child Care Programs Coordinator (the total for the Fairbanks North Star Borough thus totalling $128,620), the demand for our community is probably in excess of $300,000.

The day care assistance program is set-up so that five distinct income categories exist; as the parent's income goes up, the amount of state assistance decreases. Thus, we fund from 10% to 100% of the cost of care for those hours the parent is working and/or in training and/or in school. There is no funding available through this program for parents not meeting the above criteria; it is not a welfare operation.

In July and August, the word from the Coordinator's office was that we should advertise the program, get lots of eligible folks on the program, and that additional funding could be expected. Unfortunately, the extra funding could not come anywhere close to the unexpected demand within the Fairbanks North Star Borough. As soon as this became evident, we were told to eliminate those families within the top two categories--those folks making the most. Since then, categories #3 and #2 had to be cut out also. At this time, we are only funding those families who receive 100% support; these folks make less than $7500 per year.

There is one additional constraint that must be noted: no matter what, those families who are eligible and are receiving AFDC, must be funded for the entire fiscal year; they cannot be

	Juneau	Kodiak	Fairbanks	Totals
Group I				
Income	0-5,999	0-6,449	0-6,900	
Families	20	24	73	117
Kids	31	37	113	181
Amount	35,376	42,504	129,360	207,240
Group II				
Income	6,000-7,999	6,450-8,599	6,900-9,200	
Families	18	15	35	68
Kids	28	23	54	105
Amount	28,987	23,760	55,598	108,345
Group III				
Income	8,000-10,999	8,600-11,824	9,200-12,650	
Families	20	12	35	67
Kids	31	18	54	103
Amount	24,763	14,414	43,243	82,420
Group IV				
Income	11,000-12,999	11,825-13,974	12,650-14,950	
Families	8	8	36	52
Kids	13	12	56	81
Amount	7,524	6,864	32,076	46,464
Group V				
Income	13,000-14,999	13,975-16,124	14,950-17,249	
Families	1	1	8	10
Kids	1	1	13	15
Amount	526	502	20,577	21,605
Totals of Groups	97,176	88,044	280,854	466,074
LESS (to be given 3/31/77)	21,076	14,444	18,054	53,574
TOTAL	76,100	73,600	262,800	412,500*

* Total of Juneau, Kodiak and Fairbanks

this was prepared by Rocky MacKinnon with information furnished by Harvey Pitts, Child Care Coordinator, Dept. Community & Regional Affairs 2/10/77

DOLLARS NEEDED NOW TILL END OF FY 1977

FAIRBANKS

Group 1	$ 129,360
Group 2	55,598
Group 3	43,243
Group 4	32,076
Group 5	20,577
	$ 280,854
Less Amount To Be Allocated -	(18,054)
	$ 262,800

KODIAK

Group 1	$ 42,504
Group 2	23,760
Group 3	14,414
Group 4	6,864
Group 5	502
	$ 88,044
Less Amount To Be Allocated -	(14,444)
	$ 73,600

JUNEAU

Group 1	$ 35,376
Group 2	28,987
Group 3	24,763
Group 4	7,524
Group 5	526
	$ 97,176
Less Amount To Be Allocated -	(21,076)
	$ 76,100

ANCHORAGE - Approximately $80,000 thru 6/30 to subsidize Group IV & V.

To: Members of the House CRA Committee 18 February 1977

The American Association of University Women wishes to lend its support to the passage of HB215. We spoke out strongly in favor of the original day care subsidy bill which has been providing day care assistance to low income children, assuring them the opportunity for licensed, qualified care.

As you must be aware, the availability of qualified child care is far less than the need. In fact more than 80% of the day care population in Alaska (children aged 0-9years) is served by unlicensed arrangements of one sort or another. What is most startling is that there are hundreds of young children in our state without any care at all. One reason for this situation is that parents cannot afford to pay the seemingly high cost of qualified care which averages about $10/day. That is $200/month (or $2,400/year) which is as much or more than a family must pay for food or rent. Consider that cost to a family earning a $10,000 to $12,000/year salary. And child care costs are on the rise. Care givers are no longer willing to work for poverty wages at what may be one of the most important jobs in our nation, one unequalled in responsibility, stress and long hours, even though the going rate of $5/hour for child care staff can hardly be said to be an incentive to enter that line of work.

Only two years ago when the subsidy bill was introduced, the average cost of care in Alaska was at $7.50/day (according to the League of Women Voter's "Alaskan Day Care: Quality and Cost" pg. 6). Two years before that it was $5/day in Alaska, and nationwide the national average was $3.50/day! In 1965,however, seventy to eighty percent of the child care arrangements in the nation were free from an adult relative or through trade arrangements with friends and neighbors (see the League's "Day Care - Alaska's Unmet Need" pg. 2-3). As you can see, child care costs are rising at a phenomenal rate - far faster than people's salaries - yet even at the present rate of $10/day the cost is no greater per hour than what we would pay the casual babysitter for watching TV at night while the kids are asleep. For little over a dollar an hour we expect the care giver to provide the major upbringing of a child during almost all of that child's waking day.

The question then always arises whether one parent shouldn't be staying home with his young children instead of "choosing" to work outside the home. Statistics from the Dept. of Labor's Women's Bureau in their "Handbook on Women Workers, 1975" show that over 70% of all working women have more than good reason:

29% had husbands earning less than $10,000
19% were widowed, divorced or separated
23% were single.

Working mothers would fall within the first two catagories and over 50% of all mothers with children under age 18 are working. In fact 33% of white women and 52% of minority women with children under age 6 hold jobs outside the home!

Parents are not staying home because they must work, and their children deserve and need adequate care. We feel that the additional subsidy requested in this bill is valid and desperately needed by Alaskans to meet the soaring cost of child care.

Sincerely,

Connie Stewart, President
American Association of University Women
Juneau-Douglas Branch

February 21, 1977

TO: STEVE COWPER, CHAIR
HOUSE FINANCE COMMITTEE

FROM: LISA RUDD, CHAIR
COMMUNITY & REGIONAL AFFAIRS COMMITTEE

RE: HB 215 - Supplemental Appropriation for the Day Care Assistance Program

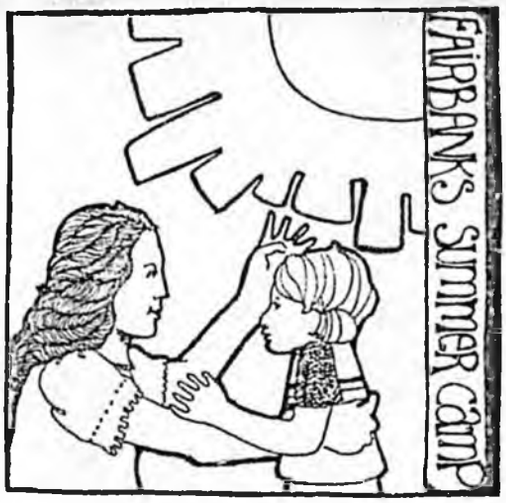
The Community & Regional Affairs Committee, after hearing testimony from the Community and Regional Affairs Department and the managers of the day care assistance program in Juneau and Anchorage and from a day care provider in Fairbanks, has reduced the requested appropriation from $412,500 to $368,750.

While the department had allowed for maximum possible growth in the program for the next four months in arriving at the $412,500 figure, testimony from the program managers and provider indicated that such dramatic growth was not likely to take place. Therefore the committee chose a figure which would allow some growth in the program, but not as much as originally predicted by the department.

It is proposed that the $368,750 appropriation be divided in the following way:

Fairbanks North Star Borough	$183,960
City and Borough of Juneau	53,270
Kodiak Island Borough	51,520
Municipality of Anchorage	80,000

The Community and Regional Affairs Committee would like to draw the Finance Committee's attention to the need to increase the FY'78 appropriation for the day care assistance program by at least the $368,750 which is being added to this year's appropriation. The department testified at our hearings that the amount shown in the Governor's budget for FY '78 is simply a maintenance budget based on the original FY'77 appropriation.



Fairbanks Summer Day Camp
P.O. Box 80452
Fairbanks, Alaska 99708
(907) 479-6844

2/19/1977

Tc: House C&RA Committee

From: John Hartle

re: HB 215 meeting of 2/18 with Harvey Pitts, Theressa Donnally, Margo Dick, Lisa Rudd, myself

Dear Committee members,

In my recollection, the way we arrived at a new figure for the Day Care Assistance supplimental appropriation began with our questioning Mr. Pitts, statewide DCA coordinator, on how he derived the original one. He explained exactly the factors he considered and how he had weighted each factor. We asked him how varying the amount would affect the program, statewide, during the next four months. Eventually we arrived at a figure (368,960. or close) we were all comfortable with; it allows for reinstatement of the program at the original level with a moderate growth factor. It would take up all the people who were dropped, include the waiting lists and plan for a reasonable, but less than maximal, growth. This seemed entirely satisfactory to all present and I urge your support for this important bill.

I would like to thank Rep. Phillips and the committee for enlisting my help on this problem, allowing my voice to be heard on a matter that concerns me deeply. Thank you.

Sincerely,
John Hartle

John Hartle

c.c. Harvey Pitts
Theressa Donnally
Margo Dick

Municipality of Anchorage

MEMORANDUM

DATE: February 17, 1977

TO: Therese U. Donnelly

FROM: Rita Jacobs RJ.

SUBJECT: Insufficient Funds Denial

CRA DENIALS GROUPS IV and V EFFECTIVE MARCH 1, 1977

Number families denied 43
Total children : 54

State Share Group IV and V

20%	30%	40%	50%	60%
1	1	40	4	8

Cost To State

50.40 75.60 4032.00 504.00 1209.60

No. Cst. 5871.60

OF the 43 families above:

27 were single-parent families

16 were two-parent families

When the above 43 first enrolled they were in the following groups: Group I - 5
II - 4
III - 19
IV - 8
V - 7

91-010 (4/76)

AFDC Statistics as of February 1977

Group I 100%

Total Families Participating	139
Total Children	170

Ages	Number	Monthly Cost per Child	Monthly Cost
0-12 months	11	@$315.00	$3465.00
1-6 years	141	@$252.00	$35,532.00
*over 7 years	18	@$147.00	$2646.00
Total Monthly Cost			$41,643.00
Annual Cost			$499,716.00

*Cost for Part Time slot does not include cost for summer vacation or school holidays.

MUNICIPALITY OF ANCHORAGE
OFFICE OF HUMAN DEVELOPMENT
DAY CARE ASSISTANCE PROGRAM

DATE: as of January 31, 1977

I. FAMILY DATA	1976	1977
a. Number single parent-fathers in program	32	14
b. Number single parent-father's children	46	22
c. Number two parent households worked thru program	43	4
d. Nuber single parents worked thru program	6	1
e. Number families closed	205	203
f. Number denied on original application	74	178
g. Number families moved out of area	12	13
h. Number families from AFDC to CRA	35	11
i. Number families from CRA to AFDC	14	6
j. Number from CRA to AFDC paying own daycare	Unknown	1
k. List the number of families transferring from higher subsidy group to a lower subsidy group	Unknown	73
l. List the number of families transferring from a lower subsidy group to a higher subsidy group	Unknown	57
m. Number families to return to full-time school	5	10
n. Number families that have children over age seven	9	9

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
DAY CARE ASSISTANCE PROGRAM
MONTHLY LOCAL AGENCY STATISTICAL REPORT

From MUNICIPALITY OF ANCHORAGE
(name of local administering agency)

For the month of JANUARY, 1977
(Incomplete: 1 billing not added as of 2/17/

	Reporting Month	Year to Date
I. UNITS OF SERVICE DATA		
a. Number of part time units of service (P)	982	5801
b. Number of full time units of service (F)	7943	51189
c. Number of more than full time units of service (M)	51	563
d. Total units of service delivered (P + 2F + 3M = total)	17021	109868
e. Total units of service delivered in centers	11829	80907
f. Total units of service delivered in homes	5192	28961
II. COST DATA		
a. Total cost of day care for CRA program children	$92,195.08	$561,945.45
b. Cost to parents for care of program children	16,311.29	89,649.26
c. Cost to state for care of program children	75,883.79	472,296.19
III. FAMILY DATA		
a. Number of new families entering program	88	515
b. Number of new children entering CRA day care	121	743
c. Number of new families in which one parent or guardian is enabled to work because of CRA day care assistance	69	398
d. Number of new families in which one parent or guardian is enabled to train or go to school because of CRA day care assistance	14	67
e. Number of new families in which one parent or guardian is enabled to work and train because of CRA day care assistance	5	48
f. Number of new families in Income Group I	44	312
g. Number of new families in Income Group II	7	52
h. Number of new families in Income Group III	23	107
i. Number of new families in Income Group IV	8	24
j. Number of new families in Income Group V	6	15
k. Number of new single parent families	72	346
l. Number of eligible families rejected because appropriate licensed space unavailable	N/A	N/A
m. Number of eligible families rejected because of insufficient program funds	N/A	43
n. Number of families certified eligible for AFDC or WIN benefits receiving program funds	24	202
o. Reviews	132	747
p. Denied	5	178
Closed	61	203

LEAGUE OF WOMEN VOTERS OF ALASKA

HB 215

The League of Women Voters of Alaska is firmly in support of HB 215 and urges its swift passage, since passage much after March 1st will ~~require additional appropriation~~ and will cut deserving parents unnecessarily from the program. The League has been a strong backer of day care assistance, and our statewide position established just last year after careful study states that "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".

I would like to underscore the fact that care given to children under this Dept. of Community and Regional Affairs program is required to be licensed by the State and is therefore providing a basic quality that is unavailable to too many Alaskan children. In fact 85% of the children in Alaska are cared for outside the home in unlicensed facilities. That is 17,000 kids (almost 9,000 in Anchorage alone) with working parents or a working single parent who must rely on arrangements that may be less than satisfactory because very few young families in the big cities have relatives close by that are available to help provide care. It is especially interesting to follow the licensing pattern that this program has produced. As parents become aware of their eligibility in the day care subsidy program, they tend to pressure their "babysitters" to become licensed, thus increasing the quantity and quality of overall childcare in Alaska. In Anchorage, for example, the number of available day care slots for 11,000 kids was 1,300 in October, 1975, when the program began. At the end of this last fiscal year it had risen to over 2,000 and now the number of slots has expanded to 2,400 with 300 more ready for processing. The same has happened in Kodiak and Juneau where available slots have doubled since the program began.

I would like to remind this committee that parents work because they have no other economic choice. Most employed parents are widowed, divorced, separated, or their spouse is earning less than $10,000 a year; and in fact 52% of all minority women with children under the age of 6 are employed (compared with 52% of all women with children under 18) according to U. S. Dept. of Labor statistics. Low income working parents are faced with day care expenses that few can adequately meet. The going rate for childcare is about $10 to $12 a day (with infant care as high as $15 to $17 a day) and that is up drastically from only four years ago, for providers are no longer willing or able to work for poverty wages. That daily rate for one preschool child adds up to between $2,400 and $3,000 each year, or more if a family has more than one child. Working parents need to fund additional childcare during the summer months when school is out of session. That yearly sum takes a pretty hefty bite out of even a $10,000 a year salary. When you add up the costs of rent, food, clothes, utilities and taxes, not to mention car and medical expenses, you may find the salary already expended past its limits. And yet in Fairbanks, for example, we understand that the program has already had to cut back service to all but those families whose <u>combined</u> income is $8,000 or less!

The League feels that this program can therefore not yet reach significant numbers of people for whom help was intended. It would pay, for example, all or most of a family's day care expenses, allowing that family frequently to pull itself up from reliance on welfare; and yet would not support that family during the trying months that follow when the family is or would be actually paying more and more of its own share, requiring less and less from the State program. One particularly revealing case is

that of an Anchorage woman who recently called the CRA office. She explained how the program was keeping her family unit together because previously she had to hold down three jobs as a single parent to provide for her family - two during the week and one on the weekends. The subsidy program permitted her to live normally with one job and to be with her children. She worked her way up to level IV in which she was paying 50% of her childcare costs. But as of March 1st she would be dropped in the cut back, and she was calling in tears because this was going to force her to disrupt her family, to dissipate her resources and her energy just trying to make a living wage.

We understand the reluctance of some of you to grant supplemental budget appropriations, however in this case we feel that the grant is not only justified but vital to the parents and children involved. The Dept. of CRA had little way of knowing last year how many families would actually be applying for the available monies. The need was greater than many realized and we are seeing now the results of the program's sucess in responses from families and the mushrooming of available licensed slots. We are seeing sucess in the movement of families into, up through, and out of the program.

But there is one further important reason that we feel that the Dept. should not be jepardized for using up existing funds. Last year's SB 753 which caused such flack at the end of the session contained some unalarming language that changed the definition of child to include "a child determined to be eligible for assistance under AS 47.25.310-47.25.420 and living with a family receiving benefits under AS 47.25.30 - 47.25.420." This in effect put the AFDC and WIN kids into the CRA program and out of Health and Social Service. Since Title XX funds could not be spent through the CRA Dept., those funds were reallocated to other areas within the Dept. of HSS, and only the State of Alaska general fund match monies were transferred for the use of the CRA Dept. to maintain the program. In other words 100% of the AFDC and WIN children were transferred to CRA, but only 20% of the money that it took HSS to run the program were transferred over. This financial burden has greatly affected the intent and expansion of the subsidy program, for monies which would otherwise have gone into the subsidy program have had to go to fully fund the AFDC kids which under law have priority. I should mention, however, that aside from the undue financial burden placed upon the Dept. of CRA, the overall move of AFDC and WIN kids out of HSS has been most beneficial. Prior to the move many childcare facilities refused to take state subsidized children ("welfare cases") and most day care homes would not. Now under the Dept. of CRA the stigma is gone and facilities are cooperating and new slots are opening up weekly.

We commend the Department of Community and Regional Affairs for a job being well done in helping communities take responsibility for their day care populations. We feel that the added supplemental appropriation asked for in this bill is not at all unreasonable or unjustified and we urge quick passage.

Sincerely,

Susan R. Clark
Human Resources Lobbiest
League of Women Voters of Alaska

Times 3/2

Lack Of Funds Cuts Day Care Subsidies

Abou: 10 per cent of the Anchorage families receiving state-subsidized day care are being dropped from the program because of a lack of funds, a municipal official said yesterday.

Theresa Donnelly, coordinator for the Municipa' Day Care Assistance Program, said 60 families with a total of 73 children are being dropped from the program effective today because there are not enough state funds left to carry the program through June 30, the end of the state's fiscal year. During February 515 families with a total of 743 children participated in the program.

The legislature authorized the subsidized day care program in 1975 with the hope that welfare parents might have the incentive to seek jobs if they received help with the high cost of day care. Working parents pay for the day care on a sliding fee scale based on their income and the state picks up the remainder of the day care costs.

Mrs. Donnelly said the state pays a maximum of $12 per day for each child over a year old who is in a licensed care center and a maximum of $15 a day for infants. The average cost of children to age one is $315 a month and $252 a month for children over the age of one year.

Mrs. Donnelly fears that people holding down paying jobs might go back on welfare since they cannot afford to pay 100 per cent of day care costs for their children. Some of the participants in the program are "talking about resigning their positions and going back on welfare" since they were notified of the program cutbacks, Mrs. Donnelly said.

Involved are parents who were on welfare, then found low-paying jobs and have worked their way up to higher salary ranges.

The families who were cut off from the program today have adjusted incomes ranging from $11,000 to $14,999 annually, Mrs. Donnelly said. Additionally, persons who make between $8,000 and $10,999 must pay a larger percentage of the day care costs for their children, she said.

Those who do not have large financial committments are being asked to pay 40 per cent of the costs of caring for their children. They now pay 20 per cent.

Mrs. Donnelly said this is being done in an effort to maintain those in the lowest income brackets in the program. She also said in the last six months some parents have been voluntarily increasing their own payments so that more could remain in the program.

The municipality is spending about $7,000 a month more than the $70,000 it is receiving from the state, said Mrs. Donnelly, "which means there is an immediate need to cut some people off the program" in order to maintain those at the lower end of the income scale.

The municipality has a total grant from the state of $841,044 for fiscal 1977, she said.

That amount of money probably would have been enough to subsidize working parents it the legislature hadn't last year moved day care payments fo. parents on the Aid to Families with Dependent Children from the Department of Health and Social Services to the Department of Community and Regional Affairs which administers the first program.

The government picks up 100 per cent of the day care costs for the dependent children aid recipients. "The impact of ADC recipients took half of our annual allocation," Mrs. Donnelly said.

A bill which would ease the situation has been introduced int the state legislature. The bill, sponsored by the Community and Regional Affairs Committee, calls for a $368,750 supplemental appropriation to fund the statewide program through the end of this fiscal year.

That bill has already received approval from the sponsoring committee and is likely to win favorable recommendation from the House Finance Committee, which reportedly plans to reduce the appropriation before sending it to a vote of the full House later this week.

"We're hoping it will have some kind of priority and move through as quickly as possible," Mrs. Donnelly said.

If the legislature approves the appropriation, a portion of Anchorage's share would be used to make retroactive payments to providers of day care. Mrs. Donnelly said that the families who are being deleted from the program can be reimbursed for day care expenses retroactive to March 1 if they leave their children in licensed day care facilities.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY & RURAL DEVELOPMENT

Bayview Commercial Bldg.
Suite 230
619 Warehouse Avenue
Anchorage, Alaska 99501

March 14, 1977

Mr. John Swan
Director
Eneput Children's Center
P.O. Box 80452
College, Alaska 99701

Dear John:

I have been asked to respond to your letter of February 22, 1977 to Commissioner McAnerney regarding the supplemental appropriation for the Child Assistance Program which is contained in House Bill 215. Your letter to Commissioner McAnerney was written on the day before our last conversation in Juneau, which took place on February 23, 1977. Therefore, we have already discussed most of the points mentioned in your letter. However, I will again address each of those points in an attempt to "clear the air" regarding our position on the supplemental appropriation itself.

In your letter you state that "...Community and Regional Affairs personnel do seem ill prepared to ask for a supplemental appropriation that is in excess of the original appropriation for most communities...". Let me assure you this is not the case. In fact, the opposite is true. Our files contain statistics gathered from each community in the state where a child care assistance grant has been made. Further, these files are more complete than any files which may be found anywhere else in the State with regards to the Day Care Assistance Program. It was this data, which we have carefully gathered over the past year and a half, that was used to compute the $412,000 figure which was originally submitted in answer to an inquiry from Representative Lisa Rudd. The $412,000 figure was computed using growth patterns that have occurred throughout the State over the past year and a half of program operation. I still believe that figure to be reasonable, and not in the least over stated.

We too feel that the Day Care Assistance Program is providing an extremely important service to our low income and single parent families throughout the State.

Our original objection to a supplemental appropriation stems from the administration's position of holding the line on all program expenditures. Obviously, a supplemental appropriation would be in opposition to that position. However, the administration's present

position is that the supplemental appropriation for the Child Assistance Program will not be opposed this fiscal year. However, any increase in the administration's recommendation for the Day Care Assistance Program next year must be accompanied by a concomitant reducation in program expenditures in other areas, or an increase in revenues.

Most of your testimony and the objections which you voiced to me privately centered around the fact that there does not exist sufficient licensed spaces to expend the supplemental appropriation in Fairbanks or Juneau. In my response to that allegation, I have stated that where sufficient demand and Day Care Assistance funding are available in the various communities throughout the State, we have observed that the number of licensed spaces trends upward to accomodate. For instance, in June of 1976 there were 295 licensed child care spaces in the Fairbanks North Star Borough. Even though the Day Care Assistance Program funding in Fairbanks was limited to an amount less than could have been utilized, on January 19, 1977 the number of licensed spaces in the Fairbanks North Star Borough had grown to a much higher total of 431. This represents an increase of 46% in licensed spaces available; which, I'm sure, is at least in part due to the Day Care Assistance Programs as well as the demand for licensed child care in Fairbanks. You also mentioned the program in Juneau. Like the Fairbanks North Star Borough, the City and Borough of Juneau has realized a substantial increase in the number of licensed child care spaces during that same period of time. In June of 1976 there were 273 licensed child care spaces available in Juneau, Alaska. However, as of January 19, 1977 this figure had grown to 513 licensed child care spaces. This represents an increase of 88%, and again, like Fairbanks, the City and Borough of Juneau also received a day care assistance grant which was less than could have been expended in that community! In June of 1976 the Kodiak Island Borough contained 91 licensed child care spaces. On January 19, 1977 the number of licensed child care spaces had grown to 199, an increase of 119%! In the smaller communities-the City of Petersburg-in June of 1976 there were 46 licensed child care spaces in the City of Petersburg. On January 19, 1977, the total number of licensed child care spaces in the City of Petersburg had increased to 62, an increase of 35%. In June of 1976 the Municipality of Anchorage contained 1,929 licensed child care spaces. On January 19, 1977 this figure had grown to 2,419, an increase of 25%. In every instance these figures lend valitity to my statements regarding program growth in various communities wherein the day care assistance grants are available, and any figures regarding the need of a supplemental appropriation for day care assistance which does not consider the growth factors quoted above are certainly unrealistic.

At any rate, John, it appears that our debate is academic, since it is now apparent that the supplemental appropriation will not be passed in time for it to be utilized during the month of March. I do want to thank you, though, for your efforts on behalf of the many families throughout the State who have benefitted and who, hopefully, will continue to benefit, from the States Day Care Assistance Program. It is through constructive criticism such as your's that those of us who are responsible for administering the program receive many ideas which are vital to the proper evolution of the program, and gives us more and more insight into the problems encountered at the local level. We hope to continue working with you in the future to provide the best possible service to the families and children of this State.

Again, let me assure you that everyone connected with the administration of the Day Care Assistance Program is interested in providing the best possible service with the limited resources we have.

If you should ever find yourself in Anchorage with a few spare moments, please do drop by the office so we can chat. Meanwhile, if we can be of further assistance to you, please do not hesitate to contact us.

Very truly yours,

F. Harvey Pitts
Child Care Programs
Coordinator

FHP:sb

cc: Commissioner McAnerney
Representative Lisa Rudd
Jessie Dodson

February 26, 1977

TO: All Alaska Legislators

RE: Supplemental Day Care Appropriation

We, the undersigned, wish to express our support of the supplemental appropriation now before the legislature which would provide for the continuance of the state's day care assistance program through the remainder of this fiscal year.

We urge you to consider Alaskan families' dramatic needs for day care assistance (outlined in the Status of Women in Alaska 1977 report) as an issue of high priority during this legislative term.

Thank you.

Colleen McCormick 4208 North Star Anch. 99503
Rita Schmidt 4741 Newcastle, Anchorage, Ak.
[illegible] [illegible]
Russ Shandara Box 5114, Anch. 99508
Jan Gaasha 117 Elm, Anch., AK 99501
[illegible] PO Box 4-066 Anch AK 99501
Marcia Bosiuk 3800 Laron Lane Anch 99504
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[illegible] 40 Peppermint Anchorage 99507

[illegible] Bentley 311 E 24th Apt 4 Anchorage 99503

[illegible] [illegible] [illegible] Anc 99503

Jan Tucker 1138 Luckan Dr Rich 99505

HB

219

(OUTER CONT.
SHELF RESOURCES)

#1

Introduced: 2/15/77
Referred: Community & Regional Affairs and Finance

BY PARR, BRADLEY, BROWN, BUCHHOLDT, COTTEN, COWPER, ELIASON, GARDINER, GRUENING, MCKINNON, MALONE, MEEKINS, MILLER, NAKAK, OSE, RUDD, SMITH, SNIDER AND SWANSON

IN THE HOUSE

HOUSE BILL NO. 219

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for permits and fees for the construction of shore facilities associated with outer continental shelf natural resource extraction; and providing for an effective date."

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

* Section 1. AS 41 is amended by adding a new chapter to read:

CHAPTER 45. SHORE FACILITIES FOR OFFSHORE RESOURCE EXTRACTION.

Sec. 41.45.010. LEGISLATIVE FINDINGS AND DECLARATION OF PURPOSE. (a) The legislature finds that [major] resource development, exploration, + production projects create an [immediate] demand for greatly increased state and municipal services in areas contiguous to the projects and that tax revenues derived from these projects are received by the state and local governments only after significant impact on and expense by the state and local governments in providing necessary services has [already] occurred.

(b) The legislature considers it probable that the initial demand for publicly provided services related to outer continental shelf oil and gas development, exploration, + production projects will exceed corresponding initial tax revenues from the projects by an even greater proportion than occurs with resource [development] projects wholly inside the state.

(c) It is the purpose of this chapter to provide a mechanism by which the increase in demand for state and municipal services occurring as the result of an outer continental shelf oil or gas [development] project will be met by revenue from the project responsible for the increase in demand.

Sec. 41.45.020. SHORE FACILITIES CONSTRUCTION PERMIT. A person engaged in the exploration, development or production of oil or gas under terms of a lease from the United States in outer conti. ental shelf areas shall, before constructing, leasing, or in any other manner providing for shore facilities associated with the exploration, development, or production, apply for and obtain from the Department of Community and Regional Affairs a shore facilities construction permit and pay the permit fee provided in sec. 30 of this chapter.

Sec. 41.45.030. FEE FOR SHORE FACILITIES PERMIT. (a) The fee for a shore facilities construction permit is equal to the proportion of the anticipated outer continental shelf oil and gas development within the affected area which the facility represents of gross impact costs less development revenues. For purposes of this section

(1) "gross impact cost" equals the maximum anticipated population increase attributable to outer continental shelf oil and gas development in the affected area during a 20-year period multiplied by the per capita costs of state and local government in the affected area in the year in which application is made for a permit; and

what is?

7 + following yrs?

(2) "development revenue" equals the sum of estimated petroleum property taxes and general property taxes levied and collected on onshore facilities in the affected area, estimated income taxes collected from Alaska residents in the affected area, and anticipated outer continental shelf oil and gas development grants for which application may be made to the United States government, each of which shall be discounted on a cash flow basis using a discount rate which includes both the cost of money to the state and anticipated reductions in purchasing power due to inflation.

Wilco incl. prop. + sales taxes from increased business + pop.

(b) The applicant shall be provided access to the data used by the department in calculating the permit fee, and shall be given notice

and opportunity for hearing by the department before determination of the permit fee.

Sec. 41.45.040. REIMBURSEMENT TO MUNICIPALITIES. The department shall allocate to each municipality affected by a project an amount equal to that portion of the permit fee which is attributable to the provision of public facilities and services by the municipality.

Sec. 41.45.050. REGULATIONS. The department shall promulgate regulations to implement this chapter.

Sec. 41.45.060. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "shore facility" means a facility which is an integral part of, or directly associated with, the exploration for, or extraction, production or transportation of, oil or gas from the outer continental shelf, and which is owned by, or committed by contract or other agreement to, persons exploring for or producing or transporting oil or gas from the outer continental shelf; "shore facility" includes but is not limited to pumping stations, compressor stations, power plants, topping plants, processing units, roads, tank farms, tanker terminals, docks and other port facilities, air strips and communication equipment and facilities, maintenance equipment and facilities, construction camps and maintenance camps and other related facilities.

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

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 219
Title An Act providing for permits and fees
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected REVENUE
Program Category Affected ADMINISTRATION
Budget Request Unit(s) Affected RESEARCH, DATA PROCESSING, PETROLEUM REVENUE DIVISION

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		1.0	1.0	1.05		
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		1.0	1.0	1.05		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		See below				
PART TIME						
TEMPORARY						

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

The Department of Revenue estimates that the preparation of the income tax data required for estimating purposes would require the effort of two man-days. The preparation of the oil property tax data is estimated to require one man-week. It is assumed that the estimated costs could be absorbed.

IV. DATE 3/3/77 PREPARED BY Baerbel R. Sorensen BRS
AGENCY Department of Revenue
PHONE 465-2174

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

33-001 (Rev. 10/76)

Lisa - another possible formula for HS 219

41.45.030. FEE FOR SHORE FACILITIES PERMITS -

Application Fee

(a) The fee for a shore facilities construction permit is the sum of the estimated "Multiple of the Local Services Fees" plus the "Population Adjustment"

(b) "Local Services Fees" are equal to the quintuple (i.e.) of the quotient computed by dividing the total state and locally financed costs of providing local governmental services to the community for the community's fiscal year during which the application for a permit is made by the total local resident population during that period. For purposes of this computation the Department of Community and Regional Affairs with the assistance of the local government is to ascertain the costs on the basis of the necessary data from the community's financial records.

(c) The "Multiple of the Local Services Fees" is computed by multiplying the "Local Services Fees" with the estimated total additional residents in the community employed by the applicant at the peak of the operation in the area during a 20-year period commencing with the time the application for the permit is made.

(d) "Population Adjustment" is the product of multiplying the "Multiple of the Local Services Fees" with the percentage determined by dividing the number of total additional residents in the community employed by the applicant at the peak of operation in te area by the total resident population in the community at the time of application for the permit, and multiplying the quotient wth one hundred.

Permit Renewal

(a) Every year the permittee is to apply for renewal of the permit, and is to pay a renewal fee.

(b) The renewal fee is the product computed by multiplying the total number of additional residents in the community employed by the permittee during the preceeding fiscal year of the community with the amount determined by dividing the total state and locally financed costs of local services to be provided by the local community for the fiscal year during which application for the renewal is made by the number of total residents in the community at the time application for renewal is made.

Ms Lorenson, Dept Rev

DRAFT OUTLINE 3/18/77 CSHB. 219

does franchise go on forever?

CONTINENTAL SHELF SERVICE FACILITIES ACT

*Section 1. Legislative Findings and Purpose. Taken from page 1 of HB 219 with whatever changes are necessary to enhance chance of favorable judicial review.

*Section 2. Amend AS 44.47.050 to beef up "purposes" section of C & RA organic statute.

*Section 3. Adds new chapter (44.48)

Sec. 010. Creates Alaska Continental Shelf Services Authority in C & RA for the purposes of coordinating on-shore development related to outer continental shelf petroleum and mineral exploration activities, devel. prod. for purposes of assisting communities impacted by such development, and for the administration of the franchise requirements of this chapter.

Sec. 020. The authority is to be governed by a committee composed of the commissioner (C & RA), the director of the Division of Community Planning (in C & RA), and the director of the Division of Local Government Assistance.

Sec. 030. No person may operate an "on-shore service facility" for continental shelf development without a franchise from the authority except as provided in sec. 100 of this chapter.

Sec. 040. The authority shall monitor the activities of the federal government and state government with respect to continental shelf exploration and leasing, prepare a 2 quarterly report to the legislature and the governor on the potential need for continental shelf on-shore service facilities. When the board determines that service facilities are likely to be required in the near future, but in no case later than 90 days prior to the date at which the Department of Interior or other leasing authority proposes to receive bids on outer continental shelf tracts, the authority shall give notice of a hearing for the purpose of selecting a site or sites to serve the proposed continental shelf development. The purpose of the hearing shall be to solicit nominations of appropriate sites from interested communities and from continental shelf developers, operators of existing on-shore facilities, and other interested parties. The nominations shall contain 1) location of the proposed site, 2) the types of supply services expected to be required at this site, 3) the ownership of the land at and surrounding the site, 4) the capacity of the site to grow to meet the expected demands and an estimation of that expected demand and 5) such other information as the board may consider pertinent. In the case of facilities already in operation the board shall additionally solicit information concerning the current use of the facility and its ownership.

Sec. 050. The committee shall hold site selection hearings not less than 90 days nor more than 120 days after notice of those hearings have been distributed to all interested parties. Input shall be solicited from local communities in the area of the continental shelf development, prospective

This means before leasing - advisable?

users of the port facility including but not limited to holders of outer continental shelf leases, firms supplying the operations on those leases, local governments in the area of the proposed sites, representatives of fishing or other commercial activities who may be adversely impacted economically from the choice of a particular site or sites, and federal and state governmental experts on civil engineering, environmental science, or other technical matters which may relate to the port development.

Sec. 060. The committee shall determine, on the basis of the public hearing record, and any other relevant information available to it, the preferred site or sites for a continental shelf development facility or facilities. The criteria to be used by the committee in making this selection, in descending order of importance, are 1) minimize adverse economic and social impact on any community that may be adjacent to or coincident with the site, 2) minimize adverse environmental impact, 3) minimize the costs of facility development, minimize the expense of servicing OCS activities, and make the best use of existing port facilities, 4) maximize the likelihood that facilities will be useful for other purposes if and when OCS development tapers off.

Sec. 070. If the chosen site is in a borough, the borough may appeal the site decision to the governor who shall have 30 days to 1) affirm the decision, or 2) direct the board to give the issue further study, in which case the governor shall provide specific instructions as to what areas of concern should be looked into further. (If the site is in a city which is not itself included in a borough, the city has the same appeal right.) This appeal must be exercised within 30 days of the date of the initial site

choice decision. Other parties with a major interest in the siting decision including the prospective companies developing the OCS resource, land owners in the vicinity of the site, or others with similar interests may, within the 30 day period subsequent to the initial decision, request a rehearing by the board stating in that request the reasons why they believe an additional hearing is necessary.

Sec. 080. Once a final site selection decision is made a regional continental shelf facilities board shall be formed composed of the committee members or their designees (who must be on the C & RA staff) plus three members elected by the borough assembly (or the city council if there is no borough. If the city later becomes a part of a borough the new assembly elects new board members. The regional board is empowered to select a franchisee and negotiate the franchise fee.

what if unorganized no city?

If requested by a majority of the board members the Department of C & RA shall provide staff support to the board in its selection of the franchisee, and in the setting of the franchise fee. Four members of the board constitute a quorum, and actions of the board require an affirmative vote of four members.

Sec. 090. The franchise shall be awarded to firms actually engaged in continental shelf development unless the board determines that other ownership is in the best interests of the state and community; however, in the case where an approved site is an existing facility the franchise shall be awarded to the operator of the existing facility unless it is the board's decision that the operator does not have the technical or financial capability to promptly and efficiently meet the expected requirements for continental shelf supply services. In this case the board shall encourage the existing facility operator and prospective continental shelf developers to establish some form of joint venture to which the franchise then shall be awarded.

Sec. 109. Where a port exists at the approved continental shelf supply facility site the franchise and franchise fee shall not be required unless cargo directly destined for outer continental shelf development crossing the facility exceeds 25 per cent of all other cargo either in value or in tonnage over the period of one month. The facility operator shall periodically report to the board on the tonnage crossing its facility and shall not exceed the 25 per cent figure without first obtaining the franchise from the regional facilities board.

Sec. 110. The franchise fee shall be a matter of free negotiation between the board and the franchisee. The fee may be paid on the basis of any or all of the following: 1) an initial lump sum payment, 2) periodic payments of fixed amounts, 3) periodic payments based on the value of material moved across the franchise facility, 4) initial lump sum payment to be followed by a subsequent lump sum payment if and when activity reaches a specified level, or 5) any other method that reasonably relates fee payments to impact costs expected to be imposed upon the community by OCS development.

Sec. 120. The franchise fee shall be subject to reneogtiation each five years, and shall not exceed the cost to the community and state that have a reasonable probability of occurring during the five year period. These costs shall be net of any payments expected to be received for property taxes on the facility, and if the franchise fee includes a periodic payment, shall be net of the expected value of those periodic payments. After the initial five year period has lapsed the maximum permissible franchise fee during the second five year period shall be calculated in the same manner as was the maximum fee for the first five year period, except that the maximum

shall be increased by the net community costs incurred over the previous five year period in excess of those collected or defrayed by the franchise fee paid during that period, or alternatively, decreased by the amount that the actual monies paid were in excess of actual net costs incurred on the community. However, in no case shall a community be required to reimburse the franchisee for any "excess payments" except by means of credits against future franchise payments.

Sec. 130. The franchisee or prospective franchisee who believes that the fee proposed by the board is higher than permitted under sec. 120 may pay the fee under protest and appeal to the superior court, and such payment shall not prejudice the franchisee's rights in any way. No franchise shall be awarded, however, without payment of the fee, and a prospective franchisee who appeals an offer of the board to the court acquires no rights in the franchise, which the board may then award to another applicant on the same terms and conditions as were turned down by the initial prospective franchisee. Acceptance by a second applicant of the terms rejected by the initial prospective franchisee shall be prima facie evidence of the reasonableness of the proposed fee under the criteria established in sec. 120. The attorney general shall defend the board and the committee in any actions brought against it.

Sec. 140. If on renegotiation the board and the franchisee cannot agree the franchisee may pay the franchise fee proposed by the board under protest and appeal as provided under sec. 130 above. If the franchisee does not wish to make payment under protest then the local government may acquire by eminent domain the facilities of the franchisee at the approved site, or if the local government is not interested the state may so acquire them.

Sec. 150. Franchise payment shall be shared between the state and local government (if one exists) on the basis of 30 percent to the state and 70 per cent to the local government. If a local government should be formed or should expand to encompass an approved site subsequent to the collection of a franchise fee the local government shall receive 1.167 per cent of the previously collected fee for each month of the five year franchise period yet to run, counting from the effective date of the annexation or formation of the local government. how arrived at?

Sec. 160. The board shall have power of eminent domain, but this may be exercised only through unanimous vote of the board and only to acquire an approved site. Nothing herein requires the use of this power by the board.

Sec. 170. A franchise may not be sold or otherwise alienated to a non OCS operator without local government having right of first refusal, and the state the right of second refusal.

Sec. 180. Non discrimination in operation of the facility with respect to rates, terms and conditions charged to other users shall be a condition of the franchise.

Sec. 190. Nothing herein shall exempt a franchise facility from payment of property taxes or compliance with lawful zoning requirements. Neither shall a facility be entitled to any local services or special treatment by virtue of its franchise. The franchise is not necessary exclusive.

Sec. 200. Civil penalities shall be assessed for operation of an OCS service facility without a franchise. Penalties shall be based on the value of the cargo moved across the facility during any period when the facility did not possess but should have possessed a franchise. Owner of the cargo and the owner and/or operator of the facility shall be jointly liable for the civil penality.

Sec. 300. Definitions.

franchise to operators?

Original sponsor: (((must be on all CS's)))

PARR, BRADLEY, BROWN et al

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

IN THE HOUSE ~~SENATE~~

CS for HOUSE BILL NO. 219

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act establishing the Alaska Outer Continental Shelf Service Authority; and providing for an effective date."

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

* Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The Legislature finds that activities which occur in the waters of the Outer Continental Shelf adjacent to the territorial waters of the state require the construction of support facilities in onshore areas of the state contiguous to the projects; that the siting, planning and construction and operation of new or expanded onshore facilities and activities associated with supply of outer continental shelf projects involve demands for public facilities and services which, initially, are beyond the ability of local governments to meet; and that the planning and provision of public services and facilities without corresponding generation of offsetting tax revenues should occur without net fiscal loss to the state and its local governments and should not otherwise adversely affect the welfare of the citizens of the community and the state.

(b) It is the purpose of this Act to provide a mechanism by which to ensure that the location, construction and operation of support

facilities and services for outer continental shelf projects will produce minimal adverse effects on the citizens of the state and affected communities by providing for exchange of information between parties involved with outer continental shelf activity, and that the increase in demand for state and municipal services occurring as a result of outer continental shelf development will be met by revenue from the project responsible for the increase in demand.

* Section 2. AS 44 is amended by the addition of a new chapter to read:

CHAPTER 48. CONTINENTAL SHELF SERVICE FACILITIES

Sec. 44.48.010. ALASKA CONTINENTAL SHELF SERVICE AUTHORITY. (a) There is created within the department the Alaska Continental Shelf Service Authority for the purpose of administering the franchise requirements established in this chapter, to assist in providing better coordination of onshore development resulting from continental shelf petroleum and exploration and development activities, and for the purpose of assisting communities impacted or likely to be impacted by this development.

(b) The authority is governed by a committee composed of the commissioner, the director of the Division of Community Planning in the department, and the director of the Division of Local Government Assistance in the department. The commissioner may by public notice designate other employees of the department to serve in the place of any member of the committee.

Sec. 44.48.020. FRANCHISE FOR ONSHORE SERVICE FACILITIES. ✓Expect as provided in sec. 030 of this chapter, no person may construct an onshore facility except on a site approved by the authority and under a franchise issued by the authority.

Sec. 44.48.030. ONSHORE SERVICE FACILITIES SITE SELECTION PROCESS. (a) The authority shall monitor the activities of the federal government

and state government with respect to continental shelf exploration and leasing and prepare a quarterly report to the legislature and the governor on the potential need for continental shelf onshore service facilities. When the authority determines that service facilities are likely to be required in the near future, but in no case later than 90 days prior to the date at which the Department of Interior or other leasing authority proposes to receive bids on outer continental shelf tracts, the authority shall give notice of a hearing for the purpose of selecting a site or sites to serve the proposed continental shelf development.

(b) Nominations of appropriate sites or comments shall be solicited from: interested communities; local governments; prospective developers of the petroleum resources which may be found in the area to be leased; operators or owners of existing or proposed port facilities in the region of the leasing activity; other agencies of the state and federal government; experts on civil engineerings, environmental science, or other technical matters which may relate to port development; current users of existing port facilities; representatives of fishing or other commercial interests which may be adversely impacted by the selection of a particular site or sites; and other interested parties.

(c) The authority shall hold site selection hearings not less than 90 days nor more than 120 days after notice of the hearings, which shall be published in all newspapers of general circulation in the region of the expected development and mailed to all local governments in that region.

Sec. 44.40.040. CRITERIA FOR SITE SELECTION. (a) The authority shall determine, on the basis of the record of public hearing and any other relevant information available to it, the preferred site or sites for service facilities.

to total of 6 20 yrs. -

make user & facility pay State -

give local com. control over developments - ~~franchise awarded to coast should distributed~~

(b) A determination of the authority shall be based upon application of the following criteria to the candidate sites:

(1) preference shall be given to a site or sites which minimize the adverse economic and social impact on any municipality or community that may be adjacent or proximate to the site;

(2) among candidate sites:

(A) the selection shall favor sites which minimize adverse environmental impact;

(B) the selection shall favor the use of existing port facilities to minimize necessary investment in development of facilities, to minimize the costs of serving offshore petroleum exploration, development and production operations, and to provide for expansion of existing facilities in the most economical fashion;

(3) consideration shall be given to the necessity and desirability of developing or expanding facilities for use by the community or region after use of the facility to service outer continental shelf development has been completed.

(c) If a site or sites are within the boundaries of a municipality which exercises planning and zoning powers under AS 29.33.070 - 29.33.245, no site may be selected unless the site is in an area which is zoned for a use not inconsistent with service facility development.

(d) A single site may be composed of noncontiguous parcels.

Sec. 44.48.050. DECISION. The authority shall announce its decision within 90 days following the date of the last site selection hearing. A copy of the decision of the authority shall be mailed to all parties of record to any hearings concerning a site approved or rejected by the authority. The decision of the authority becomes effective on the 30th day following announcement of the decision unless an interested party files a written request for reconsideration in the manner provided in

Sec. 44.48.~~060~~ 070. REGIONAL CONTINENTAL SHELF FACILITIES BOARD. Immediately after the site selection becomes final a Regional Continental Shelf Facilities Board shall be established, composed of six persons, three state members designated by the commissioner and

(1) if the site is in an organized borough, three local members elected by the borough assembly;

(2) if the site is in a city in the unorganized borough, three members elected by the city council; or

(3) if the site is in the unorganized borough and not in a city, three local members appointed by the commissioner. by a vote of community

Sec. 44.48.~~070~~ 080. AWARD OF FRANCHISE. (a) Subject to the limitations imposed in (b) of this section, the board shall select the franchisee. The authority shall award the franchise contingent upon the successful conclusion of negotiations between the board and the franchise of the amount and manner of payment of a franchise fee as provided in sec. ~~080~~ 090 of this chapter.

(b) In awarding a franchise, if the site or sites finally approved by the authority encompass an existing port facility,

(1) the franchise shall be awarded to a firm or firms actually engaged in outer continental shelf development unless the board determines that award of the franchise to another party is in the best interests of the state or the municipality;

(2) when the port facility ceases to be exempted from the provisions of this chapter by operation of (c) of this section, the franchise shall be awarded to the operator of the facility unless the board finds that the operator does not have the technical or financial capacity to promptly and efficiently meet the expected requirements for outer continental shelf supply services through the facility; the board shall, after hearing, enter a finding that the operator fails to qualify for

sec. ~~55~~ 060 of this chapter.

Sec. 44.48.~~055~~ 060. RECONSIDERATION An interested party is entitled to a reconsideration hearing by the authority. Requests for reconsideration shall be acted upon by the authority in preference to any other matter.

(b) A request for reconsideration shall specify the grounds upon which the request is based and include a succinct statement of the issues or matters to be presented by the party requesting the hearing.

(c) The authority shall serve a copy of the request for reconsideration on any other interested party at the same time notice of reconsideration is provided under (d) of this section.

(d) The authority shall determine the time and place of the hearing. The hearing shall be held, whenever possible, in a community proximate to the site or sites approved or rejected by the authority which are the subject of the request for reconsideration. The date for the hearing shall be not later than 90 days after the date of announcement of the of the decision of the authority that is the subject of request for reconsideration.

(e) The case may be reconsidered by the authority on all the pertinent parts of the record and the additional evidence or argument that are presented. If oral evidence is introduced before the authority, no member of the authority may vote unless he has heard the evidence.

(f) In secs. 50 and ~~55~~ 60 of this chapter, "interested party" means

(1) a municipality adjacent or proximate to a site approved or rejected by the authority;

(2) an operator of an existing onshore service facility; or

(3) the owner of a lease within the outer continental shelf or within the territorial sea which is to be served by the service facility.

the franchise and may, thereafter, assist the operator and any outer continental shelf developer to operate the facility under agreement or joint venture.

(c) If a port facility exists at an approved supply facility site, no franchise shall be required until cargo directly destined for outer continental shelf developments handled to ~~t~~ransshiped through the facility in any month exceeds 25 percent of all cargo, by value or tonnage, handled or transshipped through the facility during the preceding month. The exemption provided by this section expires 90 days after the last day of the calendar month in which cargo directly handled or transshiped through the facility exceeds the limitation imposed in this section.

Sec. 44.48.090. DETERMINATION OF FRANCHISE FEE. (a) Subject to the conditions and limitations of (b)-(d) of this section, the fee for a franchise issued under the provisions of this chapter and the manner of its payment are determined by negotiation between the board and the prospective franchisee.

(b) No franchise fee may exceed the costs to the state and municipality which have a reasonable probability of occuring as a result of outer continental shelf petroleum development, less anticipated payments by all franchisees within the community, during the five year period. If two or more franchises are negotiated and approved by the board, the franchisees shall, between or among themselves, determine the percentage of the total of the franchise fee to be paid by each.

(c) A franchise fee is subject to renegotiation at the end of five years. The provisions of (b) of this section are applicable to renegotiated franchise fees except that to limit of 20 yrs?

(1) if the net community costs incurred during the previous five year period exceeded the costs defrayed by the franchise fees paid

during that period, the maximum permissible fee is increased by the excess amount; and

(2) if the net community costs incurred during the previous five year period were less than the costs defrayed by the franchise fees paid during that period, the maximum permissible fee is reduced by the amount by which excess franchise fees were paid.

(d) A fee may be paid on any of the following bases:

(1) initial payment of the full amount due in one sum;

(2) initial partial payment with subsequent payment or payments contingent upon transshipment of cargo through the facility at a predetermined volume;

(3) periodic payments of fixed amounts;

(4) periodic payments based on the value of cargo transshipped through the facility for which the franchise is issued; or

(5) any other method that reasonably relates fee payments to costs expected to be incurred or imposed on the community and the state by outer continental shelf petroleum exploration, development and production.

Sec. 44.48.100. APPEAL OF DETERMINATION OF FRANCHISE FEE. (a) A prospective franchisee who believes that the fee determined by the board exceeds the amount permitted under sec. 090 of this chapter may pay the fee under protest and appeal the question to the superior court. Payment of the fee under protest shall not prejudice the claim of the prospective franchisee.

(b) A prospective franchisee who appeals a determination of the board to the court without payment acquires no rights in a franchise. The board may award the franchise to another party on terms and conditions equal or more favorable to the board than those rejected by the initial prospective franchisee. Acceptance by another party of the terms and

conditions rejected by an initial prospective franchisee is evidence of the reasonableness of the proposed fee.

(c) The provisions of this section are applicable to franchise fees subject to renegotiation under sec. 090(c) of this chapter.

Why?

Sec. 44.48.110 . EMINENT DOMAIN. The board, by unanimous vote of its members, may exercise the power of eminent domain to acquire an approved site. Exercise of the power of eminent domain within a municipality requires the concurrence of the governing body of the municipality. The provisions of AS 09.55.240 - 09.55.460 are applicable to the provisions of this section.

Sec. 44.48.120. COLLECTION AND DISPOSITION OF FRANCHISE FEES. (a) Franchise fees determined under the provisions of sec. 090.of this chapter shall be remitted to the department. The commissioner shall pay to an organized borough or to a city in the unorganized borough in which is located a facility for which a franchise has been issued 70 percent of the franchise fee collected under this chapter.

(b) If a municipality entitled to receive a portion of a franchise fee under (a) of this section is incorporated or annexes territory which contains an approved site containing a facility subject to collection of a franchise fee, the municipality is entitled to receive 1.167 percent of the fee previously collected for the facility for each month of any unexpired portion of the franchise period after the effective date of the incorporation of the municipality or its annexation of the territory containing the approved site. There is authorized to be appropriated annually to the department the sum, if any, that is certified by the commissioner to the governor as necessary to provide an amount to each municipality entitled to receive a portion of a franchise fee previously collected in accordance with this subsection.

(c) Sums not paid to a municipality under (a) of this section shall be deposited in the general fund.

Sec. 44.48.130. LIMITATIONS ON SALE OR TRANSFER OF A FRANCHISE. No franchise may be sold or otherwise conveyed by a party holding a franchise to any person not engaged in outer continental shelf activity without prior consent of the governing body of the municipality in which the facility is located and the commissioner. Before acting to convey the franchise or any rights in the franchise to any

person not engaged in outer continental shelf activity, the party holding a franchise shall first offer the franchise for sale to the municipality, which shall have a period of 60 days to purchase the franchise or any rights in it. If the governing body of the municipality refuses the franchise, the holder of the franchise shall offer the franchise or rights in it to the commissioner, who shall have a period of 60 days to purchase the franchise or any rights in it.

Sec. 44.48.140. NONDISCRIMINATION IN FACILITY OPERATION. Nondiscrimination in operation of a facility for which a franchise is granted under the provisions of this chapter as to rates, terms and conditions of use of the facility by users shall be a condition of each franchise.

Sec. 44.48.150. COMPLIANCE WITH OTHER PROVISON OF LAW. (a) The provisions of secs. 10 - of this chapter do not exempt a franchised facility from the payment of property taxes under AS 29.53 or AS 43.56 or from compliance with the applicable zoning regulations lawfully adopted under AS 29.333.090.

(b) The grant of a franchise to a facility is not exclusive unless the provisions of the franchise so permit.

Sec. 44.48.160. ENFORCEMENT. (a) When it appears, after investigation, that there is a violation of a provision of this chapter, the department (authority) shall proceed in accordance with the provisions of this section to enforce compliance with the provisions of this chapter.

(b) A person who violates sec. of this chapter or a provision or condition of a franchise issued under this chapter is subject to civil penalties. Penalties shall be based upon the value of cargo moved across or through the facility during any period when an operator of a facility required to have a franchise under this chapter

did not have a franchise.

(c) a person may be enjoined by the superior court from committing a violation of a provision of this chapter.

(d) Actions under this section to recover penalties or damanges or to enjoin violations shall be brought by the attorney general in a court of competent jurisdiction.

(e) All penalties recovered shall be paid into the general fund of the state.

Sec. 44.48.170 . DEFINITIONS. In this chapter,

(1) "authority" means the Alaska Continental Shelf Services Authority;

(2) "board" means a regional Continental Shelf Service Facilities Board;

(3) "commissioner" means the commissioner of the Department of Community and Regional Affairs;

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

(5) "onshore service facility" means each of the following:

(A) a wharf, dock, quay or other structure used for the final transshipment of cargo destined to supply mobile or fixed offshore oil and gas drilling vessels or structures;

(B) warehouses, storage yards and tank farms associated with the facilities described in (A) of this paragraph for the storage of cargo destined to supply offshore drilling operations; and

(C) offices and repair shops or yards primarily required for servicing or administering offshore drilling operations which are located in physical proximity to the facilities described in (A) and (B) of this paragraph.

(D) pipeline terminals ?

* Sec. 3. AS 44.47.050 is amended by adding a new paragraph to read:

(19) provide staff and technical assistance to the Continental Shelf Services Authority established by AS 44.48;

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

Part on coastal mgmt. 3 hearing defin community state leases after 1/1/72 jurisdiction of municip. areas

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

IN THE HOUSE

CS FOR HOUSE BILL NO. 219

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for permits and fees for the construction of shore-based support facilities for offshore oil and gas exploration, development and production; and providing for an effective date."

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

* Section 1. AS 41 is amended by adding a new chapter to read:

CHAPTER 45. SHORE FACILITIES FOR OFFSHORE RESOURCE EXTRACTION.

Sec. 41.45.010. LEGISLATIVE FINDINGS AND DECLARATION OF PURPOSE. (a) The legislature finds that activities associated with the exploration, development and recovery of natural resources from the waters adjacent to the state require the construction of support facilities in onshore areas of the state contiguous to the projects; that the siting, planning, construction and operation of new [or expanded] onshore facilities and activities associated with the supply of offshore projects involve demands for public facilities and services which, initially, are beyond the capacity of local governments to provide; that early knowledge of the location and magnitude of anticipated shore-based support facilities will better allow municipalities and the state to plan the provision of public facilities and services before and during the period of construction and operation of the support facilities; that the planning and provision of public facilities and services in advance of construction of shore-based support facilities generates a temporary demand for additional revenues to defray costs associated with extra-

ordinary municipal expenditures; and that there is a need to provide a mechanism by which the state and local governments may receive information about projected onshore support activity as a basis for sound public planning decisions and to obtain financial support in order to partially defray the costs of planning and initiating provision of necessary public facilities and services.

(b) It is the purpose of this chapter to provide a mechanism by which to ensure that the location, construction and operation of support facilities for projects in all waters adjacent to the state will produce minimal adverse effects upon the people of the state and affected local governments by providing for the exchange of information between parties involved with offshore activity, and that the increase in demand for public services occurring as a result of shore-based facility development will be met by a contribution of revenue from the facilities responsible for the increase in demand.

Sec. 41.45.020. SHORE FACILITIES CONSTRUCTION PERMIT. (a) No person engaged in exploration, development or production of oil or gas under terms of a lease from the United States, the state, or any party in the offshore waters adjacent to the state may construct, lease or in any other manner provide for shore facilities associated with exploration, development or production without first applying for and securing from the department a shore facilities construction permit and paying the fee provided in sec. 30 of this chapter.

(b) An applicant for a permit under this section shall file an application with the department in a form which the department, by regulation, has prescribed. The application shall contain the following information:

(1) a description of the location and of the facility to be built at the location;

(2) an estimate of the value of the facility upon its completion;

(3) a summary of any studies or reports which have been made examining the economic impact of the construction and operation of the facility on an adjacent community or on the region, including, but not limited to, the applicant's estimate of the number of persons to be employed in the construction and operation of the facility during each year of the five-year period commencing with the submission of the application;

(4) a statement explaining the need for the facility;

(5) a description of any reasonable alternate locations for the proposed facility, a statement of the comparative merits and detriments of each location identified, and a statement of why the primary proposed location is best suited for the facility;

(6) any additional information which the department, by regulation, may require in order to fairly evaluate

(A) conformance of the proposed facility to applicable state and local laws and regulations;

(B) the effects of the economic activity of the proposed facility;

(C) the effects of the proposed facility on the public health, welfare, and safety;

(D) the capacity of the state and of a municipality adjacent to the proposed facility to provide necessary public facilities and services;

(7) any additional information which the applicant considers relevant; and

(8) a resolution of approval of the governing body of

(A) a municipality in which the proposed facility is to

be located;

(B) a municipality in the vicinity or area affected by construction and operation of the proposed facility.

how broad?

(c) An application filed with the department shall be available for public inspection.

(d) An application shall be accompanied by proof of service of a copy of the application on the mayor of each municipality in the area in which any portion of the facility is to be located, both as primarily and alternatively proposed.

(e) The department may, by order entered after filing, require the applicant to serve notice of the application, and file proof of notice, on other persons as the department considers appropriate.

what?

Sec. 41.45.030. PERMIT FEE. (a) At the time of filing an application for a permit under sec. 20 of this chapter, the applicant shall pay a permit fee to the Department of Revenue.

(b) The fee payable under (a) of this section is based upon the one of the following two schedules which produces the greater revenue:

(1) valuation of the proposed facility upon completion, with payment of two per cent of the estimated value up to $5,000,000; plus one per cent of the estimated value over $5,000,000 and up to $20,000,000; plus one-half of one per cent of the estimated value over $20,000,000;

w/in municipality +

(2) the estimate of the maximum anticipated population increase attributable to employment in construction or operation of the facility over the five-year period following submission of the application, multiplied by the per capita cost of state and local government in the year in which application is made for the permit.

(c) The applicant shall provide the department with the data which was used to calculate the permit fee.

language not moved — extra sheet

3rd. developer have right to appeal?
No - he determines fee.

Sec. 41.45.040. APPEAL OF FEE. (a) A municipality which is entitled to receive a portion of a shore facilities construction permit fee paid by an applicant under this chapter may appeal the determination of the amount of the fee. The governing body of the municipality shall, within 30 days of receipt of written notice that an application has been submitted and a fee paid, file an appeal with the department setting out the reasons why it believes the fee paid has not been correctly computed.

(b) If a municipality appeals the determination of the fee paid under (a) of this section, the commissioner of the department shall, within 45 days after giving written notice to all parties, conduct a hearing on the matter. If, after the hearing, the commissioner determines that the fee payable by the applicant has been incorrectly computed, he shall provide the applicant a written statement describing the error in computation and indicating the amount of the fee due. The applicant shall pay the additional amount of the fee within 30 days of receipt of the decision of the commissioner.

redundant?

(c) An applicant or a municipality aggrieved by a decision of the commissioner under (b) of this section may appeal the decision in the superior court.

Sec. 41.45.050. AMENDMENT OF PERMIT. (a) A permit issued by the department under sec. 30 of this chapter may be amended. An application for an amended permit shall be submitted in the manner provided for new applications in sec. 20 of this chapter. If an amendment to an approved permit would result in a substantial change of an original permit, the amendment shall be treated as a new application and a supplemental permit fee shall be paid.

(b) If it appears to the commissioner or to officials of a municipality entitled to receive a portion of a shore facilities construction permit fee under this chapter that there will occur substantial change

in the use of the facility from the activity described in the original application or an amended application for a permit, the commissioner may call for a public hearing on the question. The commissioner shall, within 45 days after giving written notice to all parties, conduct a hearing on the matter. If, after the hearing, the commissioner determines that there has been substantial change in the use of the facility from the activity described in the original or amended application for a permit, he shall require the applicant to submit an application for an amended permit.

(c) An amended permit submitted by an applicant under an order of the commissioner entered under (b) of this section shall be accompanied by payment of the increment in the fee due, together with a penalty payment of 10 per cent of the total amount of permit fees due for the facility. judicial review?

(d) For purposes of this section, a change in the use of a facility for which a permit has been issued is "substantial" if

(1) the applicant or the commissioner determines that the value of any changes or improvements in the facility would increase the estimated value of the facility under sec 30(a)(1) by more than 10 per cent; or

(2) the applicant or the commissioner determines that the actual population increase under sec. 30(a)(2) will exceed the estimate determined under sec. 30(a)(2) of this chapter by more than 10 per cent.

Sec. 41.45.060. REFUSAL OF PERMIT. shall issue w/in 30 days - The department may refuse to issue a permit under this chapter only if it finds that

(1) a fee due and payable by the applicant on an original application or an amended application has not been promptly paid; or

(2) the application does not contain, or is not supported by written concurrence of the governing body of a municipality required by sec. 20(b)(8) of this chapter.

zoning jurisdictional dispute Seward - Kenai bous -

Sec. 41.45.070. REVOCATION OR SUSPENSION OF PERMIT. The department may revoke or suspend a permit issued under the provisions of this chapter if, after notice +

(1) the facility does not conform, in location, construction or operation, to applicable municipal ordinance or regulation; or

(2) after notice and hearing to all parties, the commissioner determines that an additional fee is due and payable under sec. 40(b) of this chapter or an additional fee and penalty are due and payable under sec. 50(b) of this chapter, and the holder of the permit has failed to pay the additional fee, together with penalty due if any, within the time prescribed by law. judicial review?

Sec. 41.45.080. DISPOSITION OF FEES AND PENALTIES. The commissioner of the Department of Revenue may retain five per cent of the fees and penalties collected under this chapter to defray the costs of [receipt and review of applications for permits or for the] adm. + enforcement enforcement of the provisions of this chapter. Of the balance remaining, not less than 50 per cent of the fee shall be returned to a municipality or combination of municipalities in which the proposed facility is to be located or which are in the vicinity of, or which may be affected by, construction and operation of the proposed facility. Determination of the amount transmitted to a municipality shall be subject to negotiation between the Department of Community and Regional Affairs and any affected municipality. The portion of the fee not returned to municipalities shall be deposited by the Department of Revenue in the general fund.

Sec. 41.45.090. MONITORING OF FACILITIES. The department shall review and monitor the operation of all facilities for which a permit has been issued under this chapter.

Sec. 41.45.100. ADMINISTRATION. (a) Annually, the department shall compute and report, for use by applicants and permittees under this

Att. 2

chapter

(1) standard multiplier factors relating the number of persons engaged in direct employment in a shore facility to the number of persons indirectly employed and the number of dependents of all persons employed; and

(2) the per capita cost of state and local government service.

(b) The department shall, by regulation, requi olders of permits issued under this chapter to furnish:

(1) information indicating the number of persons employed in a facility for which a permit is issued under this chapter;

(2) the estimate of the value of facilities for which a permit is issued under this chapter.

Sec. 41.45.110. LONG-RANGE DEVELOPMENT PLAN. (a) Any person contemplating the construction of a facility subject to issuance of a permit under this chapter in the state in the ensuing three years shall furnish annually to the department for its review a long-range plan for the construction and operation of facilities. The plan shall be submitted not later than September 1 of each year, and shall include the following information:

(1) the general location, size and type of all facilities to be owned or leased and operated whose construction is projected to commence during the ensuing three-year period;

(2) projections of the demand for public facilities and services required by the facility and explanation of the basis for those projections, and a description of the manner and extent to which the proposed facilities will meet project demand.

(b) A plan furnished under this section shall be made available to the governing body of any municipality or community affected by the activity described or summarized in the plan.

Sec. 41.45.120. FAILURE TO SUBMIT LONG-RANGE PLAN. If an applicant for a permit under secs. 10 - 100 of this chapter has failed to provide the department with annual copies of a long-range plan as required by sec. 110 of this chapter, the permit fee due and payable by the applicant for permit shall be twice the amount authorized in sec. 30(b) of this chapter.

Sec. 41.45.130. PENALTIES FOR VIOLATION OF PROVISIONS OF THIS CHAPTER. (a) A person who wilfully violates a provision of secs. 10 - 100 of this chapter or any regulation adopted by the department under this chapter is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than $10,000 for each violation. Each day of a continuing violation constitutes a separate offense.

(b) At the request of the commissioner, the attorney general shall enforce this chapter and institute legal actions to accomplish its enforcement.

Sec. 41.45.140. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "commissioner" means the commissioner of the Department of Community and Regional Affairs;

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

(3) "shore facility" means a facility which is an integral part of, or directly associated with, the exploration for, or extraction, production or transpc ation of, oil or gas from the waters adjacent to the state, and which is owned by, or committed by contract or other agreement to, persons exploring for or producing or transporting oil or gas from adjacent coastal waters; the term includes, but is not limited to,

(A) a wharf, dock or other port structure or facility

used for the final transshipment of cargo destined for mobile or fixed offshore oil or gas drilling vessels or structures;

(B) warehouses, storage yards, tank farms, tanker terminals and pipelines associated with the facilities described in (A) of this paragraph for the storage of cargo destined for offshore drilling operations or for the storage of petroleum products from offshore drilling operations;

(C) offices, maintenance facilities, maintenance and construction camps and related facilities primarily required for administration or servicing of offshore drilling operations which are located in physical proximity to the facilities described in (A) and (B) of this paragraph.

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

APPLICABILITY

Page 2, line 16:

Sec. 41.45.020. SHORE FACILITIES CONSTRUCTION PERMIT. (a) No person engaged in exploration, development or production of oil or gas under terms of a lease from the United States, the state, or any party in the offshore waters adjacent to the state may construct, lease or in any other manner provide shore facilities associated with exploration, development or production after the effective date of this Act without first applying for and securing from the department a shore facilities construction permit and paying the fee provided in sec. 30 of this chapter.

RESPONSE TO COMMENTS RECEIVED DURING TESTIMONY ON FRIDAY, MARCH 25, WITH REFERENCE TO PROPOSED CSHB 219 --

Page 3, line 5: reference to "adjacent community or on the region" --

The term has no clearly understood reference unless one is provided in the bill. The committee may want to phrase a definition in terms of distance or mileage or, in keeping with the spirit of the bill, suggest or require that the department define the term by regulation. This could be done by incorporating the latter as a mandatory requirement in the section entitled "Administration, " AS 41.45.100(b) of the draft. [The term also appears, obliquely, at page 4, lines 2 and 3 and 6.]

Page 3, lines 21 and 22: reference to "health, welfare, and safety" --

The purpose of inclusion of the phrase was to allow the department to require evaluation of impact in the broadest possible terms with reference to any governmental function which an affected local government might perform under AS 29.

Page 3, line 28: correct to read :

(8) a resolution <u>of approval</u> of the governing body...

Page 4, line 10: Subsection (e) may be deleted; because applications are available for public inspection [subsection (c)], the department may provide copies to any interested party.

Page 4, lines 23 and 24: The formula could be made "tighter" by having it read:

(2) the estimate of the maximum anticipated population increase <u>within the municipality</u> attributable to employment...

Page 5: Sec. 40 of the draft.

With respect to the observation of Mr. Singletary, it was my intent that the issuance of a permit not be held up while the parties engage in hearings over whether the fee determined and tendered by the applicant was properly computed, but only if a fee, however determined, was not "promptly paid" [see sec. 60(1), following page].

Page 6, line 19:

estimated value of the facility <u>determined under sec. 30(a)(1) of this chapter</u> by more than 10 per cent;

Page 6, line 23: Objection was made that there was no time frame within which the department would be required to release a permit. The provision could be amended to read:

Sec. 41.45.060. ISSUANCE OF PERMIT. The department shall issue a permit within 30 days of receipt of a complete application. The department may refuse to issue a permit...

Page 7, lines 1 - 11: Request that no permit be revoked or suspended without opportunity for a public hearing. Revise the section to read:

Sec. 41.45.070. REVOCATION OR SUSPENSION OF PERMIT. The department may revoke or suspend a permit issued under the provisions of this chapter if, after notice and hearing to all parties, the commissioner determines that

(1) the facility does not conform, in location, construction or operation, to applicable municipal ordinance or regulation; or

(2) an additional fee is due and payable under sec. 40(b) of this chapter or an additional fee and penalty are due and payable under sec. 50(b) of this chapter, and the holder of the permit has failed to pay the additional fee, together with penalty due, if any, within the time prescribed by law.

Page 7, line 15 and 16: Revise to read:

...to defray the costs of administration and enforcement of the provisions of this chapter.

Page 7, lines 25 - 27: Amend to read:

... for which a permit has been issued under this chapter <u>for compliance with the provisions of this chapter and the provisions of the permit application</u>.

[The purpose of the section is to require that some entity having the technical capacity to do so oversee operations of permittees in order to assure that the statements made by the applicant for permit reflect the later circumstances. If activity exceeds predictions, a supplementary permit fee may be levied.]

Page 8, line 2: One witness mentioned that "standard multiplier factors" vary among communities. I don't know whether this is true but, assuming it is, the paragraph could be amended to read:

(1) standard multiplier factors <u>determined by region and appli-</u>

cable to all communities within a region relating the number...

Page 8, lines 13 and following: In light of the fact that some of the information required under long-range reports must be provided to the Department of the Interior under the provisions of an OCS lease, the committee might want to consider a further subsection in sec. 110 authorizing return of this information in satisfaction of the requirements imposed in this section.

Page 9, lines 7 - 12: This is a CRIMINAL penalty intended for application to a party required to have a permit under this chapter and conducting operations without that permit. The CIVIL penalties in the bill are to be found in two places: the 10% penalty of sec. 50(c) [page 6, line 10] and the "double payment" provision of sec. 120 [page 9, lines 1 - 6].

Page 9: Add, to the definitions section, a standard definition of the term "municipality."

***

Page 2, line 16 and following: You have asked for clarification of the parties which would be required to apply for a permit. As section 20(a) is now written, the applicant would be a party "engaged in exploration, development or production under terms of a lease... in the offshore waters adjacent to the state," thus placing the burden squarely on the companies holding the leases. Should you want to require that actual contractors and/or operators (rather than the industry directly) bear the responsibility and attendant costs, it would be sufficient to rewrite sec. 20(a) to read:

(a) No person may construct a shore facility without first applying for and securing from the department a shore facilities construction permit and paying the fee provided in sec. 30 of this chapter.

You would, of course, rely on the definition of "shore facility" set out in the definitions section to distinguish between facilities for which a prior permit is required and those which would not. Using the language set out above, however, it would appear clearer that the contractor would carry the burden.

Sec. 41.45.060. ISSUANCE OF PERMIT. (a) The department shall issue a permit within 30 days of receipt of a completed application and payment of the permit fee. The department may refuse to issue a permit only if it finds that

(1) a fee due and payable by the applicant on an original application or an amended application has not been promptly paid; or

(2) the application does not contain, or is not supported by, written approval of the governing body of the municipality required by sec. 20(b)(8) of this chapter.

(b) If the area affected by construction of a shore facility is within one municipality and the municipality unreasonably withholds approval of an application for permit required by sec. 20(b)(8) of this chapter, the commissioner may waive the approval requirement and issue the permit.

Your file only - did not distribute to members -

D

REQUIREMENT OF PROMPT PAYMENT --

Amend Sec. 41.45.080 by adding another subsection to read:

( ) Payments due a municipality under this section shall be transmitted by the department within 30 days of agreement between the parties of the amount payable.

"REBATE" OR "REFUND" PROVISION --

Page 7, line 2 --

After Sec. 41.45.060, add a new section to read:

Sec. 41.45.070. OVERPAYMENT AND REFUND. (a) If a holder of a permit for a facility issued under this chapter has reason to believe that there has occurred or will occur a substantial change in the use of a facility from the activity described in the application for an original permit or amended permit, he may file with the commissioner an application for an amended permit and request a refund of a portion of the fees previously paid. Within 45 days after receipt of an application, after notice to the applicant and any affected municipality, the commissioner shall conduct a public hearing on the application. If, after the hearing, the commissioner determines that there has been a substantial change or that a substantial change is reasonably likely to occur, he shall accept the amended application and authorize a refund of the ~~amount of a~~ unobligated portion of the fee previously paid by the applicant.

(b) A refund of a portion of a fee authorized by the commissioner under (a) of this section shall be the difference between amounts previously paid by the applicant and the amount ~~computed~~ obligated in accordance with sec. 30(a) c this chapter on an application accepted by the commissione under (a) of this section.

(c) Not later than October 1 of each year, the commissioner shall certify to the governor the amount of refunds payable to permit holders under this section. The governor shall include the amount which the commissioner certifies in the annual budget submitted in accordance with AS 37.07.

(d) For purposes of this section, a change in the use of a facility is "substantial" if

(1) the estimated or actual value of any changes or improvement

in a facility for which a permit has been issued will be less than the estimated value of the facility determined in an original or amended application by more than 10 per cent; or

(2) the actual population increase attributable to the construction and operation of a facility for which a permit has been issued will be less than the estimate determined in an original or amended application by more than 10 per cent.

ALLOCATION FOR THE BENEFIT OF UNINCORPORATED AREAS --

Page 7, line 13 and following -- Change sec. 41.45.080 to read:

Sec. 41.45.080. DISPOSITION OF FEES AND PENALTIES. (a) The commissioner of the Department of Revenue shall deposit in the general fund the money collected under this chapter.

(b) There is established in the general fund the shore facilities assistance account. Ninety-five per cent of the fees and penalties received under this chapter, or as much of the amount as the legislature may annually appropriate, shall be placed in the account for the uses and purposes described in (c) and (d) of this section.

(c) Not less than 50 per cent of the fees and penalties paid by an applicant for a permit under this chapter for a facility located within a municipality or within 10 miles of a municipality shall be paid by the department from the account to a municipality or combination of municipalities. Determination of the amount payable under this subsection to a municipality or combination of municipalities shall be determined by agreement between the department and the governing body of an affected municipality.

(d) Fees and penalties paid by an applicant for a permit under this chapter for a facility located in a community or within 10 miles of a community of the unorganized borough are available for the benefit of the community. The department may

(1) transfer amounts to another state agency for use by the agency to benefit the community; or

(2) retain an amount for its use for the benefit of the community.

Amend the definition section to include a definition of "community":

( ) "community" means a village located in the unorganized borough in which is located a school operated by an educational service area or the Bureau of Indian Affairs and any other village containing 25 or more permanent residents;

LA-L 20

INCLUDE PROVISION THAT FACILITIES PROVIDED TO OPERATORS UNDER LEASE BE SUBJECT TO THE LONG-RANGE DEVELOPMENT PLAN REQUIREMENT --

Page 8, lines 22 - 24:

(1) the general location, size and type of all facilities to be owned and operated <u>or leased</u> whose construction is projected to commence during the ensuing three-year period;

Page 8, line 25 --

Delete the current language of subsection (c) and insert --

(c) Fees and penalties paid by an applicant for a permit under this chapter for a facility located in a municipality or within 10 miles of a municipality shall be paid by the department to the municipality or combination of municipalities. [If two or more municipalities are entitled to receive an amount under this subsection, the municipalities shall, among themselves, propose to the department the amount payable to each and the department shall make payment based upon the determination.]

Page 9, line 12 --

Delete the current language of subsection (e) and insert --

(e) Payments due a municipality under this section shall be transmitted by the department

(1) within 30 days of receipt of payment of the fee by the Department of Revenue, if payment is due to only one municipality;

(2) within 30 days of receipt of the allocation agreed to by the municipalities, if payment is due to more than one municipality.

Charles Prokop of Exxon, 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, new 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."

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.

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	507	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	70	751	873	946	947	947	155%	222%

*Services and miscellaneous aggregated
**Withheld to comply with disclosure regulations

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The bill proposes to establish a shore facilities construction permit system, and to charge a permit fee based on the difference between "gross impact cost" and "development revenue" to be estimated by the Department of Community and Regional Affairs.

The "gross impact costs" are determined by multiplying the per capita costs of state and local government services in the area with the maximum anticipated population increase anticipated in conjunction with the offshore development in the area. "Development revenue" is to be determined by estimating petroleum property taxes, general property taxes, estimated income tax collections, and anticipated outer continental shelf oil and gas development grants.

The bill is unclear with respect to several items:

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2. It is unclear whether the permit fee assessed is supposed to reflect estimated total cost for the 20-year period, or whether it is to be based on the maximum impact at one point in time. The question of the 20-year coverage occurs because of the reference to the discounting of the cash flow on the revenue side. This implies that on the revenue side, the whole period will be taken into consideration.

3. In this connection, the question occurs why the inflationary impact is to be taken into account on the revenue side while no reference to this is made on the cost side.

4. If the permit to be assessed is to reflect the otherwise unfunded portion of state and local costs, all state and local revenue sources applicable should be incorporated. This would include a local sales tax, if applicable, school taxes, all excise taxes, license fees and other revenue sources, especially at the state level. However, most of these revenues, as well as some of the expenditure items, cannot yet be traced to specific localities. Because of this, the concept incorporated in the bill appears to be unworkable, at least in its present form.

HB 219

Statement, Parr, March 14, 1977

I am sorry that conflicting committee meetings did not permit me to be here during oil company testimony on HB 219. Over the weekend, however, I have listened to the tapes of that testimony and would like to offer a few comments.

Mr. Mathews of Exxon made quite a point of the fact that the North Sea was a case of rushed development whereas only 5% of the U.S. OCS had been developed over a number of years. Against his statement should be read the attached pages from the Baldwins' book: Onshore Planning for Offshore Oil: Lessons from Scotland. (Appendix 1)

The Exxon representative further indicated that very few jobs would be made available for Alaskans, that the bulk of the work force would be brought in to the rigs or platforms by air from the Lower 48, spend two weeks at work (beyond the three-mile limit) and fly home again. Two points: They don't intend to train and hire Alaskans-which would benefit our economy-and it seems unlekely that the state will collect any income tax from those workers who neither live nor work within the three-mile limit.

Also, the Committee should compare the above statements with that by Mr.Showalter of SOHIO, that the OCS development will help unemployment following completion of pipeline construction, hiring skilled workers who live in Anchorage.

Mr. Matthews and Mr. Wiles (Shell Oil) stated that the number of people will be small. It is up to the Committee to decide whether to accept their figures or those prepared by Mr. Waring and Mr. Trimble. My own preference is to assume the higher figures, require the companies to submit payrolls and other data, and give them a rebate if they have indeed been overcharged.

The Committee might also note that expansion of a water, wewer, electric power, or school systems does not happen overnight. The community simply cannot wait until the development phase hits to begin construction of needed facilities.

References were made to $1.6 billion (sic). A column by Senator Ted Stevens, which I furnished the Committee at its first hearing on HB 219, indicates

(1) a total of $1.2 billion, of which

(2) $800 million is for loans and

(3) $400 million is for grants, of which

(4) $50 million is for planning, the rest for unavoidable

ecological losses (fish?) and necessary projects which cannot be funded under the loan program.

It is hardly likely that Alaska will get the lion's share of the grant funds... .

Mr. Larry Vavra of Union Oil furnished information on the Collier plant in Kenai and its happy tax status. I should point out that the Collier plant has been paying only about 1/3 of what it should have paid in the North Kenai Fire Service Area. There has also been heavy (and uncompensated) impact on Kenai and Soldotna, as Representative Malone can verify.

Mr. Wiles quoted the preparer of the Mathematerial Sciences Northwest study, "who spent more than three weeks in Scotland, Shetlands," to the effect that the "local authorities in Scotland, with the active cooperation of the oil companies and contractors had been able to effectively plan for on-shore development..." Some idea of the active cooperation may be gleaned from Appendix 2. (Baldwin, ibid).

A final point. Mr. Wiles discussed possible constitutional problems. Although not a lawyer, I'll venture the opinion that there are two sides to the case. See, for example, K & L Distributors, Inc. v. Murkowski, 486 P.2d 351(1971).

what schools ?
no approp of funds by congress must not be impeachment.

Collier plant no tax - matter of fact.

Introduction

Why should Americans look to Scotland for lessons about the impacts of offshore oil, when an offshore industry has operated in the Gulf of Mexico for nearly 40 years?

At first glance, the Gulf of Mexico experience might seem to provide a sufficient guide for future oil developments elsewhere in the United States. Yet a closer look reveals important differences between oil experience in the Gulf and the prospects elsewhere in the United States, particularly along the Atlantic and Alaskan coasts. In these areas, climate, sea conditions, landscape, and perhaps even the social structure more closely resemble the North Sea coast of Scotland than the shores of Texas and Louisiana.

For one thing, the discovery of offshore oil and gas in the Gulf of Mexico followed many years of nearby onshore production, complete with pipelines, refineries, storage tanks, and a work force of thousands. Thus, the industry began its marine operations in the Gulf with trained local manpower and sophisticated facilities. This was not the case with the North Sea—nor will it be with the continental shelves of the Atlantic or the Gulf of Alaska. An even more significant difference between Gulf of Mexico operations and new offshore developments in the United States lies in the fact that the Gulf industry grew in the 1950's and 1960's at a pace that was far more gradual than that of the crash programs required by today's oil shortages. Rapid growth in energy use combined with the current drive to reduce energy imports and the

Appendix 1

severe problems associated with expansion of coal production and nuclear power have now turned the attention of American government and industry toward prospects for expanding oil supplies. Since onshore oil reserves in the United States are declining, most future expansion must come from offshore.

The continental shelves of the Atlantic Ocean and the Gulf of Alaska represent great untapped potential sources of new oil and gas for the United States. Consequently, these regions loom large on the drawing boards of the oil companies and the managers of the federal oil domain in the Department of the Interior. Current plans call for an expanded federal program specifying as much as 10 million acres of offshore lands for leasing to oil companies in 1975.

This level of leasing represents an enormous jump from earlier policy, and is cause for concern. Federal leasing of 10 million acres in 1975 would double, in a single year, the total offshore acreage leased since the program began in 1953. Never before has the total for a single year surpassed even two million acres, and only six million were under active federal lease in early 1975. The levels anticipated for such untapped regions as the Middle Atlantic and the Gulf of Alaska seem particularly large; some 3.5 million acres would be leased in each area.

Acreage figures do not, of course, indicate the level of oil production that we might expect from these frontier areas in the future. Normaily, it takes four to eight years to bring a new oil field into production, and this lead time cannot even begin until extensive exploratory drilling confirms the presence of commercial quantities of oil. It is therefore safe to say that there will be virtually no Atlantic or Alaskan production before the end of this decade. Until exploratory efforts

are well underway, estimates of outer continental shelf (OCS) production in frontier areas are little better than guesswork. But it could be folly to base predictions of onshore environmental effects on the Gulf of Mexico experience. In 1969—after 30 years of state and federal offshore operations in the Gulf of Mexico—the average daily production level in Gulf waters reached one million barrels per day. In the North Sea, by contrast, that level of production will be surpassed before 1980, or less than ten years after British Petroleum discovered the first major oil field in the British sector. But because massive oil and gas reserves are still being discovered in the North Sea, the 1980 production level could be closer to 2.5 million barrels a day; indeed, many experts predict production of four to five million barrels a day by 1985.[1] These numbers dwarf the Gulf of Mexico operation.

Planners who hope to be ready for potential oil development in new areas of the United States would be wise to examine the impacts on the coastal environment of such rapid build-up to high production levels. There is barely time now to learn from the North Sea oil experience and to plan for oil development in Atlantic and Alaskan coastal regions with the benefit of both the successes and the failures of planning efforts in Scotland.

Our report thus focuses on both sides of the Atlantic: it is a description of the Scottish experience, based on observation, interviews, and literature review carried out in the spring and summer of 1974, accompanied by conclusions and recommendations for the United States. It is an environmental study in the broad sense of that word. We have been concerned in part with the impact of oil development on the natural environment, including the land, the scenery,

dominant position in the Islands' political and economic affairs. While Brae and the other three "growth villages" near Sullom Voe will not begin to rival Lerwick in population, they will together form a new educational, commercial, and, of course, industrial center for the northern half of Shetland.

The oil facilities at Sullom Voe will also require new infrastructure, especially new roads. Existing roadways are narrow and winding. Many are limited in their capacity to handle heavy loads because they lie above Shetland's ubiquitous peat bogs. Some of the new roads will therefore require excavation of the peat and its replacement with a more solid fill. Getting the roads built during the next few years, simultaneously with the oil industry's development and community housing and related facilities, will require great ingenuity on the part of Shetland's planners.

While there is no precise American equivalent to the Shetlands, remote communities in northern Maine and in Alaska could well experience demands similar to those now facing Shetland if oil were discovered nearby. It is possible that the local spirit and determination to maintain a quality environment in such places would match those qualities in Shetland. It is encouraging to recall that the Shetland Islands began without sophisticated planning controls or even a planning body at the local level. There is no reason why American communities could not plan as well. By 1980, it may be possible to applaud the Shetland deepwater port, with its related development, for being as successfully brought off in reality as it appears today on paper.

Shetland's success thus far in meeting oil head-on and remaining firmly in the driver's seat is

Appendix 2

due in large part to an unintimidated attitude of local officials toward the oil industry. It was apparent to oil men early in their discussions that Shetland was not to be cowed by the money and power of multi-national oil companies. At one point, negotiations between the industry and the county broke down temporarily after Shell executives showed their frustration with Shetland County's tight planning controls. They reminded the County Clerk that the oil companies could always give up their plans for Shetland and take their development, their riches, and their jobs elsewhere.

"That's the best news we've heard since you arrived," the County Clerk replied, as he and his staff members rose to leave the meeting.[40]

Such confidence and lack of anxiety at the thought of doing without oil convinced the oil companies that they had to accommodate local wishes, rather than the other way around.

The concentration of large oil fields near the Shetland Islands will give the Sullom Voe terminal the largest oil throughput of any British port. The impacts of the Shetland terminal will outpace all the other tanker terminals associated with North Sea oil. Nonetheless, two other terminals, currently under construction, are worth mentioning.

The Orkney Islands, sister group to the Shetlands, are similarly remote and sparsely settled. Occidental Oil is now constructing a deepwater tanker terminal on the Orkney island of Flotta, where oil from the Piper field will land by pipeline for transfer to tankers in the sheltered waters of Scapa Flow. Since the Flotta terminal will serve only one field and one company, its impacts will be less noticeable to Orkney residents than Sullom Voe will be to Shetlanders.

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February 21, 1977

RE: Basic Tax Information / Purpose and Authority

State Tax System

Personal Income Tax: Should stand-out as the single most important revenue instrument in the state tax system and should produce close to 25% of total state-local tax revenues.

General Sales Tax: As the other major state tax it should produce 20 to 25% of the total state-local tax revenue without imposing an extraordinary burden on low income families. Retail sales tax rests on the belief that consumption is an appropriate basis on which to distribute a substantial part of the state tax load.

Local Tax System

Property Tax: Provides 5 out of 6 local tax dollars.

In many states there are existing constitutional and statutory restrictions on the taxing powers of local governments in terms of specific rates or allowed rates of increase, coupled with requirements for specific referendum approval of proposed property tax levies.

The State Role

The state has a useful and significant coordinative role to play in the administration of local income taxes as well as in other non-property taxes. Income taxes are preferable to sales and many other types of taxes because they can be structured to distribute their burden in conformity with ability to pay and with necessary regard to the taxpayer's family obligations.

Income tax limitations for use at the local level:

- frequently people live in one jurisdiction and work in another.
- people often supplement their wages and salaries from local sources with investment and other unearned income from other parts of the state; however, local jurisdictions that now use these taxes generally limit them to income from wages and salaries, the type of income most easily taxed.

D R A F T
May 24, 1977

Options for CRA Input on HB 219

A. Justification for bill.

Document the actual potential for onshore impacts , and the inability of local governments to plan for, control, and pay for these impacts.

In a narrative, describe how HB 219 provides a mechanism for control.

B. Local concerns.

Examine and address anticipated local concerns and objections to HB 219. For example, discuss the bill's effect on local property tax, on local regulatory powers and autonomy, on the localities' ability to attract development, and on the development of facilities not included within the bill's coverage.

C. Legal issues.

Explore legal issues which could be used by onshore developers to challenge the bill. Federal issues are interstate commerce, preemption, conflict and equal protection. State issues are local legislation, double taxation, delegation, and preemption.

D. Planning issues.

Does the Act accomplish its pupose? What powers are given to local units? Are regional needs addressed? Is the role of CRA appropriate for it? How does the

Coastal Management bill (HB 342) affect HB 219, especially in terms of local actors and pertinent issues? Does the proposed severance tax potentially alter the role of HB 219?

E. Drafting.

Suggestions for improvement in drafting HB 219 either to reflect the same substantive/procedural goals at present or to add to those goals.

F. Alternative means under existing law.

What techniques presently exist for local and state authorities to plan and pay for onshore developments related to OCS energy development. For example, are special assessment bonds (AS 29.63.085) or special tax rates (AS 29.63.010) or special tax zones (AS 29.53.405) useful in passing the additional costs of development to the developer? Will loans under the Coastal Energy Impact Program be useful to local units.

Role of local zoning powers, especially ~~contraband~~ conditional use.

heating oil because of inadequate insulation in their houses.

The purpose of HB 219 is to compensate for the on-shore impacts caused by the OCS development.

The State cannot force the Federal Government to furnish such compensation. It can, however, require the companies exploiting the OCS territory to pay for the on-shore impact costs. The bill provides that the amount of uncompensated impact is estimated and that this amount is the price of the building permit for the on-shore facilities.

Draft - 2/25/77

H.B. 219

The Anchorage Times of February 16 reports Senator Ted Stevens as saying that Congress has directed the Interior Department to accelerate off-shore oil and gas leasing. Although Alaska has been successful in delaying the leasing of the Outer Continental Shelf off it shores, it appears that the honeymoon may be over and we may soon see an accelerated program of leasing going on.

The Supreme Court has decided that all of the lands beyond the 3-mile limit belong to the Federal Government. This means that any revenues--severance taxes, royalties or other--will go to the Federal Government. There is no provision for the State to collect any revenue from this activity. The state will, however, have impact on its shores because of the on-shore facilities necessary to support the development.

An estimate by the President's office of Management and Budget gives the impact cost for infra-governmental infra-structure for the State of Alaska as 680 million dollars. A later estimate by the Department of Community and Regional Affairs is somewhat lower. Here the cost is estimated to be somewhat over 400 million dollars. No legislation so far passed by Congress or envisioned, will compensate the State on this order of magnitude.

It is my belief that Alaskan taxpayers should not bear the impact costs involved in OCS production so that persons in other parts of the country may continue to run their air-conditioners, drive their cars at 70 miles per hour or waste

3-10-77

Larry Vavra--Union Oil Company

Data for Collier Carbon:

Investment

Latest gross investment of old plant reported to the State is $63.012 million (undepreciated).

Estimated cost of new plant is about $250 million.

Amounts paid to Kenai Borough

1972	$128,500
1973	126,329
1974	120,191
1975	125,190
1976	228,896
1977	1,547,319 (estimate)

Employees

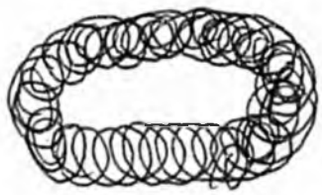
The "old" plant has about 130-140 regular employees. However, in anticipation of the new plant completion, the work force has risen to about 200, the added number being people in training phases. When the new plant is operational, it is estimated that there will be about 240 regular employees.

When Collier first came to Kenai, about half of the work force was hired locally, the others being transferred in from elsewhere because of a scarcity of labor in the area possessing the appropriate skills. Hence, some 60-70 employees were already in the general area.

Of the some 70 people or so currently added to the regular work force, some 85-90% of them are local people from the area and are not "lower 48" transferees. It is Collier's policy to hire locally as much as possible and a training program has been going for some time.

When the new plant is operational, Collier estimates the regular employee work force will be around 240 people. Most of the added personnel will be drawn from the local area.

In addition to regular employees, Collier has contractors who themselves hire workers to do the contract work. Currently, the number of these workers range from a low of about 15 to as many as 300 when the "turnaround" work is done annually, and which takes about a month on a facility. However, even these additional contract employees are hired locally and Collier estimates that some 65% or more come from the immediate area and 35% from the Anchorage area. Very few come from outside Alaska.



Eriksson on HB 219

Probs. 1. Estimating cost of impact

59 2. How much can we expect from feds?

3. How allocate permit fees?

Various ownership arrangements may permit cos. to escape –

Explain diff. bet. exploration, development, & production

HB 219

Questions for Matthews:

1. If 25 yrs. too long, what time period?
2. How much of the fed $400 mil. will be grants, & how much loans?
3. Was he saying no impact at all, or just more during exploration phase?

Ken Showalter - Sohio -

suggests Cook Inlet development as basis of comparison -

projections must be based on phased leasing schedules -

LSRidra → eliminate exploration phase from permit requirements? (due to probability of dry holes)

Gene Wiles - Chevron

cites study of consultants - projections

291 - empl. 1976 $14.6 mil. salaries - direct & indirect

1486 - 1980 empl.

→ any estimate of addl. state & munic. services? (in study he cites?)

OCS greater initial impact (see sec 6)

interfering w/ interstate commerce? violating equal protection provision?

shd. be provision to repay permit fee if impact does not occur.

HB 219 - Tom Matthews, Exxon

- inmed. major impacts
  demands on muni. services } wrong

bill incls. - rental, lease
today impacts non-existant
100,000 new people a "worst case" assumption

impact in Seward
30 acres in Seward
Small tract near RR dock

200 - work crews
25 are AK. residents
175 go outside on R+R -

Work force 4 in Seward
8 others
13 in Anch + Yakutat

$750,000 month (they spend)

Onshore will be 5 yrs. away - gives time for planning

They now pay in Seward - 3% sales tax
wharfage tax
prop. tax
local wages

→ (bill says less devel. revenues
→ if no impact, why worried
→ "onshore" facility does not incl. docks

AK. will get $400 mil. from fed. impact $
→ Calif. law?

3/9 -

Orrin Wiles - cont'd.

→ Does he have another period, aside from 20 yrs., to suggest?

~~Also~~ What costs of state & local gov't. shd. be included? Too much discretion for administrators

→ Others (native corps?) have to get permit.

Waco Shelley - Mobil

→ Are wells in use now?

3/10 - Bill Hopkins

Bill does attempt to base fare on actual impact & expenses

States estimates are lower than federals letter to K. Arnold from OMB -

Larry Vaura

Collins exp. in Kenai

turnaround work - annual c. 300 -

'76 payroll $6.3 mil.

New plant c$10 mil. reg. empls.

"classification is arbitrary"

"not imposed on others similarly situated"

disadvantage of interstate commerce

taxing prop. before it's in existence

Testifiers : HB 219

Larry Powell — Mayor - Yakatak

Yakutat socio-economic survey. Wanted not large scale impact but some improvement in life, w/ constraints -

Industry purchased property -
Developed zoning ord. '75-'76

1st knowledge of dale '74. City budget c. $100,000
→ '75 budget goes to - grants - (where get?)
'78 " " " $300,000

$53,000 { Pipeline (impact com.
AFN - $5,000
CRA - $10,000
½ match { CRA $40,000

→ What make your costs?

→ Cap. Improvement Projects: (?)

→ '75 - Land trade - Vill. corp./City - change of attitude by industry

Community sure of its direction. That helped industry

c. $500,000
Now need capital for planning studies - need - office space, police bodies, new water sources, sewage, new municipal dock, recreation,
→ Increase in population - ? 30-40

Prop. taxes '77 - fall - they will collect -

Helicopters, hangars - 30, 40 people -
airport is used a great deal - drilling
→ rig crews - (how decided?)

Prop. taxes have gone up for citizens,
because of oil cos. paying high for
land. — 21 mills now
12 " in '74
Total assessed val. $13,000,000
per capita income - less than $10,000
now $12-15,000
fed - state - vill. corp - biggest landowners
75% of pop native

Absolute necessity to have money for
planning effort

1500 tons a month by barge for servicing
rigs through Yakutat. 5 200' work boats
operate out of Yakutat daily.

"It's the nature of the beast" to get out
of hand. "Very volatile thing."

{ Cooperation of vill. corp - city
control of land situation
(land speculation was a threat)

HB 219

construction
provision of servs.

~~3/10 - Bill Hopkins~~

3/16 - Kevin Waring

→ Where stat getting $ for community aid? Any avail. to communities?

→ Need for bill?

→ Econometric model?

→ Where did Kodiak & Yakutat get $ for comprehensive plans?

→ What basis for their pop. & employee figures?

→ Grants based on "hist. oil. development"

Offshore Oil Facility Siting on Kodiak

The Department of Community & Regional Affairs has announced the award of a consultant contract to evaluate possible sites on the Island of Kodiak, suitable for use by the offshore oil industry. The study will be carried out by Woodward-Clyde, Inc., with assistance from Earl and Wright Engineers of San Francisco.

The directive to the consultants is to study all possible sites on Kodiak Island which might be suitable for use either as oil transhipment and storage terminals, L.N.G. plants with their associated Marine loading facilities or onshore supply bases. Each site will be ranked for its suitability for oil industry operations and its impacts on the environment and community life of Kodiak. The objective is to produce a list of recommended sites which match the oil industry's requirements and high environmental standards, and best fit in with the existing pattern of life on Kodiak.

Sites initially under consideration are:

Kazakof Bay
Kizhuyak Bay
Monashka Bay
St. Paul Harbor
Kalsin Bay
Ugak Bay
Old Harbor
Cape Chiniak
Barling Bay
Three Saints Bay

This list is not an exclusive one and other sites may emerge in the course of the study which would merit consideration.

The study, sponsored jointly by the Department of Community and Regional Affairs, the Kodiak Island Borough, and Koniag, Inc., is funded to plan for OCS development. The timing of this project is particularly important as it is scheduled to be completed prior to the Kodiak Shelf OCS lease sale, now scheduled by the Department of the Interior for November, 1977. In this way, local groups will have an opportunity to influence company location policy.

Since the views of the Kodiak Islanders are an important input to the project, the contractors have been directed to take careful note of any site preferences expressed at a series of public meetings schedules to be held in Kodiak this spring.

The study will start in mid-April and should be complete by the end of November. For further information, please contact:

Commissioner Lee McAnerney
Department of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811 Phone (907) 465-4700

My file HB219

highways
small boat
harbor

sewage
schools
hosp. beds -

dise - what can be related to offshore activity?

Jack - How can boro reach offshore. jurisdiction?

OCS vs. state leases -

relate cost of facility to cost of impact -

OSL - input by muni.

Singletary - Atlantic Richfield
— simpler ways - legis. for any com. to apply to state for impact funds -
Ellsworth - what happens while fee being appealed to ct.
Time frame for action o permit -
→ Appeal of denial of fee -

Darrel Scharfenberger - (City of Seward)
— shit or get off pot

Harlan Martins -

Lisa -
for your comm
Charlie

COLLIER CARBON & CHEMICAL CORPORATION
JAPAN GAS-CHEMICAL COMPANY, INC.
ALAP CORPORATION

CERTIFICATE OF INDUSTRIAL TAX EXEMPTION

(AS 43.25 as amended)

THIS IS TO CERTIFY THAT pursuant to AS 43.25 and AS 44.45.020(a)(12), the Commissioner of Economic Development, for the State of Alaska, has determined that the urea and ammonia plant and related facilities proposed and being built in the Cook Inlet area by the Collier Carbon and Chemical Corporation (hereafter sometimes referred to as "Collier" or as one of the "applicants") and Japan Gas-Chemical Company, Inc. (hereafter sometimes referred to as "Japan Gas" or as one of the "applicants") and Alap Corporation (hereafter sometimes referred to as "Alap" or as one of the "applicants") is an "eligible business", manufacturing a product as defined in AS 43.25.160(a)(1) and that said applicants be and are hereby granted a tax exemption with the terms and conditions set forth below:

A. Those facilities and properties of the aforesaid applicants upon which this exemption is granted are those described in the application and which are located near Kenai, Alaska, on the Cook Inlet, consisting of:

1. The land on which the urea and ammonia plant and related industrial facilities are constructed.

2. The urea and ammonia plants, storage tanks, dock (wharf) facilities, plant and loading lines, and other attendant plant facilities and improvements, and personal property.

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3. Related facilities located at the plant site include, but are not limited to, the following items:

(a) The furniture, office equipment, and machinery used in the administration of the exempt business.

(b) Administration building and control laboratory.

(c) Shop and warehouse combination buildings.

(d) Equipment and machinery used in the maintenance and transportation facilities, including but not limited to, automobiles, trucks, buses, graders, dozers, fork lift, payloaders and cranes and watercraft.

(e) Equipment and machinery owned by the applicants and not leased or under a lease option contract which are used in connection with the supplying of utility services similar to that supplied by a public utility. Included among these items, but not necessarily limited thereto, are:

(i) Natural gas distribution, including spur pipelines and equipment, running from the plant premises to trunk gas pipelines from which gas is supplied to the plant premises.

(ii) Electric power generation with building and distribution system.

(iii) Raw water distribution and supply system including water wells with pump houses, whether located on or off the plant premises, and iron removal system with building.

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(iv) Cooling water distribution and supply system including cooling tower and pump house.

(v) Steam generation and distribution facility including condensate system.

(vi) Boiler feed water treating system with building including facilities for instrument air, utility air and inert gas generation.

(vii) Equipment, machinery, piping, used in the treatment and distribution of waste material and to pollution control, including but not limited to:

(1) Septic tanks.

(2) Waste water disposal system including pump house, chemical treatment with building, and retention pond, and including deep wells, and related piping and facilities in connection therewith.

(f) Equipment, machinery or supplies used for communication, which are owned by the applicants and not leased or under lease with an option to purchase and are located on the premises of the exempted plant, including but not limited to:

(i) Telephonic, telegraphic, teletype or microwave systems.

(ii) Radio communication systems.

(iii) Firefighting and safety equipment.

(iv) Fencing.

(v) Security stations and equipment.

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Those facilities and property considered for exemption purposes in this certificate, including those specifically set forth above, are only those which in fact actually meet the definition of "property devoted to industrial development" as defined in AS 43.25.150(a)(11).

B. Property not deemed to be a part of the described property is:

1. Except as elsewhere noted herein, any property not located or based at or on the plant premises.

2. Any residence or living quarters, except those living quarters or facilities not constituting a permanent residence, which are located on the plant premises for the convenience of employees while in the course of performing their official duties, such as watchmen.

3. Commissaries, except that food items may be made available to employees on the plant premises for consumption during their hours of work. Any equipment used in connection therewith shall be deemed to not constitute commissary.

4. Vehicles, vessels and aircraft which are used away from the plant premises <u>are not exempt</u> from taxation, except the vessels used exclusively for water testing and line handling.

5. All facilities and appurtenant machinery pertaining to or used in connection with the supplying of utility services for other than the applicants' exclusive use. However, in the case of emergency, such as a power failure temporary use of such facilities for others than the applicants will not

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make that property taxable or put the applicants in violation of this exemption certificate. Temporary means not more than 72 hours. For any use longer than that permission of the Commissioner of Economic Development, or his delegate, shall be obtained if the applicants are not to be in violation of this certificate.

6. Docking facilities - See paragraph No. C which follows:

C. If the trestle and wharf facility of the exempted business subject to this certificate is used in connection with the transportation of items not produced by or used in the operations of the exempted business, a portion of the value of such facility shall be deemed to be non-exempt property, as hereafter determined, to the extent such facility is used in connection with the transportation of items not produced by or used in the operations of the exempted business.

The percentage of use of the trestle and wharf facility in connection with the transportation of products not produced by or used in the operations of the exempted business shall, for any year covered by this certificate, except the first year (1969) and the last year (1978) of the exemption, be determined by computing the percentage of total tonnage during the preceding year of items transported across the trestle and wharf facility which represent products not produced or used in the exempted business. That percentage of the total value of the trestle and wharf facility shall be subject to taxation by political subdivisions who, under state law, could levy taxes on that property. In valuing the property AS 29.10.396 shall be followed. (For example, if the facility were used 50% for non-exempt purposes in 1969, then 50% of the value of that facility on January 1, 1970 would be subject to property taxes in 1970 and would not be considered to be tax exempt.)

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA
PHONE 586-5391

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For the calendar year 1969, the percentage of use shall be deemed to be 15 percent.

In the last year of the exemption (1978) the same formula used for years 2 through 9, as explained above shall be followed except that the period used to compute total tonnage and the percentage of non-exempt use shall consist of the 9th year tonnage plus the tonnage of each month of the 10th year which ends prior to the date the tax roll is certified.

The applicants shall prepare and submit annually to the Assessor of the Kenai Peninsula Borough a determination of the percentage of use, as provided herein, for any period to which this certificate applies, starting with the calendar year 1969. Such determination for each of the years 1969 through 1977 shall be submitted at or prior to the time the property tax returns are filed within the Kenai Peninsula Borough (including any extension of time for filing such returns). Tonnage figures on use during the months of 1978 (the last year under this exemption) to be used in computing the percentage of non-exempt use for that year shall be furnished by the applicants to the Borough Assessor not later than the 5th day of the month in which the tax roll will be certified. Notice of that date shall be furnished to applicants by the Borough.

D. The applicant shall be exempt from the following taxes presently or hereafter levied or imposed upon the property defined in paragraph A, or the receipts therefrom:

1. All ad valorem taxes on real or personal property which may be imposed by the State, borough or other political subdivision or taxing jurisdiction.

2. All sales and use taxes and taxes measured by sales or profits on sales levied by the State, borough or other political subdivisions or taxing jurisdictions in the State.

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA
PHONE 586-5301

GOVERNMENT COPY

3. All franchise taxes levied by the State in excess of $1,000 per year and all franchise taxes levied by the borough or other political subdivisions or taxing jurisdictions in the State.

4. All business receipt taxes and business licenses levied by the State, borough or other political subdivisions or taxing jurisdictions.

5. All income taxes levied by the State, borough or other political subdivisions or taxing jurisdictions.

E. The tax exemption granted in this certificate shall apply, inure to, and be transferred to the benefit of:

UNION OIL COMPANY OF CALIFORNIA. In the event of a complete liquidation of COLLIER in which all of the assets owned by COLLIER in the exempted business are transferred to UNION as part of a distribution in complete cancellation or redemption of all of Collier's shares of stock owned by UNION, and

To a Subsidiary American Corporation of Japan Gas which is 100% owned by Japan Gas, and which subsidiary is the transferee of all of the assets owned by Japan Gas in the exempted business.

Any of the transfers described above which occur before the expiration of the period for which the exemption is granted shall not extend the period for which any exemption from taxes is granted. The transfer of rights under this numbered paragraph will be valid only if the transferees, Union Oil or the Subsidiary of Japan Gas, notify the Department of Economic Development within thirty days after the transfer has taken place. Such notice to be in writing by registered letter. In the event of transfer, the transferee shall be subject to

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all restrictions and requirements of this exemption certificate, together with any amendments which may be added from time to time.

A transfer under this numbered paragraph shall not relieve the applicants or their successors from the statutory requirements of AS 43.25.020 and .030.

F. The exemptions referred to in paragraph D shall be for a period of ten years commencing January 1, 1969, but these exemptions may be terminated sooner under any provision contained in paragraph K of this certificate.

G. Only those exemptions from taxes specified in this certificate are granted to the applicatns.

H. The applicants shall make all reports required by the Alaska Industrial Incentive Act or provided for hereafter or that the Commissioner may from time to time request pertaining to the exempt property. A copy of all reports made to other Alaska State Departments or agencies under the Industrial Incentive Act shall be sent to the Commissioner of Economic Development or other State official subsequently administering the Industrial Incentive Act.

I. All income tax returns and other tax returns required to be filed with the Department of Revenue or other departments shall be complied with as though no exemption existed and copies of all returns shall be furnished to the Commissioner of Economic Development on their due dates, including any extension of time granted by the department whose tax returns are involved. The applicants shall indicate on or attached to the returns what portion of the receipts, income and expenses are derived from the exempt property as defined in paragraph A and may show on the returns the amount of credits claimed.

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The fact that an applicant may be included as a member of a consolidated group which files a consolidated income tax return with the State of Alaska shall not operate to deny the exemption from Alaska income taxes granted herein to any such applicant. However, if consolidated returns are filed the amount of the tax credit granted shall be only that amount that would be allowed if separate returns had been filed. For example, the exempted business may have a net income for tax purposes (computed as if no exemption existed) of $100,000 and a tax of $8,370. Whereas, a consolidated return showing $1,000,000 in taxable income would have a tax of, say, $93,000. (Part of its tax being in a higher tax rate classification.) The amount of tax credit claimed on the consolidated return would be $8,370 and not the amount of tax arising on $100,000 income if it were computed as coming off the top at the higher tax rate. (Note: The income and tax figures used in this paragraph are hypothetical. Actual figures would have to be used in each instance.)

J. Only those items of income and/or expenses of the applicants which are necessary to the operation of the tax exempt business referred to above may be charged to the exempt business. Operation of a store or stores (inventory) department which makes sales to employees or third persons shall not be deemed to be necessary to the operation of the exempt business.

K. The above described exemptions may be revoked by the Commissioner of Economic Development or other State official charged with administering the Industrial Incentive Act for any one or more of the following reasons:

1. Any violation of or failure by one or more applicants to comply with the Industrial Incentive Act.

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2. Any violation of or failure by one or more of the applicants to comply with this exemption certificate.

3. Any failure by one or more of the applicants to timely pay any State or borough or city license fee or tax not exempt under this certificate.

4. Any failure of one or more of the applicants to timely make any payment to the State, borough or other political subdivision on any agreement.

5. Any failure of one or more of the applicants to comply with the State's oil and gas conservation regulations.

In the event of any violation or failure by any of the applicants to comply with 1, 2, 3, 4, or 5 above, the State or political subdivision shall give the applicant or applicants 30 days' notice by registered mail to the applicant's plant or their registered agent or agents in which to cure the defect, and if the applicant or applicants cure the defect within the 30 day period, the exemption shall not be revoked for that violation.

In the event of a good faith dispute existing as to whether a violation of 1, 2, 3, 4, or 5 has occurred and is being contested in a court of law, the applicant shall have 30 days after the final order by the court of competent jurisdiction in which to cure the defect, except where revocation is mandatory under the Industrial Incentive Act. However, when a revocation occurs, its effective date shall be that specified by AS 43.25.060. Nothing herein shall operate to deny an applicant the right to appeal adverse decisions as provided in the Industrial Incentive Act.

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DATED this 25th day of March, 1969, at Juneau, Alaska.

FRANK H. MURKOWSKI
COMMISSIONER
DEPARTMENT OF ECONOMIC DEVELOPMENT

Approved as to form:

G. KENT EDWARDS
ATTORNEY GENERAL

By Vernon L. Snow
Vernon L. Snow
Assistant Attorney General

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	507	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	38[illegible]	445	595	611	641	701	751	873	946	947	947	155%	222%

*Services and miscellaneous aggregated
**Withheld to comply with disclosure regulations

VALUATION

Rate of Permit Fee	$5.0 Million	$20.0 Million	$100.0 Million	$500.0 Million	$1,000 Million
A. 2% up to $5 million 1% - 5 to 20 million ½ over 20	$100,000	$250,000	$650,000	$2,650,000	$5,150,000
B. 3% up to $5 million 1½% 5 to 20 million 3/4% over 20 million	150,000	375,000	975,000	3,975,000	7,725,0(
C. 3% up to 5 million 2% 5 to 20 million 1% over 20 million	150,000	450,000	1,250,000	5,250,000	10,250,000

Permit Fees under CS HB219, Section 41.45.030(b)1)

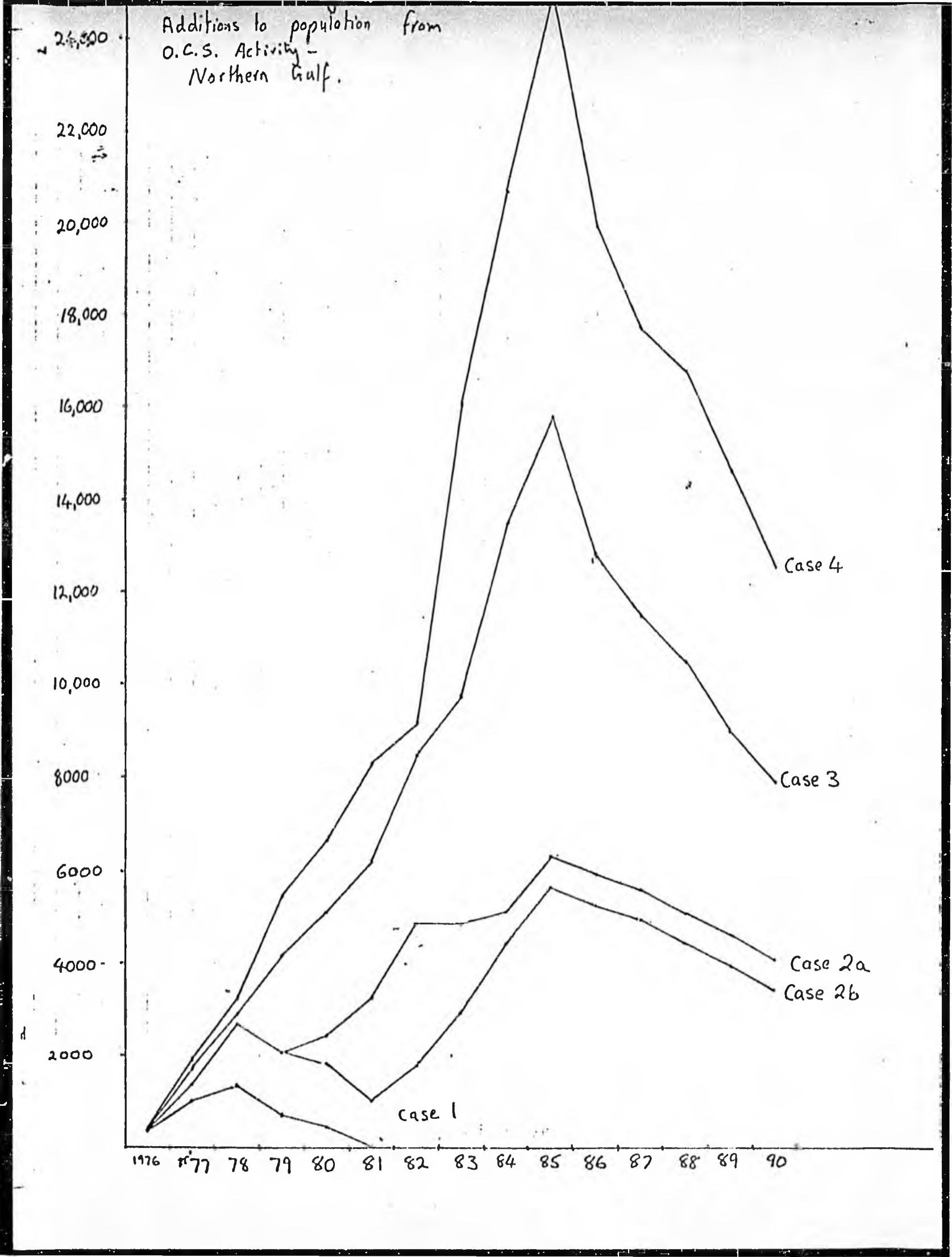
Calculated by Department of Community and Regional Affairs 04/01/77

DRAFT

DCRA-2/76

Table 2 Total ~~Export~~ Employment Direct and Indirect - Northern Gulf

Year	No Find			Moderate Find 2a Pipeline			Moderate Find 2b S.B.M			High Find 3			Bonanza Find 4			
	On	Off	Tot	On	Off	Tot	On	Off	Tot	On	Off	Tot	On	Off	Tot	
76	84	156	240	84	156	240	84	156	240	84	156	240	84	156	240	
77	204	466	670	285	621	906	285	621	906	346	777	1123	484	777	1261	
78	285	621	906	548	1242	1790	548	1242	1790	658	1242	1900	884	1271	2155	
79	166	311	477	405	961	1366	405	961	1366	1081	1762	2843	1346	2331	3677	
80	84	156	240	708	961	1669	405	961	1366	1369	2171	3540	2414	2331	4745	
81				1375	1011	2386	285	621	906	2064	2311	4375	3719	2421	6140	
82				2034	1208	3242	315	638	953	3409	2296	5705	3536	3145	6681	
83				1233	1458	2691	465	888	1353	2555	2663	5218	5105	4280	9385	
84				968	1392	2360	668	1392	2060	3515	3833	7348	6023	5359	11,382	
85				1148	1775	2923	848	1775	2623	4933	3966	8899	7910	5828	13,728	
86				1118	1621	2739	818	1621	2439	3085	3316	6401	4845	4777	9,622	
87				1065	1534	2599	765	1534	2299	2280	3069	5349	3645	4603	8,248	
88				1005	1364	2369	705	1364	2069	2160	2727	4887	3525	4278	7,803	
89				945	1193	2138	645	1193	1838	1958	2215	4173	3340	3578	6,918	
90				863	1022	1885	563	1022	1585	1815	1856	3671	2978	2862	5,840	


Additions to population from O.C.S. Activity – Northern Gulf.
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8000
6000
4000
2000
Case 4
Case 3
Case 2a
Case 2b
Case 1
1976
77
78
79
80
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82
83
84
85
86
87
88
89
90

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.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 28, 1977

Mr. Keith Arnold
Assistant Manager
Alaska Oil and Gas Association
308 G Street, Suite 217
Anchorage, Alaska 99501

Dear Mr. Arnold:

The enclosed paper describes the approach used to derive the direct employment estimates for Alaskan OCS development underlying the figures cited in the Coastal Zone Management Newsletter enclosed in your letter of January 21.

We do not consider the figures quoted in the Newsletter to be valid estimates of the expected impacts in Alaska of OCS development. Those figures were prepared in an analysis done in May of 1975. The purpose was to determine the rough order of magnitude of OCS development impacts based upon deliberately pessimistic assumptions. It would then be possible, despite the great uncertainties, to credibly say that the likelihood of even more severe impacts would be negligible.

The estimates, therefore, were deliberately biased upwards at several stages in the analysis in order to produce an "upper limit" or "worst case" estimate. Some of the major sources of bias are:

- The leasing scenario used was the OCS planning schedule which was later published in June of 1975. It was recognized as a very ambitious and optimistic schedule for Alaska. Actual leasing in Alaska is likely to be spread over a substantially longer period than that schedule had anticipated. The impacts will also be spread over a longer period, reducing the infrastructure needs toward a level based on the "permanent" direct employment.

- The development scenario following each lease sale assumed very rapid exploration and development.

- It was assumed that all direct employment in every affected Alaskan region will be of people new to that region. This is clearly unrealistic.

The paper calculated a peak direct employment of 19,200 and a permanent direct employment of 8,100 resulting from the OCS development scenario examined. In order to arrive at a total population increase figure and a total infrastructure cost figure, the following steps were taken:

- The peak and permanent direct employment were averaged, giving 13,650. It was assumed that public infrastructure needs would be based on this volume of direct employment.

- It was assumed that all direct employment was by people new to the Alaskan areas in question.

- This direct employment of new residents was multiplied by a direct to total employment multiplier of 2.75 and a total employment to population multiplier of 2.5, giving a total additional population of 94,185.

- The total infrastructure cost was derived from this population figure by using $7,250 per capita.

It is unfortunate that these figures are receiving a wide circulation which characterizes them as OMB projections of future OCS impacts in Alaska. Their purpose was not to project the most likely future, but rather to show that, even when unrealistically pessimistic assumptions are used in the analysis, the calculated impacts are manageable.

I believe that the paper and the further steps described above are self-explanatory. However, if you have any further questions about the analysis, we will be glad to address them.

Sincerely yours,

Donald E. Crabill
Deputy Associate Director
for Natural Resources

Enclosure

Socioeconomic Impacts of OCS Development

Staff Papers

The following package describes the bases for our estimates of OCS onshore impacts. Attachment 1 is a description of the approaches used in making the estimates. Attachment 2 describes our own analysis to produce an upper limit estimate of direct employment impact. Attachment 3 includes a paper on Alaska impacts and Atlantic impacts describing the conclusions of existing impact studies on those areas. Attachment 4 is a summary of conclusions which can be drawn from North Sea (Scottish) experience.

The impact estimates finally derived from these analyses are basically the direct employment figures of Attachment 2 blown-up by multipliers to get total employment including induced employment and total population. The multipliers were taken from the earlier impact studies.

The resulting estimates should be treated as order-of-magnitude estimates which are deliberately biased toward the high side. Uncertainties about how much oil will be found, where, and over what time period are very large. Additional uncertainties exist about the response of local economies to the temporary influx of exploration and development workers.

Induced employment and population in short-term boom situations are likely to be less than the induced employment and population which would eventually result if the boom level of activity were to continue indefinitely. However, the multipliers used here are those usually considered suitable for estimating long-term equilibrium results, so they bias the peak employment period results toward the high side.

Another source of uncertainty in Alaska is the unknown degree to which companies during the exploration and development phases will provide facilities and services for their employees because they are about totally absent in the local economy.

METHODOLOGY OF IMPACT ESTIMATIONS

Two approaches used

Two approaches to impact estimates were taken:

1. In the papers "Alaska Impacts," "Atlantic Impacts," and "California Impacts," existing impact studies pertaining to specific OCS areas were reviewed and estimates were derived from them. These studies estimate direct employment based upon assumed levels of production and apply multiplier factors to obtain total number of "new residents."

2. In the paper "Estimates of OCS Employment Impacts," estimated acreages to be leased under the planning schedule along with assumptions about exploration and development rates and percentage of exploratory success were converted into primary employment using unit employment estimates furnished by the National Ocean Industries Association. Production phase employment was derived using those unit employment estimates and production assumptions from the Project Independence Report. Estimates are shown both for total direct employment and new residents directly employed, with the latter based on Gulf of Mexico experience.

   Multipliers to derive indirect employment and total new population were not used in this approach because the base conditions differ so significantly area by area, and the number of uncertainties in the projections make it almost impossible to derive a general multiplier that would be considered valid.

Defects of each approach

The estimates based on the production level approach suffer from several defects:

- The exploration activity and, to a lesser extent, the development activity associated with a given production level are not determinate. Since the exploration and development phases are the peak employment period, the uncertainties about peak employment are both large and ill defined.

- Under this approach, the exploration and development employment (the peak employment) is derived by extrapolating back in time from an assumed production level in some given future year. However, the time schedule and volume of leasing actually determine the exploration, and to some degree, the development employment levels and timing because of the fixed time period after lease issuance in which exploration must occur to avoid forfeiture of the tract.

The total direct employment is assumed to be the appropriate base for calculating the total population increase due to OCS activities, even though a large percentage of direct employees (particularly during the production phase) will not be new residents of the locality.

The estimates based on the leasing level approach also suffer from defects:

- Since they assume exploration and development to occur at very rapid rates after leasing, the peak employment estimates are probably upper limit estimates rather than most likely estimates.

- The development employment assumptions are based on Gulf of Mexico exploratory success rates and development drilling rates; therefore the corresponding employment figures for new areas are subject to substantial uncertainty, although that uncertainty is not likely to result in the peak employment estimate being substantially exceeded.

- The production phase employment is based upon production level estimates which are highly uncertain.

- Production phase employment includes employment in platform operations which is derived from acres leased plus Gulf of Mexico exploration and development experience. This platform operation employment may not be consistent with Project Independence Report production estimates.

Comparison of results

Total direct employment at its peak is substantially larger when estimated by the leasing level approach than in the available studies using the production level approach. This is to be expected since the assumptions in the leasing level approach were selected to produce upper-limit estimates. However, the size of the discrepancy, a factor of 3 to 13, suggests that the production level approach studies do underestimate the total direct employment during the exploration phase.

Total direct employment during the production phase is generally similar in the two approaches, except in Alaska. In the case of Alaska, the platform operation employment estimate in the leasing level approach probably implicitly assumes substantially higher production than does either the Project Independence Report or the impact study based on the production level approach.

Attachment No. 2

ESTIMATES OF OCS EMPLOYMENT IMPACTS

Estimates were made of OCS employment impacts using the following assumptions:

Sale	Tracts Sold
Alaska 11-75	305
Alaska 4-76	87
Alaska 12-76	305
Alaska 9-77	305
Alaska 10-77	174
Alaska 7-78	174
Alaska 9-78	87
Pacific Coast 9-75	174
Pacific Coast 9-76	174
Pacific Coast 5-77	87
Pacific Coast 2-78	87
Gulf of Mexico 2-76	69
Gulf of Mexico 2-77	260
North Atlantic 8-76	260
North Atlantic 12-77	260
Middle Atlantic 5-76	305
Middle Atlantic 7-77	305
South Atlantic 10-76	260
South Atlantic 5-78	260

It was assumed that these tracts were explored and developed in the following percentages based on Gulf of Mexico historical information:

	Alaska	All other areas
Undrilled and relinquished in primary term	25	25
Undrilled but extended by unitization	25	10
Drilled and productive	25	32.5
Drilled and unproductive	25	32.5

All exploratory drilling done in 1st through 5th years following sale year at rate of 2 wells/tract drilled

Mobile rig field definition drilling done in 2nd through 6th years after sale at 5 wells per tract with discovery.

1 platform installed per productive tract. Platform drilling done in 4th through 8th years after sale

For each of the three Atlantic areas in turn it was assumed that the following production resulted:

Year	Millions of barrels annually
1978	17
1979	34
1980	51
1981	79
1982	107
1983	135
1984	163
1985	190

This level corresponds to the Project Independence Report level for the entire Atlantic OCS. It was allocated in turn to each of the areas in order to provide an upper limit estimate of direct employment, given the very great uncertainty about what reserves might be discovered and developed in each area by 1985.

The assumed production for other OCS areas above 1976 production levels:

Oil, millions of barrels annually

Year	Gulf of Mexico	Alaska	Pacific
1977	19	0	9
1978	56	0	49
1979	94	0	90
1980	132	0	130
1981	174	32	179
1982	216	64	232
1983	258	96	283
1984	300	128	334
1985	343	161	385

Table 1 gives the estimated total employment per unit of OCS activity and the number of employees which are both new to the area and are residing locally.

ESTIMATES OF OCS EXPLORATION IMPACTS

Table 1

Facility	Total Employment	New Resident Employed
Exploratory rig	113	45
Development rig	65	37
Platform production operations 1/	16	1
Onshore operations base 2/	136	25
Onshore office 2/	42	26
Gas processing plant 3/	21	8
Pipeline shore terminal 2/	17	4
Service support 4/	143	53

1/ Per platform.
2/ Per 200 K BOPD.
3/ Per 300 K MCFD.
4/ Per 10 to 20 rigs served.

Table 2 shows the maximum total employment calculated in turn for each Atlantic OCS area using the above assumptions. Table 3 shows the similar estimates for new residents employed in OCS activities. Tables 4 and 5 show similar information for the other OCS areas.

Table 2
Total employment

	North Atlantic	Middle Atlantic	South Atlantic
1977	1,200	1,400	1,200
1978	2,500	2,900	1,300
1979	4,000	4,700	4,000
1980	6,800	7,900	5,300
1981	8,400	9,800	7,200
1982	7,800	9,000	7,600
1983	7,300	8,200	8,300
1984	6,500	7,200	6,200
1985	4,400	4,600	5,600
1986	3,400	3,400	4,400
1987	3,400	3,400	3,400

Table 3
New residents employed

	North Atlantic	Middle Atlantic	South Atlantic
1977	500	600	500
1978	1,000	1,200	500
1979	1,600	1,900	1,600
1980	2,900	3,400	2,300
1981	3,700	4,300	3,000
1982	3,200	3,800	3,200
1983	2,800	3,300	3,300
1984	2,300	2,600	2,300
1985	1,100	1,200	1,600
1986	400	400	1,100
1987	400	400	400

Table 4
Total employment

	Gulf of Mexico	Washington, Oregon, and California	Alaska
1977	500	2,100	1,300
1978	3,100	3,200	4,300
1979	5,400	4,700	7,400
1980	6,000	6.000	16,100
1981	8,300	6,200	19,800
1982	8,500	5,600	15,500
1983	6,800	5,100	19,200
1984	5,100	4,500	13,800
1985	5,300	3,800	10,700
1986	3,800	3,700	9,300
1987	3,800	3,400	8,100

Table 5
New residents employed

	Gulf of Mexico	Washington, Oregon, and California	Alaska
1977	200	800	500
1978	1,200	1,300	1,700
1979	2,100	2,000	3,000
1980	2,500	2,500	6,700
1981	3,600	2,600	8,300
1982	3,500	2,200	6,600
1983	2,600	1,900	8,600
1984	1,700	1,700	5,000
1985	1,600	900	3,100
1986	500	700	2,100
1987	500	500	1,100

No estimate was included above for refinery employment because total refinery capacity needed is dependent on domestic consumption levels rather than upon the availability of domestic crude oil. Refinery capacity will be built; it will process OCS crude if it is available and foreign crude if OCS crude is not available. Table 6 shows the direct employment for processing the estimated OCS production.

Table 6

Refining incremental OCS production 1985
(Above 1970 base)

Area	Annual crude oil consumed (M bbls.)	All employees
Gulf of Mexico	343	8,100
Alaska	161	3,800
Pacific	385	9,100
Atlantic	190	4,500
	1,079	25,500

Existing refinery capacity used for processing foreign crude already (as of June 1974) equals or exceeds the estimated incremental OCS production in the Eastern region for Atlantic production and in the South for Gulf of Mexico production. The Pacific Coast and Alaskan OCS crude production estimate for 1985 is substantially greater than the present capacity in the West which is processing foreign crude. This may mean that crude from the Pacific and Alaskan OCS would be processed in new refinery

capacity in the West which in the absence of OCS crude would be located elsewhere in the country and utilize foreign crude. Alternatively western OCS crude in excess of the region's needs might be transported to other regions in unrefined form. In any event, Alaskan OCS crude is not likely to be refined in Alaska. Table 7 shows these comparisons.

Table 7

Refinery region (OCS area)	Incremental OCS production estimate, 1985 (K bbls./day)	Using foreign crude 6-74	Refinery capacity (K bbls./day) Total 6-74	Total 3-75	Annual rate of (%) change
South (Gulf of Mexico)	940	942	5,275	6,223	24.7
West (Pacific & Alaska)	1,496	894	1,996	2,303	21.0
East (Atlantic)	521	1,325	1,519	1,760	21.7

Increased refinery capacity will probably be achieved largely by adding capacity to existing refineries rather than building new refineries from the grass roots up. Existing capacity increased very substantially between 6-74 and 3-75 without any significant additions of grass roots capacity. This will minimize fiscal impacts since existing refineries are largely in or very near urbanized areas so that refinery employees and their households are a negligible part of the local population.

Construction employment estimates have not been included for the following reasons:

- Mobile rigs will probably continue to be built in shipyards now in that business. Any additions to capacity are likely to be where there are already harbor and shipyard facilities. Such areas are usually already urbanized.

- Platform construction is also likely to be located where there are major harbor and shipyard facilities. (One possible rural site has been identified across the mouth of Chesapeake Bay from Norfolk.) Some of these areas, such as Boston, already have significant problems of unemployment and excess facilities that are not merely short term consequences of current economic conditions.

Conclusion

The employment figures summarized in Table 8 below are probably the maximum or upper limit direct employment impacts that will result from OCS exploration and development. They assume very rapid exploration and development. Using total direct employment figures as a measure of fiscal impact on coastal jurisdictions implicitly assumes that all direct employees are new residents. The figures in Table 9 summarizes estimates of new residents resulting from OCS exploration and development. They

are largely based on Louisiana experience but there is no reason to suppose that experience elsewhere will be drastically different except in Alaska. In Alaska the remoteness of the areas of exploration and potential development from all but the smallest of villages will probably mean that practically all employees in the exploration and development phases probably will be brought in from outside by the oil companies and will be housed, both on and off duty, in substantially self-contained company facilities. For this reason impacts on local governments during the peak exploration and development period are likely to be less than the figures on new residents would indicate.

Table 8

Maximum total employment from incremental OCS activities

Area	Peak development period	Production period
North Atlantic	8,400	3,400 1/
Middle Atlantic	9,800	3,400 1/
South Atlantic	8,300	3,400 1/
Gulf of Mexico	8,500	3,800
Pacific Coast	6,200	3,400
Alaska	19,800	8,100

Table 9

Estimated new residents employed in incremental OCS activities

Area	Peak development period	Production period
North Atlantic	3,700	400 1/
Middle Atlantic	4,300	400 1/
South Atlantic	3,300	400 1/
Gulf of Mexico	3,600	500
Pacific Coast	2,600	500
Alaska	8,600 2/	1,100 2/

1/ This figure is the total for the Atlantic region as a whole but is shown against each sub-region (as an upper-limit estimate for the sub-region) in the absence of an allocation of the Project Independence report production estimate among sub-regions.

2/ These are the calculated figures for Alaska using Gulf of Mexico experience. They are considered unrealistically small for the reasons described in the text above.

Atlantic Coastal State Population Projections 1/
(Thousands)

	1975	1985
Maine	1,005	1,081
New Hampshire	765	861
Massachusetts	5,664	6,219
Rhode Island	931	989
Connecticut	3,254	3,713
New York	19,776	21,688
New Jersey	7,805	8,893
Delaware	589	685
Maryland	4,155	4,801
Virginia	5,027	5,640
North Carolina	5,394	5,902
South Carolina	2,765	3,035
Georgia	4,933	5,477
Florida	7,275	9,012
	69,338	77,996

1/ IID Series

1975 to 1985 growth is 8,658,000 persons

New infrastructure capital at $5,000 per person is $43.29B

OCS related infrastructure at $100 to $250M is 1/4 to 1/2 percent of total requirements

Alaska Impacts

Reports from and discussions with Mathematical Sciences Northwest have brought out the following points about impacts in the Gulf of Alaska.

- 1970 populations of the most likely towns for development were:

Cordova	1,164	
Kodiak	3,798	
Seward	1,587	
Whittier	130	
Yakutat	190	(A Tlingit Village)

- The total 1970 population of the five census divisions encompassing these towns was 18,857 which includes 3052 (16%) military.

- At a production level of 700,000 BPD by 1985, OCS primary employment is expected to peak in 1980 at 1500 and drop to 900 in 1985. OCS secondary employment will also peak in 1980 at 2800 and drop to 1600 in 1985.

  Total OCS-induced population will peak in 1980 at 8400 and drop to 5100 in 1985.

- With petrochemical and LNG development in addition, the population would peak in 1981 at 12,700 and drop to 6500 in 1985.

- Most of the platform construction and fabrication will take place outside of Alaska in Japan, California, or the Northwest.

- On-site facilities construction will be limited to the summer season (May Sept).

- Virtually all increased employment represents either an inter-state or inter-region population shift.

- With the exception of Kodiak, these areas are 100% rural and generally have higher than State average incidences of Alaskan native population, percent of families with incomes under poverty level, unemployment and substandard housing.

- There are substantial needs for roads, water and sewage treatment, and airport and seaport improvements if the OCS is developed.

- Although the capital cost of the public infrastructure needed in the Gulf of Alaska because of OCS development has not yet been detailed, the estimated total cost should be less than $60M (about $6250 per capita) without LNG and petrochemical development and less than $80M with them.

- Additional annual local operating expenditures, exclusive of Federal contribution, would be about $4M ($500 per capita) at the population peak without LNG and petrochemical development and $6M with them.

- On shore capital investment in the Gulf by the oil companies is estimated to run $80-100M without LNG and petrochemical development. Annual property taxes for on-shore oil facilities would be about $2M without LNG and petrochemical development and $14M with them.

- "If the Federal Government collected 12.5% royalty on a $10.00/bbl wellhead price and shared this revenue with the State of Alaska, revenue which in turn would be expended in the State, the resulting economic impacts would be greater than the total direct and indirect wage effect." (A 25% State share of Federal royalties on projected Alaskan production in 1985 would be $67M, while total wages would only be $45M.)

Alaskan OCS Employment & Population Impacts*
Gulf of Alaska OCS only

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Primary Employment	291	622	936	1,250	1,436	1,440	1,191	940	951	886
Induced Employment	541	1,157	1,741	2,325	2,764	2,678	2,215	1,748	1,769	1,648
Total Employment	832	1,779	2,677	3,575	4,250	4,118	3,406	2,688	2,720	2,534
Primary Population	529	1,167	1,866	2,362	2,805	2,745	2,286	1,828	1,875	1,786
Induced Population	1,104	2,360	3,552	4,743	5,639	5,463	4,519	3,566	3,609	3,362
Total Population	1,633	3,527	5,418	7,105	8,444	8,208	6,805	5,394	5,484	5,148

* Mathematical Sciences Northwest Preliminary draft of "A Social & Economic Impact Study of Oil Related Activities in the Gulf of Alaska (April 4, 1975). Proprietary information, Gulf of Alaska Operators Committee.

Assumes 700,000 BPD by 1985.

Alaskan Employment & Population Impacts of Petrochemical and LNG Development *

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Primary Employment					550	800	550	235	235	235
Induced Employment					1,023	1,488	1,023	437	437	437
Total Employment					1,573	2,288	1,573	672	672	672
Primary Population					994	1,446	994	479	479	479
Induced Population					2,087	3,036	2,087	891	891	891
Total Population					3,081	4,482	3,081	1,370	1,370	1,370
Total population, OCS plus petro-chemical & LNG					11,525	12,690	9,886	6,764	6,854	6,518

* Mathematical Sciences Northwest (4-4-75). (for Gulf of Alaska OCS only)

California Impacts

Los Angeles County's study of OCS impacts (Jan. 31, 1975) made the following statements, which are consistent with the recent studies by Rand (for the State of California) and Western Oil and Gas Association (WOGA).

- OCS exploration and development of a 4 billion barrel find may create 5000 new primary jobs and possibly 15,000 secondary jobs (3/5 of 1% of the 3.1M jobs in L.A. County).

- "Secondary impacts...would involve no large scale changes in either the area's population, or its labor force."

- Significant impacts (including excess demand for construction labor and materials and consequent price rises) might occur if platforms and equipment are constructed locally. Current evidence suggests, however, that the Gulf of Mexico and the San Francisco Bay are more likely sites.

- On-shore impacts from storage and processing will be tied to levels of demand rather than to OCS production. (Present refining and storage capacity are sufficient and no new refineries are projected).

- Overall impacts on local government operation is not expected to be significant, except in the case of an oil spill.

- Significant adverse effects on local industry and employment could occur if adequate alternative supplies of oil and gas are not found to replace the potential, but untapped OCS sources.

The Rand and WOGA studies also point out that the increase of 5000 new jobs would partially offset Southern California's declining employment in on-shore oil production so that the actual net gain in primary employment will be less than 1000.

According to the Chief Engineers of the Los Angeles and Long Beach Harbors:

- Long Beach port improvements necessitated by OCS could be handled on a "routine basis," financed out of current cash flow;

- Los Angeles port improvements would involve an estimated $20-25M for channel deepening financed through bonding with a charge back to the oil companies. (The Federal Government is already involved in a project with the port of L.A. to deepen some channels).

According to the California State Energy Commission, "on-shore or socio-economic impacts in California is a non-issue....We don't want to depend on the Federal Government for our revenues."

The State of California, to raise revenue for OCS-related and other uses, is actively pursuing the idea of a through-put charge (an estimated $280M a year at $.50/barrel). DOI is currently assessing the legality of California's plan. If legal, the availability of such a tax scheme should significantly reduce the states' claim on OCS revenues.

Atlantic Impacts

Magnitude of the Impacts

There is considerable debate about the magnitude of on-shore impacts on Atlantic OCS.

Resource Planning Associates (for CEQ) estimates that a 750,000 bbl/day Atlantic production may induce a population growth of up to 250,000. A study by the State of New Jersey for a similar production scenario says the population impact may be around 100,000. A rough calculation based on industry supplied labor inputs, a production estimate of 190M bbl/year by 1985, and some rule-of-thumb multipliers puts the "new resident" population impact at under 25,000.

According to industry estimates, the capital investment in OCS on-shore support facilities for the Atlantic could run about $100M for 1M bbl/day production, exclusive of refinery, petrochemical, and deep water port development. Annual wages during the production phase for 1M bbl/day (i.e., excluding construction) could run about $25M.

Public capital investment in infrastructure; exclusive of airport or seaport improvements, but inclusive of moderate road building, could run as high as $125M if 25,000 people moved into the region or $250M if 50,000 people moved in.

Potential non-Federal revenues from OCS-related on-shore developments are difficult to quantify because of uncertainties about the location of development and the myriad tax structures of the various Atlantic Coast states. However, in most States OCS related development would be subject to the following major taxes: corporate income, sales, construction, and property. Employees would be subject to income, sales, and property taxes in most states.

It has been estimated (WOGA) that a find of 4B barrels of oil and 8 trillion cubic feet of natural gas would yield revenues of $19.4B to Federal, State, and local governments over the life of the fields (assumed to be 30 years). This breaks down as follows:

	$('73) B
Lease payments	3.6
Royalties	7.5
Federal corporate income	6.3
Federal personal income	.9
	18.3
State & local corporate income	.7
State & local personal income	.1
State & local other than income	.3
	1.1

(The $1.1B State and local revenues is about $36.7M per year. This compares to annual debt service (7%, 20 years) of $10.5M on an initial capital investment of $112M (25,000 x $4500 per capita) and annual operating costs of $10M (25,000x $400 per capita).

It appears, then, that there will be sufficient capital-intensive on-shore industry investment to cover the normal corporate share of local tax revenues. The timing of cash flows and access to capital markets for major public investments, however, may be problems, particularly for small, rural towns with little bonding history, exhausted bonding capacity, tax structures in need of revamping, and a weak existing economic base.

Nature of the Impacts

Construction of Drilling Rigs

Rigs can be built in existing shipyards and towed long distances to drilling sites (Gulf of Mexico to Noth Sea, e.g.). Consequently, the on-shore impacts during this phase are expected to be minimal because few, if any, population shifts or new commitments of land will be involved. The potential for on-shore impacts would be reduced even further to the extent that drilling rigs now used in the North Sea are towed back to the U.S.

Conversations with industry representatives indicate that drilling rigs for the Atlantic will most likely be built in Gulf shipyards and towed out. Some rigs for the Atlantic, however, may be constructed in Atlantic shipyards (Baltimore, e.g.), in which case rig building would reduce the current unemployment in the affected areas rather than add to the population base.

Exploration Phase

During the exploration phase, the major on-shore impact is the demand for harbor supply bases. Communities with harbors near the leased tracts are the most likely to become support centers for oil development.

Population impacts are expected to be relatively small during this phase.

• Construction of Production Platforms

Platform construction is not expected to induce significant on-shore impacts in Alaska and California. Construction of platforms for the Atlantic, however, is likely to involve significant on-shore impacts because it will probably require at least one new site, which is specifically designed for platform building, rather than use of existing shipyards. This is because 1) existing shipyards are not equipped for such construction and are unlikely to commit capital for conversion, given the uncertainty of oil finds and, 2) platform building requires a site which has easy access to both deep water and materials as well as hundreds of acres of level land, a requirement few shipyards can meet.

Brown and Root recently purchased about 2000 acres in Cape Charles (Northampton County), Virginia and has requested the rezoning of 980 acres from agriculture to industrial use for manufacturing platforms, among other products.

Brown and Root employment is estimated to reach 1500 and induce a population growth in the County of about 2900, a 15% increase over the County's 1970 population.

With 40% of the existing housing substandard, a projected severe 5-10 year housing shortage is expected to hit low income and retired persons especially hard as rents are driven up.

Additional annual County expenditures induced by Brown and Root have been estimated at over $900,000 ($313 per capita), not including debt service on $2,000,000 in needed highway improvements.

Additional annual revenues have been estimated at about $1,000,000 which includes $300,000 property taxes from Brown and Root (on $40M capital investment), $150,000 from residential property taxes, $140,000 other locally generated tax receipts, about $400,000 in additional State grants, and $38,000 from Federal General Revenue Sharing.

The apparent $100,000 surplus may be illusory, however, because of a lag in property tax receipts, which the County could correct if it so desired, and because the annual debt service on the highway improvements would exceed $100,000.

Fiscal impacts on the towns within Northampton County may be more noticeable, particularly if the new people choose to live outside Cape Charles, in towns which cannot tax Brown and Root. Likewise, the other counties which receive new people (an estimated 2100 in the families of employees commuting from other counties) may experience some fiscal gaps.

Over the last five years, about one-half the county's income has been from the State, one-fourth from the Federal Government, and one-fourth from local citizens and businesses.

Because of Brown and Root's locating in Northampton, the State's proportional contribution to County receipts would decrease from 50% to 40%. From the State's viewpoint, the fiscal burden of its contribution should be minimal, unless a significant number of the Brown and Root employees were not Virginia residents, because the State contribution would be the same whichever county the people lived in.

- Development Phase

Manpower requirements peak during this phase. Local communities are expected to be under their most severe strains then because of the short-term (2-4 year) influx of construction workers. The danger of overbuilding public facilities is greatest during this phase, a danger which could be increased by the easy availability of "free" Federal funds.

- Production Phase

This phase is very capital intensive and brings a sharp decline in jobs as construction requirements subside. Small, one-economy towns that grew rapidly to support OCS will be the hardest hit by the decline.

- Pipelines, Terminals, and Storage

The number of pipelines and landfalls depend on the location of the find and of the processing facilities, the number of companies able to share a pipeline, and environmental factors.

Oil can be piped to inland refineries, but coastal processing facilities are necessary for gas pipelines because of the safety factor.

After construction, the pipeline itself requires virtually no manpower. A pipeline terminal for 200,000 bbl/day requires only 17 employees (capital investment of $2.4M).

Fiscal impacts on the towns within Northampton Co. may be more noticeable, particularly if the new re- OCS impacts from storage depend primarily on existing capacity and whether or not OCS production will back out imports. A gain, storage facilities are capital intensive.

8- Refineries

The extent to which new refineries will be built also depend on existing capacity and whether OCS production will back out imports. Because it is cheaper to transport crude oil rather than refined products, the siting of refineries depends on the location of the demand or market area, not on the location of the supply. Refineries are very capital intensive with a capital investment of $600-800M and permanent employment of 500.

Atlantic OCS Employment and New Resident Population Impacts

	1976	1980	1985
Primary New Resident Employment 1/	0	3,100	1,600
Induced Employment (Primary X 2)	0	6,200	3,200
Total New Resident Employment	0	9,300	4,800
Total New Resident Population (Employment x 2.5)	0	23,250	12,000

1/ See Attachment 3 for assumptions and calculation of direct employment.

because of the Outer Banks.

After construction, the refinery itself would require [illegible] employees [illegible]

LABOR AND CAPITAL OCS INPUTS
(supplied by American Petroleum Institute)

Type of Operation	No. of Employees	Employees not Hired Locally	Total Wages $/Month	Capital Investment 1974 - $
Per Rig				
1. Exploratory Well	113	71	125,075	-
2. Development Well	65	37	76,750	-
Per 10-20 Rigs				
1. Service Support	174	66	212,150	5,195,000
Per Platform				
1. Production Operations	16	1	18,250	-
Per 200,000 BOPD Production				
1. Onshore Operating Base	136	25	133,175	2,800,000
2. Onshore Office	42	26	60,800	Rental
3. Pipeline Terminal	17	4	20,200	2,400,000
Per 300,000 MCFD Production				
1. Gas Processing Plant	21	8	24,750	24,000,000
Single Facility if Required				
1. Pipeline Tanker and Barge Terminal	25	8	33,100	9,800,000

Attachment No. 4

North Sea Experience

North Sea experiences would indicate that:

1. On-shore impacts are most significant in communities with limited labor pools, existing housing shortages, and no slack in existing public infrastructure.

2. Large cities can absorb OCS-induced growth more easily than small ones.

3. Those towns with a diversified economy can adjust more readily than those which are dependent on a single existing industry (tourism, fishing, etc.).

North Sea impacts which may have bearing for Alaska and Atlantic rural areas include the following:

- Public expenditure on roads, harbors, and airports increased significantly in "oil areas" while they decreased elsewhere in Britain.

- The benefit of new jobs has not been channeled into Scotland's neediest cities.

- Inflationary side effects have seriously affected those individuals and small businesses outside the oil boom.

- Housing shortages have been particularly severe and long lasting, primarily because existing construction capacity is being used for oil facilities and new workers aren't imported because they would only aggrevate the shortage.

- Lack of housing has constrained the in-migration of teachers and other service personnel.

- High land prices (a 30-fold increase in five years) discourage non-oil industries from locating in oil boom towns, thus hindering diversification of the economic base.

- High wages in the oil industry have created labor shortages in several industries and services, particularly factories, retailing, and government.

- Impacts from platform construction have been among the most significant in North Sea communities.

- Shetland County Council levied a per barrel tax on oil passing through Shetland facilities and negotiated with the companies for an advance payment to help with front-end capital costs of public infrastructure.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B – JUNEAU 99811

March 4, 1977

Mayors of Coastal Municipalities:

Yesterday, I received a phone call from Chuck Cohen; who, as you know, is our representative in Washington D.C., with responsibility for doing research and technical analyses of the new Coastal Energy Impact Program. Chuck advised me that a supplemental appropriation for FY '77, as prepared by President Ford and amended by President Carter, and a budget for FY '78, have been presented to the Congress in the following amounts:

FY '77- $10 million - Formula Grants
$110 million - Facilities Loans
$0.00 - Planning
$0.00 - Environmental or Recreational Grants

FY '78- $13 million - Formula Grants
$143 million - Facilities Loans
$0.00 - Planning
$0.00 - Environmental or Recreational Grants

From the proposed appropriations the federal Office of Coastal Zone Management has tentatively proposed to allocate to the State of Alaska and its municipalities the following amounts:

FY '77 (Supplemental)
$700,000 - Formula Grants
$31,900,000 - Facilities Loans
$0.00 - Planning
$0.00 - Enviromental or Recreational Grants

FY '78 (Budget)
$3,200,000. - Formula Grants
$68,600,000. - Facilities Loans
$0.00 - Planning
$0.00 - Enviromental or Recreational Grants

The most obvious omission from the proposed budgetary figures, in our view point, is the lack of appropriations for planning which would ordinarily precede application for facilities loans or formula grants. In other words, it appears the federal administration is putting the "cart before the horse" by providing funding for facilities without any funding being provided for necessary planning. Therefore, this date, Kevin Waring, Director of Community Planning, is preparing a draft of a letter for Governor Hammond's signature to members of our congressional delegation in Washington strongly urging that they amend the proposed FY '77 supplemental and FY '78 budget figures to include funds for planning. By way of this letter we encourage each of you to likewise send letters or telegrams to members of the Alaska Congressional Delegation in Washington, expressing your concern for the need for funding of planning under the C.E.I.P. As in the past, we would appreciate receiving a carbon copy of any correspondence you might send to the congressional delegation. As we understand it, the supplemental appropriation bill and the FY' 78 budget are now in Congressional committees. It is imperative that, if you propose to make your wishes known to the Congressional Delegation, letters or telegrams be sent A.S.A.P.

One week ago today, the Coastal Management Policy Committee of Governor Hammond's Administration, authorized the Department of Community and Regional Affairs to take the lead in the development of the intrastate allocation formula process as provided for in the federal regulations which implement the C.E.I.P. I had earlier requested that Chuck Cohen prepare a draft intrastate allocation formula for our consideration and I expect to receive that first draft sometime next week. Also, while in Fairbanks this coming week Kevin Waring will meet with representatives of the Institute of Social and Economic Research at the University of Alaska, to see if the Institute is willing to also draft a formula for the proposed intrastate allocation. We will be contacting you in the very near future with our proposal. Any finally adopted intrastate allocation formula, as we envision it, will include municipal representation and input regarding the distribution of the federal allocation for formula grants ~~grants~~ and facilities loans made available to the State of Alaska.

We again urge you to contact our congressional delegation in Washington if you share our concern that money should be appropriated for Coastal Energy Impact planning. We also appreciate any comments or concerns you might have as to the manner in which our Department is proceeding in drafting a proposed intrastate allocation formula for the Coastal Energy Impact Program.

Sincerely,

Palmer

Palmer McCarter
Director

cc: City Managers
Don Berry, Alaska Municipal League

McC/pc

copies for committee members

City of Kenai
BOX 580
KENAI, ALASKA 99611
telephone: 283-7535

March 9, 1977

Honorable Lisa Rudd
State of Alaska
House of Representatives
Pouch V
Juneau, Alaska 99811

RE: House Bill #219

Dear Representative Rudd:

House Bill 219, as proposed, clearly makes the developer of OCS resources liable for costs relative to the impacts generated from construction of shore-related facilities.

The principle of this proposed legislation has been long established in American municipalities, though normally called "off-site improvements", required as a result of significant development; commercial, industrial and housing.

The legislation, as proposed, is long overdue. The boroughs ought to be the agencies to establish such legislation, through their planning and zoning mandates; however, in the absence of borough action, then the State is obviously compelled to act.

The City of Kenai has been victimized by the absences of such legislation and, therefore, we are obliged to support this legislation, not only for our own protection, but for the greater good of the State.

If there are any problems in this proposed legislation, it is in Section 41.45.930 "Fees". The language is unclear and needs clarifying.

Our congratulations on the introduction and grateful support for the legislation.

For the Mayor and Council of the City of Kenai, Alaska, I am

Sincerely,

John E. Wise,
City Manager

JW:dd

MEMORANDUM

FROM: Mike Davis, Administrative Assistant

RE: Phone Conversation with Larry Powell, Major of Yakutat. - OCS IMPACT.

DATE: March 10, 1977

"We have had a direct impact since ept. last year. The construction of the service base took pl during the year preceding that."

We have five service boats servicing two rigs with service base.

Presently, some of the city services are impacted.

a. Water supplies
b. All the people working on the rigs move thru the airport. (There is an attempt to not have people in town. But, we are experiencing bad weather, so we can have anywhere from 15-25 people (or more) stuck in town.)

These demands should remain constant for the next two years (from Shell and Arco).

Exxon and Gulf will begin supplying their rigs with five service boats. Some of these will be based in Yakutat (which means a greater movement of people thru town).

We are looking for things to escalate...traffic thru the airport, the service base will need to be enlarged to handle the increased activity.

"Fact: We are faced with increasing our fire protection capability both onshore and offshore (due to the increased industrial activity). We will need to have a full time policeman (currently we have a trooper and a part-time policeman)."

"I would very much like a copy of the bill and background material." (sent 3-10-77).

MED:ab

MEMORANDUM

TO: Members of House Community & Regional Affairs Committee

FROM: Michael Davis

DATE: March 14, 1977

RE: OCS Impact - phone conversation with Darryl Schaefermeyer, City Manager of Seward

We anticipate a great amount of primary and secondary stage development.

Exxon has leased property for pipe storage and other supplies.

We anticipate 200 boat visits per month (these are 200 foot supply vessels) as soon as the weather breaks.

Most immediate impact:

1. They will be taking on large amounts of water, which requires us to upgrade the water system, to install water lines out to the dock area. We will also have to drill new wells and construct storage tanks.

2. A lease has been negotiated with Dresser by the city. It will be a large dock built by the company. We will get revenue from anything that moves across the dock.

3. Private property is being leased for a dock facility.

4. We have acquired land by annexation and plan to develop these.

5. Oil companies have acquired land to be used for storage.

The impact we forsee in the future:

1. The number of transient people which will be in town from boats, etc.

2. We currently have a serious electrical situation and it will need to be taken care of.

3. Seward already has a critical housing shortage without any influx of people.

4. Our local roads will have to be improved.

On HB 219:

1. We do not understand the formula, but from what we do understand, it would help us only if there would be an influx of residents.

EXXON COMPANY, U.S.A.
POUCH 6601 • ANCHORAGE, ALASKA 99502

PRODUCTION DEPARTMENT
ALASKA OPERATIONS

T. M. MATTHEWS
ENGINEERING MANAGER

March 17, 1977

The Honorable Lisa Rudd
Chairperson
House Committee on Community and Regional Affairs
Juneau, Alaska

Re: House Bill 219
Shore Facility Impact Permits

I would like to apologize for not being able to be present for the continuation of testimony on House Bill 219 which occurred on March 14, 15, and 16. However, after reading and hearing some of the testimony that occurred on those days, I would like to submit several comments in regards to the misrepresentations and belittlements made by Messrs. Parr and Waring concerning much of my testimony.

First of all, much was said in regards to comparison of North Sea impacts versus Alaska impacts. Mr. Parr cited and attached passages from Baldwin's book on North Sea oil in regards to planned OCS development schedules in the U.S. Baldwin's book was written principally in early 1975. On Page 12, it discusses the OCS leasing schedules that Mr. Parr indicates as evidence of crash program development. If one checks the record, he will see that most of the sales were delayed, cancelled, or reduced in size and certainly today there is no evidence of crash programs. In fact all indications point to further delay pending new Federal OCS legislation and even Federal exploratory drilling in proposed leasing areas. Both of which will postpone industry exploration and development and increase our dependence on foreign imports. A further point on the North Sea is that currently there are 44 exploratory drilling vessels working in the North Sea (and nearly 50 at its recent peak active in the North Sea) compared to the 5 or 6 seen for Alaskan waters and by the end of 1977, approximately 45 major production platforms will be active compared to none for the Alaskan OCS. No one can even in their wildest imagination attest that this has any potential of occurring in the Alaskan OCS.

In Baldwin's book on Page 116, it is interesting to note the author found the North Sea onshore development was accomplished and controlled "without sophisticated planning controls or even a planning body...". It is probable the existing Alaska communities and municipalities could do the same thing without the need of state or Federal bodies imposed upon them.

The principal point I made in my testimony was evidently missed by Mr. Parr. The whole premise of the bill is that an immediate major impact occurs on public and municipal services with the commencement of exploratory work. I attempted to point out that this was false, particularly based on actual data from the Gulf of Alaska. One does not deny that if discoveries are made; if they are economical for development; if permits are obtained to develop; and if development occurs, impacts will occur. But this happens from 5 to 10 years after exploration, not immediately. Necessarily during the exploration phase, major investments are not made due to its uncertainty and only small shore based manpower forces are used to support the activities. Exxon has approximately a total of 25 at Seward, Anchorage, and Yakutat; ARCO/Shell has a total of 36. In both cases these are predominately local hires and essentially all existing Alaskans. The large crews on the drilling vessels are those that travel around the world with the vessel. They work alternate shifts of either two weeks on/two weeks off, or four weeks on/four weeks off, and during their off time are flown back to their home, wherever that may be. Even during this exploratory phase, major revenues accrue to the state and local areas as indicated in my testimony.

Mr. Showalter's testimony, contrary to the implications of Mr. Parr, did not conflict with mine. Mr. Showalter pointed out what then happens during development, the type of impacts realized, and the employment benefits accrued. Also accrued to the local and state entities are revenues and taxes (company, personal, and associated services) that pay for impacts that occur. Mr. Showalter pointed out the people requirements associated with a major industrial, petrochemical, petroleum area like the Cook Inlet and the Kenai peninsula are moderate (2-3,000) and certainly not the 95,000 to 100,000 people indicated in government testimony.

In regards to the population and cost impacts propagated by Mr. Parr and Mr. Waring, attached is a letter from the Office of Management and Budget in Washington, D. C. who developed the numbers back in early 1975. Please note their comments as to the validity of their own numbers.

To get a good understanding of the Federal Coastal Energy Impact Program, one should read 15 CFR Part 931 as printed in the October 22, 1976 Federal Register. Contrary to what Mr. Parr indicates, the program includes the following:

SECTION	ITEM	PERIOD	TOTAL APPROPRIATION
305	CZM Program Development Grants	3 years	$60 million
306	CZM Program Administration Grants	4 years	$200 million
308	Impact Grants	8 years	$400 million
	Impact Fund Grants, Assistance, Loans	10 years	$800 million

310	Technical Assistance Grants	4 years	$40 million
315	Estaurine, Beach Access Grants	4 years	$124 million
-	CZMA Administration	4 years	$20 million
		Total	$1644 million

The grants are allocated based on the formula -

Adjacent leased OCS acreage	1/3
Adjacent OCS production	1/6
OCS production landed in state	1/6
New employment associated with OCS	1/3

Based on this the Federal Coastal Zone Management Administration House-Senate Conference Committee estimated that Alaska would be eligible for 25% of the grants.

The financial assistance or loans are of course based on needs or desires of the state. If there are loans, they are for a maximum of 30 years at interest rates not to exceed comparable market rates and the interest rates are calculated every three months to make sure the state gets advantage of lowest prevailing market rates.

In summary, Exxon's position remains that the bill is not needed. There will not be major immediate impacts and demands due to OCS exploration as evidenced by the Gulf of Alaska. What impacts occur are minimal and even Byron Mallot of Yak Tat Kwaan in a recent interview said the Yakutat impacts were positive. If and when development does occur in 5 to 10 years, then some impact will be realized, but not to the extent dreamed by the bill author's projections; and even then as now, the positive benefits in revenues from property taxes, sales and use taxes, income taxes, franchise taxes, business taxes, service use charges, fuel taxes, etc., will compensate for the impacts and pay for required services if any. In remote area developments, such as Prudhoe Bay/Beaufort Sea or even the Gulf of Alaska, services will be supplied by the base itself in the areas of water supplies, sewage, power, fire, and security. Even in the isolated case mentioned by Mr. Parr, I doubt if the facility ever made use of the fire service facilities.

Thank you for your attention and the opportunity to become involved in this matter.

Very truly yours,

T. M. Matthews

T. M. Matthews

TMM/vk
Attachment

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 28, 1977

Mr. Keith Arnold
Assistant Manager
Alaska Oil and Gas Association
308 G Street, Suite 217
Anchorage, Alaska 99501

Dear Mr. Arnold:

The enclosed paper describes the approach used to derive the direct employment estimates for Alaskan OCS development underlying the figures cited in the Coastal Zone Management Newsletter enclosed in your letter of January 21.

We do not consider the figures quoted in the Newsletter to be valid estimates of the expected impacts in Alaska of OCS development. Those figures were prepared in an analysis done in May of 1975. The purpose was to determine the rough order of magnitude of OCS development impacts based upon deliberately pessimistic assumptions. It would then be possible, despite the great uncertainties, to credibly say that the likelihood of even more severe impacts would be negligible.

The estimates, therefore, were deliberately biased upwards at several stages in the analysis in order to produce an "upper limit" or "worst case" estimate. Some of the major sources of bias are:

- The leasing scenario used was the OCS planning schedule which was later published in June of 1975. It was recognized as a very ambitious and optimistic schedule for Alaska. Actual leasing in Alaska is likely to be spread over a substantially longer period than that schedule had anticipated. The impacts will also be spread over a longer period, reducing the infrastructure needs toward a level based on the "permanent" direct employment.

- The development scenario following each lease sale assumed very rapid exploration and development.

- It was assumed that all direct employment in every affected Alaskan region will be of people new to that region. This is clearly unrealistic.

The paper calculated a peak direct employment of 19,200 and a permanent direct employment of 8,100 resulting from the OCS development scenario examined. In order to arrive at a total population increase figure and a total infrastructure cost figure, the following steps were taken:

- The peak and permanent direct employment were averaged, giving 13,650. It was assumed that public infrastructure needs would be based on this volume of direct employment.

- It was assumed that all direct employment was by people new to the Alaskan areas in question.

- This direct employment of new residents was multiplied by a direct to total employment multiplier of 2.75 and a total employment to population multiplier of 2.5, giving a total additional population of 94,185.

- The total infrastructure cost was derived from this population figure by using $7,250 per capita.

It is unfortunate that these figures are receiving a wide circulation which characterizes them as OMB projections of future OCS impacts in Alaska. Their purpose was not to project the most likely future, but rather to show that, even when unrealistically pessimistic assumptions are used in the analysis, the calculated impacts are manageable.

I believe that the paper and the further steps described above are self-explanatory. However, if you have any further questions about the analysis, we will be glad to address them.

Sincerely yours,

Donald E. Crabill
Deputy Associate Director
for Natural Resources

Enclosure

March 18, 1977

Honorable Lisa Rudd
Chairperson
Committee on Community and Regional Affairs
House of Representatives
Juneau, Alaska 99801

Re: House Bill No. 219

Dear Madam Chairman:

Attached is testimony submitted on behalf of Chugach Natives, Inc., expressing opposition to House Bill No. 219, a bill for an Act entitled: "An Act providing for permits and fees for the construction of shore facilities associated with outer continental shelf natural resource extraction; and providing for an effective date."

Because of prior commitments at Cordova, it will be impossible for me to attend personally the hearings scheduled for March 21. I therefore respectfully request that the attached written testimony be incorporated in the record of the hearings, and that copies (which are enclosed) be distributed to members of your Committee.

With best wishes, I am

Respectfully yours,

Cecil Barnes

CECIL BARNES
President
Chugach Natives, Inc.

CB/ab
Encl.

912 East 15th Avenue, Anchorage, Alaska 99501, Phone (907) 274-4558

Chugach Natives, Inc.

Madam Chairperson and members of the Committee on Community and Regional Affairs of the Alaska House of Representatives:

My name is Cecil Barnes. I am President of Chugach Natives, Inc., one of Alaska's twelve regional Native corporations. We appreciate the opportunity to submit our views in opposition to House Bill 219.

As the Joint Federal-State Land Use Planning Commission found in reports to the Secretary of the Interior, and as the Congress of the United States found when it considered the January, 1976, amendments to the Alaska Native Claims Settlement Act, Chugach Natives, Inc. faces some difficult land selection and land management tasks. Our difficulties arise in large part because of the substantial extent of permanently withdrawn federal lands--especially the Chugach National Forest, and the frequently mountainous terrain in our region, and the pending "d(2)" proposals before the Congress.

For these reasons, Congress in the 1976 amendments asserted legislatively the right of our region to select lands in the vicinity of Icy Bay.

Chugach has entered into a contract with Phillips Petroleum Company for on-shore exploration work within the land area we have selected, to determine if petroleum there is of a commercially valuable nature. Needless to say, our corporation and its Native shareholders hope that there will be oil production from Icy Bay, to help assure the prosperity of our company, and to help meet the energy needs of the nation.

We have also had discussions with some of the Gulf of Alaska operators. We want them to know that with careful land use planning, and with fair compensation to our shareholders, Icy Bay could be a natural support and staging area for any developmental phase of Gulf of Alaska activities.

With the aid of Bomhoff and associates, consulting engineers, we have placed before the Corps of Engineers our request for a permit to construct a dock at Icy Bay. At our expense, an environmental assessment of the area, and the proposed dock project, is already under way.

These are the imaginative steps we must take if our shareholders are to receive the full benefit of the Native Claims Settlement Act, and take their rightful place in the economy of Alaska.

With that background, I am sure you can appreciate the basis for our concern about House Bill 219. But permit me to make some specific comments about this measure.

First, we at Chugach believe that the finding that "major resource development projects create an immediate demand for greatly increased state and municipal services in areas contiguous to the project" is overstated and over-simplified. There is no community at Icy Bay, just as there was none--and in many respects still is none--at Prudhoe Bay. A project of unprecedented dimension may have a great impact in an Alaska community; I suppose that the impact of the TAPS project in Fairbanks is a case in point. That does not mean that petroleum discovery in the Gulf of Alaska will have a significant impact on any Alaska community or create a demand

for State or municipal services. If petroleum of commercial quality and quantity is found on corporation land at Icy Bay, we foresee that the development of this resource from our private land could occur with little public impact and with no significant demand for publicly supplied services.

We believe that at the minimum, proponents of House Bill 219 should set out in detail, for public comment, the nature of the "significant impact" and the items of "expense" which petroleum development in the Gulf or at Icy Bay would bring to the State or to any local governments.

It may be answered that much of the impact is expected to be felt in the Yakutat community. If so, we stand ready, willing and able to divert unwanted impact from the existing community of Yakutat to our Icy Bay deficiency land selection area, which is unpopulated. To do that, of course, we would like to enjoy the encouragement and the support of the Department of Community and Regional Affairs--but here I speak of technical and moral support, not financial aid.

Second, the bill recites that "the Legislature considers it probable that the initial demand for publicly provided services related to outer continental shelf oil and gas development projects will exceed corresponding initial tax revenues from the project by an even greater proportion than occurs with resource development projects wholly inside the state." On its face, the assertion appears to be illogical. We know of no evidence, at least, that would support it. We wonder if the proponents of the bill have asked OCS developers what "initial demand", if any, for publicly

provided services they intend to make. I can tell you forthrightly that the only "publicly provided services" we at Chugach have requested are that the Department of Community and Regional Affairs should refrain from negative interference in Chugach's relations with the federal Corps of Engineers through communications sent without Chugach's knowledge. We believe that our point has been made, and we are hopeful that our request for improved consultation techniques by State agencies with Chugach will be honored.

Third, proponents of House Bill 219 declare that the bill would "provide a mechanism by which the increase in demand for state and municipal services occurring as a result of an (OCS petroleum) development project will be met by revenue from the project responsible for the increase in demand." I have already noted that the claimed increase in demand for services is speculative, not proved, and not inevitable. Moreover, any demand for services that might occur in one place might be different in character and degree from the kind of demand, or the kind of services demanded, arising in a different place. But the bill treats every area and every development and every impact by an identical, simplistic formula.

Another fallacy is the notion that all development, regardless of when it occurs, will impact public expenditures in the same way. The notion that new development projects attract new residents to Alaska, and raise a demand for more public services, may have limited validity. But at a certain stage of Alaska's growth, in the post-TAPS era, there exists in the State a body of unemployed

or underemployed Alaska residents. For them, future development projects are a livelihood. The demand for "publicly provided services" from these people is inversely proportionate to the employment opportunities available within the State. Without employment, they become dependent upon public assistance; with employment, they become State and federal taxpayers.

I mention these facts only to demonstrate again that the underlying theme of House Bill 219, i.e., that all OCS development in Alaska, wherever and whenever it occurs, creates a like demand for "publicly provided services" is false; in some contexts, OCS developments may diminish the demand for "publicly provided services", we believe.

We also believe that the formula for computing the fee for a shores facilities permit is too rough a tool. We note that the worst possible case is assumed in a speculative way: "gross impact cost" is the "maximum anticipated population increase in the affected area during a 20-year period multiplied by the per capita costs of state and local government in the affected area". As noted above, in the worst case, the existence of OCS development will inspire mobility of some Alaskans from other places in the state to "the affected area". Thus OCS would be the cause of a lessened demand for "publicly provided services" in some places in the State. On the logic of House Bill 219, why doesn't the permittee receive some credit for that?

Again, for the same reasons I have discussed above, it cannot be assumed that the "per capita costs" in an "affected area" will be comparable from place to place. In Fairbanks, the impact meant

more demands for services like schools and sewers and roads. In a controlled area like Icy Bay, no such demands for public services are necessarily in the offing.

We also note that a discount rate is included in the bill to apply to the revenues that government would receive for the purpose of determining "development revenue", but no discount rate is used to weigh or measure the per capita costs of governments over a 20-year period. On its face, this is unfair and indefensible.

We object, in any event, to using historic "per capita" costs of "development" as any measure of future per capita impact, even assuming that some generalizations could be made on a statewide basis. After all, the State is proposing increased controls over coastal zone development and land use in a variety of ways. The effect of these controls, when and if fully implemented, should be to reduce the alleged public services costs which some associate with development. Therefore, the historic approach is inappropriate.

At bottom, our concern is based upon our realization that this measure calls for large front-end payments by developers, to be paid on a highly speculative basis, on property that may or may not exist, and with no provision for credits if estimated future maximum impacts do not occur. The business effect will be to discourage investment in areas like Icy Bay, encourage inefficient uses of existing facilities however antiquated they may be, reduce employment, and remove from petroleum production marginal properties.

Finally, we note that the same rationale that is included in HB 219 is used by the Governor in his cover letter supporting franchise tax legislation as the Governor's proposals would affect

companies operating in the Outer Continental Shelf; that is, the claim is made that proposed taxes are needed to compensate the State for services provided to OCS operators.

The question that arises is whether House Bill 219, if enacted, would foreclose the need for the franchise tax legislation, because permit fees would satisfy the rationale, or whether, in the alternative, the Legislature will seek more than one remedy for a single asserted burden.

In this light, we would respectfully recommend that no action on House Bill 219 be taken until the entire set of tax measures has been acted on finally by the Legislature prior to its 1978 adjournment, by passage, amendment, or defeat.

Thank you again for allowing us to share these views.

Respectfully submitted,

Cecil Barnes

CECIL BARNES
President
CHUGACH NATIVES, INC.

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF COMMUNITY PLANNING
JAY S. HAMMOND, GOVERNOR
POUCH E – JUNEAU 99811

March 22, 1977

The Honorable Lisa Rudd
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Rudd:

As requested by the House Community and Regional Affairs Committee, this letter summarizes the amount and status of matching grants-in-aid allocated by the Division of Community Planning to local governments for OCS-related planning over the immediate past and current fiscal years.

To date, a total of $590.6 in matching grants has been awarded or reserved for local OCS planning. Grants were funded from the following federal and state program sources:

(A) Federal HUD 701 Comprehensive Planning Assistance Program;
(B) Two federal OCS Supplemental Planning grants the Division obtained through the federal office of Coastal Zone Management;
(c) Federal Economic Development Administration title IX OCS grant for economic adjustment planning; and
(d) State Oil Impact Program.

The following Table identifies the locality, grant amount and status of each local grant.

Locale	Grant Amount	Project Status
HUD 701		
1. City of Cordova	18.0	completed
2. City of Yakutat	24.0	completed
3. City of Yakutat	6.7	completed
4. North Slope Borough	9.0	completed
5. City of Sand Point	15.0	current
	$72.7	

Locale	Grant Amount	Project Status
OCZM/OCS I (Total Grant: $300.0)		
6. Kenai Peninsula Borough	60.0	completed
7. Kenai Peninsula Borough	25.0	pending
8. Kodiak Island Borough	36.0	completed
9. Kodiak Island Borough	12.0	current
10. Alaska Native Foundation	18.0	completed
	$151.0	
OCZM/OCS II (Total Grant: $250.0)		
11. North Slope Borough	40.0	pending
12. Unalaska	25.0	current
13. Kodiak Island Borough	50.0	current
	$115.0	
EDA Title IX (Total Grant: $300.0)		
14. Kodiak Island Borough	45.0	current
15. City of Seward	30.0	current
16. Cities of Kenai-Soldotna	30.0	pending
17. Cities of Homer-Seldovia	30.0	pending
18. City of Yakutat	33.0	current
19. City of Cordova	30.0	pending
	$198.0	
State Oil Impact Grant Program		
20. City of Yakutat	$53.9	completed

The OCZM/OCS Supplemental Grants and the EDA Title IX Grant represent new federal grant program funds which were obtained at the initiative of the Division of Community Planning to help local governments underwrite the cost of much-needed OCS impact planning. Of course, since all these federal programs require local matching contributions ranging from one-half to one-fourth of the grant amount, employment of these federal grant funds by local governments still means that substantial outlays of local funds are necessary. This has placed a serious financial squeeze on those local governments with small tax bases (e.g., Yakutat) or high mil rates (e.g., Seward at 25.0 mils) and has unfortunately hampered their ability to take quick advantage of matching grant funds available through the Division.

To summarize, better than half of the federal funds ($464.0 out $850.0) obtained by the Division specifically for OCS planning over these two years has been allocated to local agencies for locally sponsored projects. The bulk of the remainder has been allocated either to other State agency projects uniquely the responsibility of the State (e.g., drafting of Department of Environmental Conservation's oil tanker traffic regulations, Department of Highways' Gulf of Alaska regional transportation planning) or to special planning projects of common benefit to local and state governments alike (e.g., Marine Service Base

Study; Employment Forecast Model; OCS Bibliography; Management of OCS-Related Industrial Development Handbook). In my judgment, it is more sensible and economical to undertake this latter type of studies once under State sponsorship for universal use and reference, than to have them undertaken time and again by each separate local government.

I will be glad to provide any additional information on these matters that the Committee may request.

Sincerely,

Kevin Waring
Director

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES

Pouch V
Juneau 99811

2827 Lore Road
Anchorage 99507

April 25, 1977

Anchorage Daily News
821 W. 5th Avenue
Anchorage, Ak 99501

Dear Editor,

I was glad to see your recent editorial on House Bill 219, which would provide money to the state and communities impacted by the construction of shore facilities associated with outer continental shelf developments. The money would come before construction of the shore facilities, so that they can plan for and fund the increase in governmental services caused by the new development. The original bill sponsored by Representative Charlie Parr, D-Fairbanks, has undergone many changes. I am convinced however, that the original intent of the legislation remains intact.

Almost all of Alaska's coasts are going to be effected by outer continental shelf development. There are currently two rigs involved in exploratory drilling in the Gulf of Alaska and the community of Yakutat has already felt impact as a result of offshore exploration. Planned federal outer continental shelf lease sales are scheduled for November 1977 in the area southeast of Kodiak Island and a joint federal-state sale for February 1978 in the nearshore area of the Beaufort Sea. Additional sales are planned in the Bering Sea in 1979 and 1980 and second sales in the Kodiak Aleutian shelf area in 1980. The exploration phase of activity will affect shore communities to some extent, as one can learn by talking to anyone from Yakutat. If oil or gas is found and field development takes place it is likely that the nearest shore community will be heavily impacted, as Kenai can testify.

House Bill 219 will help the state and communities prepare for and deal with rapid increases in the demand for municipal services. The bill requires that any person or party engaged in exploration, development or production of oil or gas in the waters

adjacent to the state must secure a permit and pay a fee prior to constructing or leasing shore facilities. The bill further provides that the applicant for a permit must file a report on the size, location and estimated value of the proposed facility as well as projected impacts, both economic and environmental, upon the community in which the facility will be located.

The bill's strength lies in the fact that it provides the local communities affected by offshore activites the opportunity to have advance notification of potential development that will affect their area and to decide whether they wish to have the proposed facility within their boundaries. Besides gaining time to prepare for industrial growth, the community will receive a large percentage of the permit fee to cover the costs of providing the increased municipal services needed because of the development of the shore facility.

I feel that it is important that communities be able to control the siting and other aspects of shore facilities and that they receive "up front" money to help them provide new municipal services. It is for this reason that I still hope to get the bill moving. The recent editorial (April 9, 1977) of the Anchorage Daily News lends support toward that end and is much appreciated.

Yours sincerely,

Lisa Rudd

LR/ds

Alaska State Legislature

House

JUNEAU ALASKA

TO: All C.R.A. Committee Members

FROM: Merle G. Snider

Q. How do you make a Liberian tanker sink?

A. You put it in water.

That joke and the enclosed information I picked up at the O.C.S. conference sponsored jointly by the Alaska Native Foundation and the Kellogg Project of the University of Alaska, held in Anchorage Feb. 4,5, & 6th. I also have ten lbs. of material directly concerned with O.C.S. and will be happy to share any of it with you, on any specific question.

Attending this conference were representatives from 90 villages, State personnel, House members, the press, and many others. As you can see by the program, many areas of concern were expressed.

Also noted in the program are events that were closed to non-villagers, in order to permit a freedom of expression and direct questions. All legislators were encouraged to attend these meetings.

I attended the Friday night banquet at which Senator Kay Poland spoke at length of the proposed Coastal Zone Management Bill, which will soon be submitted to the legislature. It is a bill on which an interm committee has been working on for at least two years. Public hearings have been held throughout the state on the issue.

Senator Poland stated that the bill will gather together, all of the existing state regulations concerning Coastal Zone Management, and will also allow a maximum of local control to exist. There have been some differences of opinion between the committee and the Administration, on this question of local control. Part of the problem has been with what to do with the unorganized lands of our state. Both the committee and the Administration have been addressing this issue.

Also speaking at the banquet, was Representative Alvin Osterback, as Chairman of the House Resources Committee. He replaced Frank Woods, who was unable to attend, and spoke briefly on the direction he felt the State should take regarding d2 Land Selections, State Land Selections, and of Park Lands.

The conference ended Sunday at noon. As I said, I returned to Juneau with a wealth of information on O.C.S.; a question that the State and the people of Alaska will be dealing with over the next 50 years. I shall be pleased to share any and all of this information with any member who wishes it.

Merle G. Snider

ALASKA OCS LEASING SCHEDULE

COOK INLET

	Notice of Sale	January, 1977
**	Sale	February, 1977

KODIAK

	Draft Environmental Impact Statement	March, 1977
	Public Hearing	May, 1977
	Final Impact Statement	August, 1977
	Notice of Sale	October, 1977
**	Sale	November, 1977

BEAUFORT SEA (Near Shore)

	Timeline uncertain--state may conduct sale	February, 1978

BEAUFORT SEA

	Call for nominations of tracts	July, 1977
	Nominations due	September, 1977
	Announcement of tracts	December, 1977
	Draft Impact Statement	June, 1978
	Public Hearing	August, 1978
	Final Impact Statement	November, 1978
	Notice of Sale	January, 1979
**	Sale	February, 1979

NORTHERN GULF

	Call for Nominations	October, 1977
	Nominations due	December, 1977
	Announcement of Tracts	March, 1978
	Draft Impact Statement	September, 1978
	Public Hearing	November, 1978
	Final Impact Statement	February, 1979
	Notice of Sale	April, 1979
**	Sale	May, 1979

ALASKA OCS LEASING SCHEDULE (Page Two)

BERING SEA, NORTON SOUND AREA

	Call for Nominations	May, 1978
	Nominations Due	July, 1978
	Announcement of Tracts	October, 1978
	Draft Impact Statement	April 1979
	Public Hearing	June, 1979
	Final Impact Statement	September, 1979
	Notice of Sale	November 1979
**	Sale	December 1979

BERING SEA, ST. GEORGE AREA

	Call for Nominations	October, 1978
	Nominations Due	December, 1978
	Announcement of Tracts	March, 1979
	Draft Impact Statement	September, 1979
	Public Hearing	November, 1979
	Final Impact Statement	February, 1980
	Notice of Sale	April, 1980
**	Sale	May, 1980

COOK INLET

	Call for Nominations	January, 1979
	Nominations Due	March, 1979
	Announcement of Tracts	June, 1979
	Draft Impact Statement	December, 1979
	Public Hearing	February, 1980
	Final Impact Statement	May, 1980
	Notice of Sale	July, 1980
**	Sale	August, 1980

KODIAK, ALEUTIAN ISLANDS

	Call for Nominations	May, 1979
	Nominations Due	July, 1979
	Announcement of Tracts	October, 1979
	Draft Impact Statement	April, 1980
	Public Hearing	June, 1980
	Final Impact Statement	September, 1980
	Notice of Sale	November, 1980
**	Sale	December, 1980

HOW TO DO IT:

A COMMUNITY GUIDE FOR MANAGING OCS INDUSTRIAL DEVELOPMENT

*STEP 1

Determine what to expect from OCS development.

In other words, know how the oil companies work, and what they expect on-shore to support their off-shore activities.

*STEP 2

Evaluate community ability to serve industry needs.

Check to see if your village has the type of harbor and shoreline oil companies need; also estimate your village's potential for providing the needed facilities, services and utilities.

*STEP 3

Determine what the community wants.

Decide what your village wants--and doesn't want--from any OCS-related development.

*STEP 4

Examine and revise local zoning and other regulations.

Determine what codes and regulations will be required, or what changes in existing codes must be made to achieve the village's objectives and to accommodate the development.

*STEP 5

Annex or acquire land to extend jurisdiction.

Bring the areas that may be chosen for OCS development under village control.

*STEP 6

Develop a financial plan.

The plan should include: methods to expand or add to the village infrastructure; an operations and maintenance program for needed additional services; and a revenue program which balances the costs of everything with the funds to pay for them.

*STEP 7

Establish procedures for reviewing development proposals.

Require that developers submit development proposals to the village. These proposals must contain enough information to tell if they will fit into the village's goals and policies; the reviewers must have enough knowledge to adequately evaluate the proposals; and any conflicts between developer and village should be dealt with in meetings so that every effort can be made to resolve them.

Each of the above steps is essential to fully deal with and manage the changes promised by on-shore development from OCS activities.

Three types of tools are available to villages for managing their future:

1. Leases: A detailed outline of the complete leasing process appears on pages 12-24 of the small blue booklet entitled "Leasing and Management of Energy Resources on the Outer Continental Shelf" in this conference packet. Briefly, you have a say at four specific times during the pre-sale period, and at three times after the sale.

Pre-sale times include:

1) After the Call for Nominations, the announcement of a general area under consideration for a possible future lease sale: At this time a village may--on its own or through the State Government--identify specific parts of the general area which it doesn't want to be sold, or which should be sold only with special restrictions because of environmental or other reasons.

2) During Tract Selection: When the Secretary of the Interior gets down to selecting actual tracts to include in the lease sale, he consults with State governors; so, this is the time to let the governor know how you feel.

3) Public Hearing: After the draft of the environmental impact statement is completed, a public hearing is held in the area of the proposed sale. Both written and verbal testimony count at this time.

4) A Final Decision by the Secretary: This is made only after final consultation with State Governors, as to which tracts will be included and with what restrictions. Again, here's a time to tell the governor what you want.

Post-sale times include:

The United States Geological Survey must write a plan of operation for each phase of OCS activity: Exploration, development and production. USGS must submit this to affected communities for comment before each phase is allowed to begin. These USGS studies include an analysis of what will happen both on-and off-shore during that phase.

2. Public Powers: This tool revolves around zoning and permits. Local communities can restrict, encourage or otherwise control development on their lands by the use of zoning and other local ordinances. Municipalities and boroughs can exercise control through their land use planning powers. Both the State and Federal Governments have extensive permit systems and regulatory procedures which allow public and local input prior to any development.

3. Indirect Management Tools: This is the least cut-and-dried tool of the three, but by far the most effective. This is when the village really takes the initiative and acts to try to achieve its goals. Some examples include: Negotiations with oil companies and their subcontractors, working with them on every step of proposed development to insure the village's concerns are taken care of; making sure village desires (for instance, local hire) are included in contracts; entering into joint-venture business arrangements with the oil companies for any business conducted in the area; helping decide where on-shore facilities will be located, working with the State and Federal officials to have their assistance on issues. In short, this tool involves using every resource available to the village to influence development to the benefit of local residents.

Material courtesy of Dept. of Community and Regional Affairs, USGS, Bureau of Land Management, Tryck, Nyman & Hayes

A NOTE ON SESSION #7

"Three Villages Response to OCS"

We chose these three villages because they reacted in different ways to OCS development near their shores. We present these as models: Villages may decide to pattern their responses after one of these, or may combine features of each in new ways to fit their own situations and goals.

YAKUTAT

The village corporation and the City of Yakutat have worked closely together to plan for on-shore facilities and to ensure that all on-shore development occurs only where the community wants it. Yak-Tat Kwaan's main priority has been to assure that development does not destroy the unique cultural and natural environment which make up the Yakutat community. By entering into a partnership role with the oil companies--and thus having a direct say in what happens--the corporation intends to minimize the degree of change and at the same time benefit from the opportunities presented by OCS development.

KODIAK

The joint-venture between Koniag, Inc. and its villages is pursuing the most pro-development course of action of the three examples. They are actively seeking to exploit their resources and land. Cape Chiniak, an old Air Force tracking station, is their choice for construction and operation of support facilities for off-shore activities, and the corporation and the villages are negotiating with the oil companies to get that firmed up. Koniag and its member village corporations are working closely with the Kodiak Island Borough and the State on comprehensive planning for development on the island.

ENGLISH BAY

This small community on the Kenai Peninsula represents the opposite position from Koniag, wanting no change in its present lifestyle. Residents want no on-shore facilities, nor any development in the nearby fisheries-rich waters of the Lower Cook Inlet. They succeeded, with private and State help, in getting former Interior Secretary Thomas Kleppe to remove objectionable tracts from this month's lease sale. English Bay residents decided that economic benefits of OCS development were not worth the necessary changes in the present fishing-based economy and in the surrounding wilderness environment.

the alaska native foundation
515 "D" Street ■ Anchorage, Alaska 99501 ■ 274-5638

February 4, 1977

Dear Conference Participant:

WELCOME! We're very pleased you're joining us in Anchorage for this conference, "The Management of Change." The Alaska Native Foundation, with the assistance of the Kellogg Project of the University of Alaska, decided to sponsor this meeting because of the great importance to Alaskans of the consequences of Outer Continental Shelf petroleum development.

With the help of films, slides and speakers, we'll be exploring three major issues:

1) What changes can villages expect with OCS development?

2) What are the legal rights with regard to any development which affects a community or region?

3) How can villages best use all resources to plan for and manage the changes to the benefit of local residents?

In order for small group discussions to concentrate on specific subjects and particular regional and village concerns, several sessions will be open only to those directly affected. These sessions are noted on your conference schedule.

For those of you from the villages, a special word: This conference is not designed for us to simply pass on some interesting information to you. Rather, we hope you will take home what you learn and start an awareness among the residents of your village--the awareness that if you all act together, you can successfully manage the coming changes to meet your village's goals for the future.

If you believe we're on the right track with this conference, and are giving you the information you need and can use, tell us! If you want additional information or assistance, we may be able to hold follow-up meetings on specific subjects or problems. But only with your ideas and help can we do this.

The development of Alaska's Outer Continental Shelf may cause great changes in the lifestyles of our peoples living along the coast. We believe these changes -- properly managed -- may be beneficial. The time to begin planning and acting is now.

Again, on behalf of ANF's Board of Directors, Welcome to Anchorage and "The Management of Change".

Sincerely,

Richard Janson

Richard Janson, President
Alaska Native Foundation

Board of Directors

Emil Notti, Chairman
Roy Huhndorf, 1st V. P.
Victor Fischer, 2nd V.P.
Vincent Schuerch, Treasurer
Richard Stitt, Secretary
Byron Mallott
Larry Merculieff
Boris Kosbruk
Ralph Perdue

THE MANAGEMENT OF CHANGE

FRIDAY-February 4

	9:00 a.m. until Noon, Saturday	Registration, Lobby of Ramada Inn
#1	1:00 - 1:30	Welcome, Opening Comments, Introduction of Village Participants --Dick Janson, Pres., Alaska Native Foundation --Michael DeMan, Village Management Assistance --Roger Lang, Chairman, Alaska Native Human Resource Development
#2	1:30 - 3:00	Slide Presentation: "OCS" (in both Yupik and English) --Andrew Chikoyak, film maker, Tununak "The Yakutat Experience" --The Yakutat Team: --Byron Mallott, Yakutat, Chairman of the Board, Yak-Tat Kwaan, Inc. --Sam Demmert, Pres., Yak-Tat Kwaan, Inc. --Vernon R. Wiggins and Robert C. Sharp, of Tryck, Nyman and Hayes, Consultants to Yak-Tat Kwaan, Inc.
#3	3:30 - 5:00	Film: "Offshore" (18 min.) "The Community's Role: Some Considerations" --Sam Demmert, Pres., Yak-Tat Kwaan, Inc. --Hugh W. Fleischer, attorney, city of Yakutat --Jack Wick, Pres., Koniag, Inc. --Stuart Denslow, Planning and Management Consultant to Kodiak Island Borough "The Shetland Experience" --Niall Trimble, Economist, Dept. of Community and Regional Affairs
#4	7:00 - 9:00 (CLOSED TO NON-VILLAGERS) Attend	Dinner with speakers - "OCS-The Local Approach" --The Hon. Kay Poland, State Senator from Kodiak and Co-Sponsor of Proposed OCS legislation --Frank Woods, New Stuyahok

END Friday Sessions

SATURDAY-February 5

#5 8:30 - 10:15

Slide Presentation: "A Question of Values"

"The Federal Role: How the OCS Office Relates to You."
--Ed Hoffmann, Alaska Director, OCS Office of the Bureau of Land Management

"Will Hold Hearings in Kodiak."

9 Lease Sales in AK
16 " " " US.

"The State and You, and OCS Development"
--The Hon. Guy Martin, Commissioner, Dept. of Natural Resources
--Sandy Sagalkin, Attorney General's Office
--Glenn Akins, Office of Coastal Zone Management
--Kevin Waring, Dept. of Community and Regional Affairs
--Jim Wiedeman, Dept. of Commerce

"A Shift of Emphasis to Local Control."

#6 10:30 - 11:45
(CLOSED TO NON-VILLAGERS)

"Three Villages Response to OCS"
--David Wolf, Attorney for Yak-Tat Kwaan, Inc.
--Martin Farrell, Attorney for Kodiak OCS Project
--Arnold Melsheimer, English Bay

"Eating After OCS Development"
--Pat Wennekens, Arctic Environmental Information and Data Center

#7 Noon - 1:15

Lunch and Speaker: "The Oil Industry's View of Yakutat"
--James W. Hart, District Engineer for South Alaska, Atlantic Richfield Oil Company

#8 1:45 - 3:15

"Off-shore Means On-shore Too"
--Joe Homer, Alaska Drilling Manager, Exxon Co.

Slide Presentation: "Icy Bay"
--Cecil Barnes, Pres., Chugach Natives, Inc.

"Be Ready Before the Oil Companies Pull Into Your Harbor"
--Anthony Vaska, Calista, KCC
--Linda Ellana, Bering Straits, ACC

#9 3:30 - 5:00
(CLOSED TO NON-VILLAGERS)

"How to Talk to Oil Companies"
--The Yakutat Team

Small Group Discussions of Conference Purpose, Follow-up Activities and Action

#10 8:00 - 10:00

Banquet: "OCS and Polar Rim Peoples"
--Eben Hopson, Sr., North Slope Borough
"Village Self-Determination"
--Clay Antioquia, Area Director, BIA

END Saturday Sessions

SUNDAY-February 6

#11	10:00 - 12:30 (CLOSED TO NON-VILLAGERS)	Summary and Projection of Future for Management of Change; small group discussions on specific subjects identified by village participants --Roger Lang --Byron Mallott --Sam Kito --Emil Notti --Willie Hensley --Eben Hopson
	12:30 - 2:00	Lunch (no program) at Ramada Inn
	12:30	Conference officially ends
	1:30 - 3:30	OCS Films, Slide Shows

END Sunday Sessions

Lisa,

Several points of clarification you might make when Tom Mathews testifies again:

1) Oil Revenue to the State. Future oil company contributions to state revenues may approach 60% of total State revenue. However, that revenue will come mostly from oil royalties not from taxation. Royalties are equivalent to rents paid to any landlord and are normal practice whether the landlord is public or private. Furthermore, oil company royalty and tax payments from the North Slope should not necessarily subsidize oil development elsewhere. The same companies might not even be involved. Why should severence taxes paid by ARCO on the North Slope pay for impacts occuring because of Texaco's or Shell's onshore operations in the Gulf of Alaska?

2) Who Needs to Obtain a Permit. Native corporations will not have to purchase permits unless they are successful bidders for offshore tracts. Under Sec. 41.45.020, only "a person engaged in the exploration, development, or production of oil or gas under terms of lease from the United States... If the Native corporation merely owns and operates a shoreside facility, they will not be requred to obtain a permit - oil operators leasing the facility will have to obtain the permit. (This means that no facility will be built without a prior commitment by the operators to use the facility. That's good.)

3) Timing of Development. Mathews emphasizes exploration and minimizes other phases of oil development. It is true that actual oil production may not begin until 5-8 years after a lease sale. However, if there is oil to be found, it will take about one year to make a discovery and another 2 1/2 years to delineate the field and estimate recoverable reserves. At that point (3 1/2 years from lease sale), major decisions about pipelines and terminals will be made. Assuming some preliminary design work is underway, construction could begin shortly thereafter. Construction of a terminal on, say, Kodiak Island will create temporary but major local changes - see Table 3.27. If construction workers are hired out of local hiring halls, a situation similar to Fairbanks may arise. During the construction phase of a terminal or LNG plant, there is bound to be a boom-bust situation.

4) North Sea and Santa Barbara Comparisons. It's true that acreage leased in the North Sea far exceeds that leased offshore in the U.S. However, operating conditions in the North Sea are quite similar to the Gulf of Alaska. Floating bases are not too attractive. The weather is too rough. The similarity between Santa Barbara and Alaska rests with the high degree of public interest and possible hassles for the oil companies.

Fee for Shore Facilities Permit. Lisa, this section needs reworking. It would not be very fruitful to get sidetracked on a discussion of whose 20-year projections are most reliable.

Coastal Energy impact Program. This federal program is primairly a loan program. Grants will be hard to come by.

Nuisance points

Further Questions about Exxon Operations. I was under the impression that the Alaskan Star was not drilling yet. They have been training crew while moored in Resurrection Bay and have not begun operations. Also their stated plan is to move rig crews through the Yakutat Airport. Mathews slipped by that detail. You might also ask him to specify the $750,000 expenditures per month.

Lois

Type up for transmittal
(copies for com. members)

To
Steve Cowper, Chair
House Finance Com.

From
Lisa Rudd, Chair
House C & RA Com.

Re: HB 219 (Onshore facilities permits)

Some members of the committee thought that the dept's estimates are low-

There was some doubt in the C & RA Com. as to whether the fiscal note received from the department was an accurate reflection of the costs which will be incurred by the dept. in administering HB 219. While I personally think that the fiscal note does reflect the obligations of the dept., I would ask that your committee take a ~~look at it~~ careful look at ~~the~~ it.

JUNEAU

KENAI PENINSULA BOROUGH SUPPORTS SB12 SCONCERNING RUNOFF REQUIREMENTS IN MUNICIPAL ELECTIONS.

MARGARET BRANSON CHAIRMAN KENAI PENINSULA BOROUGH ASSEMBLY COMMITTEE LEGISLATIVE OVERVIEW BOX 850 SOLDOTNA

POUCH V

JUNEAU

KENAI PENINSULA BOROUGH DOES NOT SUPPORT SB47 TO ALLOW TAX EXEMPTIONS FOR AESTHETIC IMPROVEMENTS.

MARGARET BRANSON CHAIRAMN KENAI PENINSULA BOROUGH ASSEMBLY COMMITTEE LEGISLATIVE OVERVIEW BOX 850 SOLDOTNA

POUCH V

JUNEAU

KENAI PENINSULA BOROUGH DOES NOT SUPPORT SSSB37 RELATING TO REDEMPTION OF TAX FORECLOSED REAL PROPERTY

MARGARET BRANSON CHAIRMAN KENAI PENINSULA BOROUGH ASSEMBLY COMMITTEE LEGISLATIVE OVERVIEW BOX 850 SOLDOTNA

JUNEAU

KENAI PENINSULA BOROUGH WOULD SUPPORT HB35 SO LONG AS BOROUGH DETERMINES EXEMPTION LIMITS.

MARGARET BRANSON, CHAIRMAN KENAI PENINSULA BOROUGH ASSEMBLY COMMITTEE LEGISLATIVE OVERVIEW BOX 850 SOLDOTNA

JUNEAU

KENAI PENINSULA BOROUGH WOULD SUPPORT SB114 RELATING TO PUBLIC WORKS IF AMENDED TO READ PLANNING AUTHORITY INSTEAD OF PLANNING COMMISSION.

MARGARET BRANSON CHAIRMAN KENAI PENINSULA BOROUGH ASSEMBLY COMMITTEE LEGISLATIVE OVERVIEW BOX 850 SOLDOTNA

February 6, 1977

TO: LISA
FROM: JUDITH

RE: Highlights from OCS Conference

Friday - February 4

- "The Yakutat Experience" was the focus of this first days sessions with two excellent presentations by the Yak-Tat Kwaan board members on the history and the future of OCS for their village. I learned about cultural preservation as seen through the eyes and experience of the Native peoples. I now understand what a service base is and how it develops and the determination of the Yak-Tat Kwaan in obtaining an agreement with the oil companies to confine the service base to a single 77-acre tract known as the Industrial Park. This service base will be supply and storage with no production facilities and no oil coming ashore.

- We were also briefed on the current events in Cook Inlet, English Bay and the Kodiak Island Borough by people of those areas.

Saturday - February 5

- A briefing by the Bureau of Land Management provided these highlights:

The Federal leasing program is nationwide and is being accelerated due to the fact that currently 40% of our energy in the form of oil and natural gas is imported.

The current lease schedule is a planning schedule and not a committment. (see attached proposed lease sites for Alaska area)

The Alaska Natives are in an excellent position to control industrial development.

The lease plan provides for:

- Announcement to the public 4 years in advance
- Call for nominations (industries opportunity to identify tracts) 18 months in advance.
- With good planning and village committment there can be a site selection that is agreeable. In the case of English Bay, the village wanted no intrusion and currently that tract in their area is no longer being considered.

- The State's approach to OCS highlights: - (a panel consisting of Guy Martin, Kevin Waring, Glen Aikens, Sandy Sagalkin and Jim Wiedeman.)

Alaska operates over 1/2 of the national OCS burden and is the harshest critic of federal leasing. The basic problem of the program was that it was too big and too fast. The state's approach was to buy time on the part of local areas so that they would have ample time to organize and plan.

What is Coastal Zone Management?

- Helping communities deal with change.
- Coordination between the state and local community.
- Planning for federal law implementation of Alaska's CZM program.

What is Community Planning?

- Federal government "treasure hunt" if successful there will be tremendous changes in the way of life on the coast.
- There can be a partnership with C&RA and the local government by way of providing practical skills and consulting assistance backed by state funding whenever possible.
- C&RA can assist the village in appraising the basic situation in the community and formulating projections of employment and population growth generated by OCS development.

The Shetland Experience - Niall Trimble

This experience in Scotland's North Sea provides many similarities to conditions and life styles along Alaska's coast.

The ever-present and still unanswered questions of impact to marine life were addressed without resolution due principally to a lack of knowledge as to the potential threat to aquaculture.

February 24, 1977

TO: LISA
FROM: JUDITH

RE: HB 219

Sec. 41.45.030. FEE FOR SHORE FACILITIES PERMIT.

In arriving at the permit fee, gross impact cost and development revenue are the two factors being estimated as follows:

Step 1.

anticipated population increase
x
per capita costs of state and local government

= gross impact cost

Step 2.

estimated pertroleum taxes (over what period of time?)
+
general property taxes for onshore facilities "
+
income taxes from residents in affected area "
+ OCS and gas grants (fed. money) summed and discounted
= development revenue

Definition:

"discounted on a cash flow basis"

Money has a "time value", in the sense that it can be reinvested and earn future profits, a dollar of profit today is worth more to a corporation than a dollar of profit ten years from now. It is this truism which underlies the widespread corporate use of the discounted cash flow, or DCF, method of analysis for computing the rate of profit on different investments. As is implied by the name of the method, discounted cash flow analysis involves two basic elements: a cash flow of costs and profits over time, and discounting these flows by some factor to take into account the greater value of near money as compared to far money.

Step 3.

gross impact cost

- development revenue

= the fee for a shore facilities construction permit

1. Mike Davis should have some back-up information for us by Frieday which apparently includes a statement attesting to the constitutionality of this concept.

2. On advice from Jim Rhode of House Finace, I contacted Gregg Erickson from the Division of Research Services to let him know of the hearing on HB 219 for Monday. Mr. Erickson is an economist and he and his staff are apparently well versed regarding this bill; either himself or one of his staff will be on hand for the meeting.

March 15, 1977

TO: LISA
FROM: JUDITH

RE: Income Tax of OCS drilling rig employees

Transcript - Verbatim 3/7/77

Ose: "These 75 or whatever, that are being brought up then, the only revenue is through income tax?"

Matthews: "That's right, because they don't live in the state and they don't place any demand or services on the state".

Kelly: "Why are we receiving income tax on these people, I don't think we are, are we?"

Matthews: "It depends on how their residency is established with the company. If they are working for a company that is established and franchised with the State of Alaska, and they're paid out of Alaska, then essentially a portion of their income is subject to Alaskan taxation."

Kelly: "Is the Alaska Star subject to Alaska taxation?"

Matthews: "Yes sir, being it's maintained and operated by a company called North-Star Drilling Company in Anchorage."

I spoke with Mike McCormick, Chief, Audit Services, Department of Revenue and between corporate and individual taxation. The company has a legal obligation to withhold taxes on employees who are residents of the state. The state can tax individuals who are non-residents for income earned within the state. The state has no legal jurisdiction to tax income earned outside of the state.

in my 219 file
(Not for Members)

March 30, 1977

TO: LISA
FROM: JUDITH

RE: Department of Interior Reports

I spoke with Kevin Waring (12:50 p.m. 3/30/77) to find out what is included in reports filed with the Department of Interior and whether or not these reports might be applicable to development plans required for issuance of a permit.

According to Kevin these reports are filed only by the operators of a rig. The information is directed at the exploration phase and attendant factors relative to the rig operation. This would not generate any information or development plans to include subcontractors supplying services to the facility.

Kevin also pointed out that currently the Department of Interior reports are filed only two months prior to actual construction.

MICHAEL MONCHINO
New Kodiak manager

capacity of the hotel, located on South Benson. It will reportedly be a split-level, three story structure, and may include banquet facilities. Tentative plans call for construction to begin this spring.

Monchino, 25, has served as manager of the Sheffield Top of the World Hotel in Barrow. He

Kodiak Sen. Kay Poland has announced that the contract for a 1.9-mile Mill Bay Road extension has been signed with an Anchorage contractor.

Stephan and Sons, Inc.-Mat-Su, Inc., a joint venture, was awarded the contract at their bid of $1,662,115.95. The engineer's estimate for the project, which extends from the intersection of Rezanof and later connects with Mill Bay, was more than $300,000 under the contract figure.

Work is expected to be completed on the project, which does not include paving, by the end of the year.

Impact: Problem of becoming a center of development while maintaining traditional lifestyles . . .

By CHRIS BLACKBURN
Daily Mirror Correspondent
Second of a Series

If the exploratory wells drilled in 1978 confirm there are indeed extensive deposits of oil on the Kodiak shelf, the oil industry will begin plans for oil development and production. Unless the oil fields lie in the extreme northern end of the lease sale area Kodiak Island can expect to become a center of oil development activity. Construction workers, production personnel, planes and tankers and materials for support facilities will flont in, ferry in and fly onto the island.

If the people of Kodiak Island have discussed and accepted a new comprehensive plan and supporting zoning ordinances, the oil support facilities will be constructed in the areas the citizens of Kodiak have predetermined to be most desirable — or least undesirable.

If the groundwork is not completed by 1979, the oil facilities will be constructed wherever the oil industry can build most efficiently and with least expense.

THE KODIAK ISLAND OUTER CONTINENTAL SHELF Impact Study recommends that "To the extent possible, the Kodiak Island Borough should discourage the location of OCS related industrial facilities within the Kodiak metropolitan area or in any of the other villages on Kodiak Island. The location of such facilities within these areas would be extremely disruptive to the traditional lifestyles, community structures, and social and economic characteristics.... The Borough should insist that the oil industry be self-sufficient and willing to pay its own way in terms of the impacts resulting from the facilities directly related to OCS development..."

The Kodiak Island Outer Continental Shelf Impact Study estimates that the Western Gulf oil lease sale lands could produce as much as 164 million barrels of oil a year. All estimates of oil facilities and personnel requirements are based on this figure.

In 1979, as the first exploratory wells show evidence of productive oil fields, the oil industry will begin looking for a site for permanent onshore facilities. By 1984, at the projected peak of the development phase, a maximum of ten berths for oil company vessels may be needed — plus land for silos, tank storage and warehousing, open storage and office facilities. In all, about 80 acres of land will be needed in conjunction with harbor facilities.

THE OIL INDUSTRY will probably prefer a site on or near the existing road system. Chiniak may best suit the needs of the oil industry, provided the people of Kodiak have decided to prohibit industrial facilities within or near the metropolitan areas. The north side of Ugak Bay would also be suitable. Possible, but less likely, sites are Kalsin Bay and Middle Bay.

Karl Armstrong, executive vice president of the Koniag Regional Native Corporation, which holds title to the former Chiniak tracking station, said that the oil companies have shown interest in using Chiniak as the site of onshore facilities, but that discussions ceased when the Kodiak lease sale was postponed.

Armstrong a former fisherman, also mentioned that harbor facilities at Chiniak would offer sanctuary to fishing vessels encountering rough seas near Cape Chiniak, an area notoriously hazardous for fishing vessels.

ARMSTRONG SAID that while Koniag is not averse to discussing the prospect of onshore oil facilities at Chiniak, only further study will tell which site would be most desirable.

Whichever site is selected, harbor development must be preceded by public hearings. The State of Alaska owns all coastal waters from the shoreline to three miles from shore and would have to grant a permit for development. Before any permits could be granted public hearings would have to be held.

Likewise, any attempt to locate onshore support facilities on federal lands would require public hearings.

PUBLIC HEARINGS can be used by the people of Kodiak to direct the eventual siting of oil facilities. A strong and unified show of support, or opposition, to a particular location usually has a decided effect on final decisions.

Armstrong also pointed out the desirability of the people of Kodiak insisting — with the help of the Borough government, state legislators and other groups — that all public hearings related to development on Kodiak Island be held in Kodiak rather than Anchorage or Juneau.

As the development phase progresses more airport land will be needed — for helicopters, for increased commercial and cargo flights and for warehouses, and maintenance and service areas: approximately 40 additional acres.

DURING THE DEVELOPMENT phase over 1,000 people would be employed in development and construction. The year '85 is predicted to be a peak employment year with 1,565 people involved in oil-related activities.

By 1987 the oil industry could be entering the production phase on the Kodiak lease lands. As early as 1979 the oil industry will begin selecting the site of a crude oil storage area and marine terminal. These facilities would require about 150 acres of flat, stable land — more if the land is hilly or unstable. The size of the crude oil storage facilities will determine the number of tanker trips required each year to keep the production operations underway. As few as eight tanker trips could be needed, or as many as 26.

By 1987 the oil related population should begin to stablize. The impact study estimates that about 2,651 people will be employed in oil-related occupations and Kodiak Island will have a total population of 14,252 people.

Tomorrow: Housing — how can Kodiak meet the demands?

Comics 7
Local News 8

Kodiak housing need could hit peak in year 1984

By CHRIS BLACKBURN
Daily Mirror Correspondent
Third of a Series

Assuming that large oil reserves will be proven on the Kodiak lease sale lands, the island's population could grow by 8,000 people in the next 10 years, according to the Kodiak Island Borough Outer Continental Shelf Impact Study. Those 8,000 people would need nearly 3,000 new homes.

The growth and resultant need for dwellings is expected to vary each year. The Impact Study projects that in 1979 the island's population would increase by 500, requiring 170 new homes. But during 1984, the peak of oil development activity, the population increase is projected to be 1,300 people needing 440 additional homes.

As evidenced by Kodiak's continuing critical housing shortage, construction has not been able to keep pace with the comparatively modest demands of the last decade. During 1974 only 26 new single-family homes were built. In 1975 another 26 single-family homes were built, but 107 additional dwelling units were built in multi-family dwellings.

IF KODIAK ISLAND does not find a way to cope with the projected future housing needs, the island could conceivable become the site of the same headline-making conditions that occurred on the mainland during the peak of the trans-Alaska pipeline construction — families squatting in campers in parks and along the backroads, several families crowded together in one dwelling and long-term residents forced out by soaring rents.

Failing to provide for growth did not stop population increases.

Fairbanks is often cited as a community that was caught totally unprepared for rapid growth. Reacting to the population pressures and ended up overbuilding.

Kodiak has a chance to plan and consider both the kinds of dwelling units that would most likely meet the future needs, and the methods the people feel will best stimulate construction without overbuilding.

Impact

The new comprehensive plan should clearly reflect the feelings of the people of Kodiak. Supporting zoning ordinances should insure that growth takes place as was planned.

TRADITIONALLY KODIAK has been a city of single-family residences. Under current zoning and subdivision ordinances a single family home requires 7,200 square feet of land, provided the lot is served by sewer and water facilities. Otherwise each single family home requires 25,000 to 40,000 square feet of land.

Thus, if current patterns continue and there were sufficient buildable land, between 635.7 acres and 3,500 acres would be taken by the needed 3,000 units — depending on the availability of water and sewer.

Conversely, were Kodiak to completely reverse current trends and house the growing population in apartments, townhouses and condominums — high density housing using only 2,774.5 square feet per dwelling — only 175.8 acres of land would be needed for 3,000 additional units.

ACCORDING TO the impact study

"It is impossible to determine at this time how much land along the existing roads and sewer and water lines are available for development...It can be assumed, however, that as development activity increases, the majority of new structures would be placed on existing utilities and roads. Therefore, within a few short years after the initial impacts of OCS development...the existing road and utility system will be completely utilized..."

According to Stuart Denslow, Kodiak Island Borough manager, extension of public utilities requires a capital improvements program, which Kodiak does not currently have. The Impact Study recommends, "In the capital improvements program and the comprehensive plan, the community should indicate exact areas where public utilities and facilities are to be extended. They should also specify the timing of the provision of those services...(This) will reduce escalation in land costs and result in improved physical planning."

WITHOUT PUBLIC UTILITIES, high-density housing is not usually feasible. All of Kodiak's current multi-unit dwellings are within the municipal service area, and the townhouse developments planned for Russell Estates' Divisions 2 and 3 will be on municipal utility lines.

Extension of public utilities tends to stimulate new construction. According to Denslow, two years are required to plan and obtain the state matching funds to build a sewer line. Thus the ability of Kodiak to meet the housing needs of 1980 depends partly on decisions made — or not made — in 1977.

The density of housing will determine the amount of new sewer and water lines that will be needed and the rate at which new units can be built. The impact study estimates that for the projected 2,761 new units needed by 1988, 24.7 miles of sewer lines would be required if the current low-density trend continues. However, the same 2,761 units could require only 6.7 miles of sewer and water lines if built in high-density configurations.

THE IMPACT STUDY also suggests that Kodiak develop a mobile home park ordinance and plan to use trailer court areas to absorb some of the population impact. Housing for employes of the onshore facilities could be developed near those facilities rather than in the Kodiak Metropolitan area. Additionally, the borough could consider developing some of its land, which lies north of the City of Kodiak. The study suggests a joint venture agreement with the oil industry.

Alternative methods of meeting Kodiak's housing needs can be discussed at the Borough's planning and zoning commission meetings every third Wednesday of the month. Further citizen input will come from a planned borough housing questionnaire, and public hearings preceding adoption of the new comprehensive plan.

The plan should outline which alternatives and which compromises will best provide housing for Kodiak's growing population.

Monday: Transportation — Roads, planes, ferries and barges.

community to look like in the future. The effort will be in- Alaska oil lease sales, Denslov said.

Report reasons problems are not insoluble

By CHRIS BLACKBURN
Daily Mirror Correspondent

The Kodiak Island Borough Outer Continental Shelf Impact Study — the result of a half-year's research by an Anchorage consulting firm — concludes that "the assets of the Kodiak Island Borough and the communities are uniquely valuable and should be protected and enhanced. The problems faced by the communities are not insoluble...They are the type that can be dealt with through community awareness, local action and proper planning and implementation.

"...The result of the OCS impact will depend upon the level of oil industry activity which will occur in Kodiak and the methods that are used in planning for and coping with the impact."

According to the impact study, which was just completed, Kodiak Island Borough's population will continue to grow. If current trends continue, the population will double in 20 years without OCS activity. OCS activity could double the population in 10 years.

As the population increases the existing problems of crime, housing, land availability, social services and recreational facilities will become more acute.

How acute depends on the decisions made during 1977 and on the exact location of oil reserves. The impact statement predicts that the initial oil exploratory phase will probably use facilities in Seward, giving Kodiak precious time to plan.

If oil reserves are developed near Kodiak Island, onshore oil facilities will require 300 acres of land somewhere in the Kodiak Island Borough. The OCS-related Kodiak Island population increase could total 8,000 people by 1988.

According to the impact study, the additional 8,000 people would require 2,700 more housing units. If Kodiak continues

(Continued on Page 2)

Report

(Continued from Page 1)

its current low-density development pattern — with an estimated 4.35 housing units per acre — an additional 635.7 acres of residential land, 24.7 miles of road and water and sewer lines will be needed.

Were "high-density development" — with an estimated 15.7 units per acre — considered, only 175.8 additional acres of residential land would be required and only 6.7 more miles of road, sewer and water lines.

There will be corresponding increases in services government and costs. However, the impact study lists many federal and state funding sources which could be used.

The future of Kodiak depends on where the oil reserves are and how thoroughly the community prepares.

A copy of the Kodiak Island Borough Outer Continental Shelf Impact Study has been placed in the A. Holmes Johnson Memorial Library. Additional copies will be available in about six weeks.

A time to prepare

Editor's Note — Kodiak recently received the first copies of the finished Kodiak Island Borough Outer Continental Shelf Impact Study, which not only qualified much of what may be expected if oil actually is discovered off of Kodiak, but also quantifies some interesting information about the island as it is now. Mirror correspondent Chris Blackburn today begins a series examining the impact study — and the impact of the study on the community.

By CHRIS BLACKBURN
Daily Mirror Correspondent

Impact from the Western Gulf oil lease sale could bypass Kodiak Island, or it could bring thousands of people and all the support facilities oil development requires.

The first clue to Kodiak Island's potential involvement with oil will come in November 1977 — if the oil lease sale occurs as scheduled. If the oil industry leases land in the southern half of the lease sale area, the probability of Kodiak Island becoming a desirable service base site is high.

The second clue will come as the exploratory phase progresses and the size and location of the oil fields are delineated. Once again, the closer to Kodiak Island the oil fields lie, the more likely it is that Kodiak Island will become impacted by oil development.

THOUGH ONLY ONE OUT OF every three potential oil fields contain enough oil to warrant development, it is felt the people of Kodiak must plan now as though oil discovery were a certainty or face the prospect of an unmanageable and undirected impact that disastrously alters the quality of life.

The experience of Fairbanks in 1975 — soaring rents, overcrowded facilities and unrealistic property values which is leaving an aftermath of defaults and arson — can be avoided on Kodiak Island.

The Kodiak Island Borough Outer Continental Shelf Impact Study, commissioned by the Kodiak Island Borough, outlines what can be expected and alternative methods of absorbing oil-related impact. The next step is for the people of Kodiak Island to develop a plan ready for implementation if developments in the oil industry indicate that Kodiak will become part of the saga of oil and Alaska.

AFTER THE NOVEMBER, 1977 oil lease sales, according to the Outer Continental Shelf Impact Study, the oil companies can be expected to begin the exploratory phase of oil development in the Western Gulf during the spring of 1978. In the past the oil industry has taken a "minimum investment during exploration" approach and utilized existing facilities as much as possible. The exploratory phase of development in Cook Inlet during the late 1950's was supplied from Anchorage. Seward, Cordova and Yakutat are believed to be being considered as supply bases for exploration in the Northern Gulf.

The Western Gulf could be supplied either from Kodiak or Seward. Kodiak has neither the land nor the port facilities to act as a supply base without intensive capital investment and development. Seward, however, has land and harbor space available. Exxon already controls 32 acres of land in Seward, including two acres on the waterfront. Shell and Arco depend on Seward for water to support drilling operations on the Northern Gulf.

However, Seward does not have adequate facilities for air support. The runway cannot accommodate the Hercules-type aircraft used by oil companies, nor commercial jets. The Seward airport also lacks an instrument landing system. Kodiak does have an instrument landing system which can handle both helicopters and cargo aircraft. Further, there is no practical weight limit on Kodiak's runways.

THUS IN 1978 KODIAK will probably experience its first taste of oil impact at the airport if its facilities are used to serve the first two exploratory wells. Commercial aircraft will bring some supplies and personnel from Seattle and Anchorage. Helicopters will fly from Kodiak to the exploratory rigs.

According to the Outer Continental Shelf Impact Study, an additional seven acres will have to be developed at the airport for

(Continued on Page 2)

Impact

(Continued from Page 1)

warehouse space, office space, aircraft maintenance facilities and apron area. Some additional personnel will be needed for expediting, aircraft maintenance, loading and unloading.

By late summer, 1978 the first discovery well should be completed and confirmed by a second well. Then the oil companies will begin deciding if the oil fields will be productive and where to locate permanent onshore marine service facilities.

By 1981, 10-12 exploratory wells will have been drilled and, if the suspected oil reserves are proven, the development phase will begin.

The site for onshore facilities will have been chosen and Kodiak Island will know if it will become an oil-impacted island. Hopefully, by the time the oil development phase begins, Kodiak Island will be prepared to grow rapidly in a graceful manner.

Tomorrow: Oil development and production; the maximum impact Kodiak can expect.

In other Friday announcements, Doug Dawson, a high school teacher who has played a variety of Ram parts since its beginning 11 years ago, received the best supporting actor award for his 1976 portrayal

Sports 4
Classified 6
Comics 7
Local News 8

DOUG DAWSON WITH SUPPORTING ACTOR AWARD

Kodiak supply system could be challenged

By CHRIS BLACKBURN
Daily Mirror Correspondent
Fourth of a series

Temporary consumer supply shortages resulting in inflated prices were a part of the Trans-Alaska Pipeline impact on the mainland. The supply system was unable to meet the increased demands of a growing population and increased commercial and industrial development as well as the pipeline's supply needs. The Kodiak shelf oil lease sales pose an even greater threat to Kodiak's ability to supply its residents.

The marine cargo system — Kodiak's lifeline — is already operating at maximum capacity, according to the Kodiak Island Borough Outer Continental Shelf Impact Study. In 1976 a total of 205,000 tons of cargo moved over the dock to and from Kodiak — approximately 21 tons for each man, woman and child on the island. The total cargo tonnage can be expected to increase as the population increases, and to have periods of even greater increase as the commercial and industrial segments of the island attempt to expand their facilities in response to the population growth.

Currently the city cargo dock, operated by the city of Kodiak, has 21,600 square feet of warehouse space and two piers over 300 feet in length. Sea-Land, under the provisions of its contract with the City of Kodiak, is allowed 104 berthings a year. Not only do the piers serve the cargo vessels, but they are used by the fishing fleet on a space-available basis. The boat harbor, also run by the City of Kodiak, is currently overcrowded.

TO MEET THE EXPECTED increased cargo demands the city cargo dock will have to be expanded, according to the impact statement. Were more storage and maneuvering space available, supplies could be delivered on larger vessels and the actual number of berthings would not necessarily have to increase.

Impact

Also, if the recommendation made in the impact study — that the cargo docks not be used for OCS related cargo — is followed, the pressure on the cargo system will be reduced.

The airport services will also come under pressure. The study estimates that an additional eight flights a week will be necessary to accommodate the increased demands for passenger travel, including oil and construction crew shifts. Also two additional cargo flights a week may be necessary.

THERE IS ADEQUATE LAND at the airport for the expected demands. Funds for airport master planning are available through the Federal Aviation Administration. The airport facilities are administered by the State of Alaska. Thus airport expansion will not be a part of the borough's planning efforts.

However, the people of Kodiak will be dependent on their own efforts and the efforts of their legislators to encourage the state government to plan for airport expansion to meet the anticipated demands.

The ferry Tustumena represents the only vehicular link between Kodiak and the mainland. The ferry carries a maximum of 200 people and 45 cars. It can also transport vans up to 40 feet in length.

AS POPULATION PRESSURES increase, the demands on the ferry system should also increase. Eventually year round service may be necessary, as well as more frequent service. Since the ferry system is administered by the State of Alaska Division of Marine Transportation, Kodiak's own planning efforts will not include the ferry system.

However, once again, the people of Kodiak can encourage the state to consider planning for increases in ferry service.

Additional cargo and people moving into Kodiak will mean proportionate increases in vehicular traffic on Kodiak's road system. Though the proportions of the increase and potential areas of congestion depend on the future housing patterns and siting of oil industry facilities.

The city, the borough and the state are all involved in the building and maintenance of different parts of the road system.

THE STUDY QUOTED the State Department of Highways as saying, the bridges along the Chiniak Highway can support large semi-tractor-trailer trucks. The road would have to be widened an additional 28 feet and straightened in some parts.

The city road system is designed for low-density traffic and may need considerable upgrading to meet anticipated demands. The impact study recommends that road standards by adopted; methods of separating commercial, industrial and normal traffic be examined; and a trail system for pedestrian traffic be considered.

Anchorage has had success with its bicycle trails program which has received ready bonding support. The bicycle trails are usually built in conjunction with new roads or the upgrading of existing roads.

MEETING THE TRANSPORTATION needs anticipated for the future involves the city and the borough and diverse state agencies. To consolidate planning efforts and utilize funding sources, the impact study recommends the borough and city create a transportation authority with its own charter.

"The authority should be comprehensive, with powers over the port, airports, the OCS transportation facilities, and should operate in close coordination with the Public Works Department of the City of Kodiak."

Whatever method is used to meet the anticipated demands on Kodiak's transportation system, close cooperation between the borough, the city and the state will be essential.

Tommorow: Social strains.

Anchorage Times
May 12, 1976

Young Raps Impact Aid

By BETTY MILLS
Times Washington Bureau

WASHINGTON — A bill to compensate coastal states for the adverse impact of offshore oil drilling would not provide adequate funds, Rep. Don Young, R-Alaska, says.

The House will consider legislation Friday which would provide $50 million in automatic state grants to meet the onshore impact of development on the outer continental shelf in the next two fiscal years. It also would authorize $125 million in discretionary funds administered by the secretary of commerce in the next five years.

In minority views submitted with the report on the bill, Young said the funding "is not sufficient to cover the costs that the local and state government will have to bear as a result of the federal development.

"This will leave the states in serious economic straits, especially in the more heavily impacted areas, from overcrowded schools and services, insufficient sewage systems, poor roads and higher state and local taxes," the congressman said.

Young said the per capita cost of offshore development from increased population, based on growth figures from the Alaska pipeline, would be $1,630 to the state govern.ment and $351 to the local government. The projected population growth directly attributable to oil development is 94,000 by 1985, according to estimates of the Office of Management and Budget. The total cost to state and local governments from offshore oil development would be $186,214,000 per year, Young said.

"While the revenue received from the Alaska pipeline was sufficient to meet much of the cost of impact funding, this is presently impossible to meet since no revenue is coming into the state as a result of OCS development," Young said.

The congressman said the authorization to coastal states must be increased.

"The state deserves the money for investment for other worthy projects, instead of underwriting the cost of a federal project," Young said. "The OCS is a federal project and should be a federal responsibility."

N-M Dec 13, 76

Nome should prepare for sales

NOME (AP)—The president of the Northwest Alaska Chamber of Commerce says it is time this Bering Sea community began preparing for upcoming oil and gas lease sales on the outer continental shelf.

Jack Carpenter announced formation of the chamber's OCS Planning Committee at a chamber meeting in Nome Friday.

He said OCS leasing will begin in the Nome area in about two years and its impact "should be dynamic."

Carpenter told the chamber that he spoke in Kotzebue last week with Patrick Dobey, manager of Alaska's Petroleum Department and head of the state's OCS leasing program.

He said Dobey quoted him some figures which indicate how significant that impact will be. For example, he said, "a dredge out there will cost $1,000 a minute, and they will have five such dredges going."

Carpenter said there is a possibility local businesses will be bought out by persons involved in oil exploration and development.

"These are the kinds of things we have to start looking at—the impact of these funds being spent in Nome," he said, adding he believes Nome can learn from the experiences of other communities.

Guest speaker at the meeting was Frank Murkowski, state chamber president and president of Alaska National Bank, who said the impact of the Alaska Native Claims Settlement Act on the state's business community has been significant. He noted most Alaska Natives are staying here and using the settlement funds to develop the state.

And he said while some Natives have made mistakes in their dealings with the business community, "by the same token, they are developing, and every time you make a mistake you look at your own life and you learn by it. And how many opportunities are you afforded because of that knowledge?"

N-M Dec 13 76

Kenai mayor testifies on Coastal Act

ANCHORAGE (AP)—The mayor of the Kenai Peninsula Borough has testified in Washington before a U.S. House subcommittee looking into regulations proposed for implementation of 1976 amendments to the Coastal Zone Management Act.

The Anchorage Times Washington Bureau reports Mayor Don Gilman told the House oceanography subcommittee Friday that Alaska needs money immediately to plan for offshore oil exploration and development.

Grants are available for such planning under the amendments passed by Congress this year. The office of coastal zone management of the U.S. Department of Commerce has prepared draft regulations for implementation.

Gilman told the subcommittee the Borough is a microcosm of the issues and problems the nation faces in preparing for impact of drilling on the outer continental shelf (OCS).

He said the borough's population is expected to increase 50 per cent in the next seven years during preparation for lease sales in the northern Gulf of Alaska, lower Cook Inlet and the western gulf.

Gilman told the subcommittee, "Our present community facilities and services are either at or beyond their planned capacity."

He said increased population, whether temporary or permanent, cannot occur without severe impact unless funds are accessible for planning and providing needed services.

Some subcommittee members were critical of the draft regulations. Rep. Pierre Dupont, RDel., told assistant administrator for coastal zone management Robert Knecht he had "misconstrued the intent of Congress."

"I don't know how you think you have the authority to add things in your regulations that Congress did not provide," said Dupont, who will leave the House next month to become governor of Delaware. "Congress has once again been frustrated by the fourth branch of government—the bureaucracy."

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this company expects added industry spending of $25-30 million for detail work.

The company says the most heavily mapped regions for reconnaissance are the mid-Atlantic, North Atlantic, off southern California, and in the eastern Gulf of Alaska and Lower Cook Inlet. More reconnaissance remains to be done in the South Atlantic, off northern California, in the Western Gulf of Alaska, Bering Sea, and Beaufort Sea.

Another company says the industry's spending to date for geophysical work amounts to about $35 million along the East Coast and $45 million off Alaska, with more multimillion-dollar programs required.

The company estimates about 70,000 line-miles of seismic data costing $25 million has been gathered off the East Coast since 1968 in programs involving group shoots and nonexclusive work by several contractors. This doesn't include spending by individual companies. Gravity, magnetic, and refraction-type surveys to date could add another $10 million to the total geophysical costs.

And future investments in frontier geophysical operations could pile still another $15-20 million on total costs, the company says.

It places industry's total outlay at $45 million for 150,000 miles of marine seismic off Alaska, with another 100,000 miles required at a cost of $50 million.

Several operators report difficulty in shooting off Alaska, particularly in the Gulf of Alaska and the Beaufort Sea.

Seismic-acquisition programs in the stormy gulf are subject to frequent and lengthy interruptions due to heavy seas and high winds. What's more, seismic data generally isn't of highest quality, because a thick layer of glacial till and large boulders obscures the Tertiary and Cretaceous objectives.

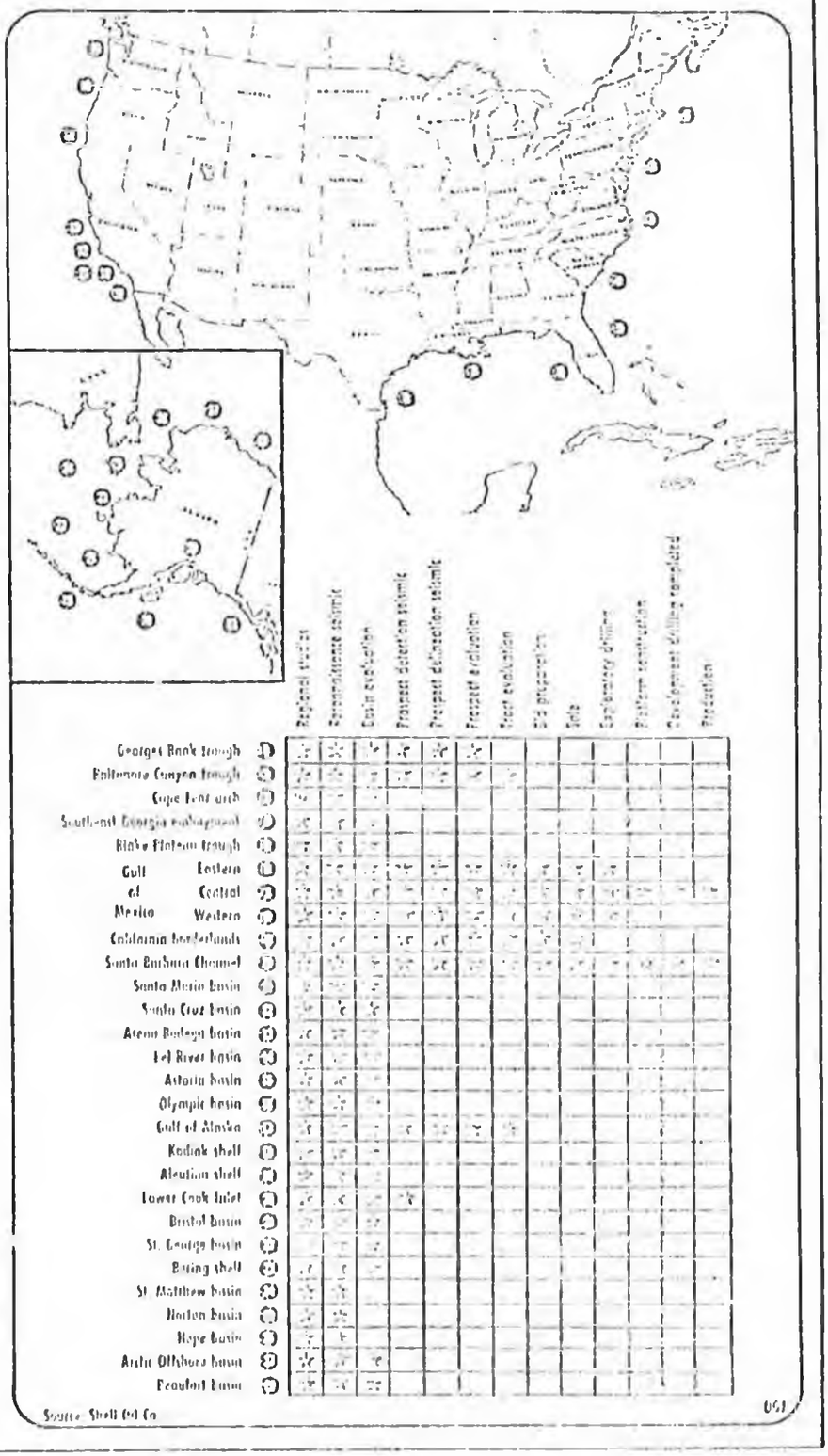
In the Beaufort Sea, shooting depends on pack ice moving out in the summer. And the ice hasn't cleared enough to permit seismic acquisition for a number of years. As a result, the federal portion of the Beaufort Sea shelf isn't well covered by seismic lines.

A major company says its offshore-frontier program has run into "no unusual shooting problems" except those related to Arctic ice, permit restrictions, currents which make it hard to keep cables aligned, and logistical problems in certain areas.

Action by areas. Structures involved in the first proposed sale of Gulf of Alaska tracts and in the Baltimore Canyon off the East Coast have been well delineated by numerous seismic surveys in the past several years, says Exxon's Jones. In fact, Jones says, these proposed-sale tracts are well explored up to the point of drilling.

He sees little if any additional seismic work being done in the Gulf of Alaska sale area and the Baltimore Canyon prior to sales. However, additional acquisition of in-fill data is likely after sales.

What's happening in Offshore U.S. basins



MICHAEL MONCHINO
New Kodiak manager

capacity of the hotel, located on South Benson. It will reportedly be a split-level, three story structure, and may include banquet facilities. Tentative plans call for construction to begin this spring.

Monchino, 25, has served as manager of the Sheffield Top of the World Hotel in Barrow. He

Kodiak Sen. Kay Poland has announced that the contract for a 1.9-mile Mill Bay Road extension has been signed with an Anchorage contractor.

Stephan and Sons, Inc.-Mat-Su, Inc., a joint venture, was awarded the contract at their bid of $1,662,115.95. The engineer's estimate for the project, which extends from the intersection of Rezanof and later connects with Mill Bay, was more than $300,000 under the contract figure.

Work is expected to be completed on the project, which does not include paving, by the end of the year.

Impact:

Problem of becoming a center of development while maintaining traditional lifestyles . . .

By CHRIS BLACKBURN
Daily Mirror Correspondent
Second of a Series

If the exploratory wells drilled in 1978 confirm there are indeed extensive deposits of oil on the Kodiak shelf, the oil industry will begin plans for oil development and production. Unless the oil fields lie in the extreme northern end of the lease sale area Kodiak Island can expect to become a center of oil development activity. Construction workers, production personnel, planes and tankers and materials for support facilities will float in, ferry in and fly onto the island.

If the people of Kodiak Island have discussed and accepted a new comprehensive plan and supporting zoning ordinances, the oil support facilities will be constructed in the areas the citizens of Kodiak have predetermined to be most desirable — or least undesirable.

If the groundwork is not completed by 1979, the oil facilities will be constructed wherever the oil industry can build most efficiently and with least expense.

THE KODIAK ISLAND OUTER CONTINENTAL SHELF Impact Study recommends that "To the extent possible, the Kodiak Island Borough should discourage the location of OCS related industrial facilities within the Kodiak metropolitan area or in any of the other villages on Kodiak Island. The location of such facilities within these areas would be extremely disruptive to the traditional lifestyles, community structures, and social and economic characteristics.... The Borough should insist that the oil industry be self-sufficient and willing to pay its own way in terms of the impacts resulting from the facilities directly related to OCS development..."

The Kodiak Island Outer Continental Shelf Impact Study estimates that the Western Gulf oil lease sale lands could produce as much as 164 million barrels of oil a year. All estimates of oil facilities and personnel requirements are based on this figure.

In 1979, as the first exploratory wells show evidence of productive oil fields, the oil industry will begin looking for a site for permanent onshore facilities. By 1984, at the projected peak of the development phase, a maximum of ten berths for oil company vessels may be needed — plus land for silos, tank storage and warehousing, open storage and office facilities. In all, about 80 acres of land will be needed in conjunction with harbor facilities.

THE OIL INDUSTRY will probably prefer a site on or near the existing road system. Chiniak may best suit the needs of the oil industry, provided the people of Kodiak have decided to prohibit industrial facilities within or near the metropolitan areas. The north side of Ugak Bay would also be suitable. Possible, but less likely, sites are Kalsin Bay and Middle Bay.

Karl Armstrong, executive vice president of the Koniag Regional Native Corporation, which holds title to the former Chiniak tracking station, said that the oil companies have shown interest in using Chiniak as the site of onshore facilities, but that discussions ceased when the Kodiak lease sale was postponed.

Armstrong a former fisherman, also mentioned that harbor facilities at Chiniak would offer sanctuary to fishing vessels encountering rough seas near Cape Chiniak, an area notoriously hazardous for fishing vessels.

ARMSTRONG SAID that while Koniag is not averse to discussing the prospect of onshore oil facilities at Chiniak, only further study will tell which site would be most desirable.

Whichever site is selected, harbor development must be preceded by public hearings. The State of Alaska owns all coastal waters from the shoreline to three miles from shore and would have to grant a permit for development. Before any permits could be granted public hearings would have to be held.

Likewise, any attempt to locate onshore support facilities on federal lands would require public hearings.

PUBLIC HEARINGS can be used by the people of Kodiak, to direct the eventual siting of oil facilities. A strong and unified show of support, or opposition, to a particular location usually has a decided effect on final decisions.

Armstrong also pointed out the desirability of the people of Kodiak insisting — with the help of the Borough government, state legislators and other groups — that all public hearings related to development on Kodiak Island be held in Kodiak rather than Anchorage or Juneau.

As the development phase progresses more airport land will be needed — for helicopters, for increased commercial and cargo flights and for warehouses, and maintenance and service areas: approximately 40 additional acres.

DURING THE DEVELOPMENT phase over 1,000 people would be employed in development and construction. The year 1985 is predicted to be a peak employment year with 1,565 people involved in oil-related activities.

By 1987 the oil industry could be entering the production phase on the Kodiak lease lands. As early as 1979 the oil industry will begin selecting the site of a crude oil storage area and marine terminal. These facilities would require about 150 acres of flat, stable land — more if the land is hilly or unstable. The size of the crude oil storage facilities will determine the number of tanker trips required each year to keep the production operations underway. As few as eight tanker trips could be needed, or as many as 26.

By 1987 the oil related population should begin to stablize. The impact study estimates that about 2,651 people will be employed in oil-related occupations and Kodiak Island will have a total population of 14,252 people.

Tomorrow: Housing — how can Kodiak meet the demands?

Comics 7
Local News 8

Kodiak housing need could hit peak in year 1984

By CHRIS BLACKBURN
Daily Mirror Correspondent
Third of a Series

Assuming that large oil reserves will be proven on the Kodiak lease sale lands, the island's population could grow by 8,600 people in the next 10 years, according to the Kodiak Island Borough Outer Continental Shelf Impact Study. Those 8,600 people would need nearly 3,000 new homes.

The growth and resultant need for dwellings is expected to vary each year. The Impact Study projects that in 1979 the island's population would increase by 500, requiring 170 new homes. But during 1984, the peak of oil development activity, the population increase is projected to be 1,300 people needing 440 additional homes.

As evidenced by Kodiak's continuing critical housing shortage, construction has not been able to keep pace with the comparatively modest demands of the last decade. During 1974 only 26 new single-family homes were built. In 1975 another 26 single-family homes were built, but 107 additional dwelling units were built in multi-family dwellings.

IF KODIAK ISLAND does not find a way to cope with the projected future housing needs, the island could conceivable become the site of the same headline-making conditions that occurred on the mainland during the peak of the trans-Alaska pipeline construction — families squatting in campers in parks and along the backroads, several families crowded together in one dwelling and long-term residents forced out by soaring rents.

Failing to provide for growth did not stop population increases.

Fairbanks is often cited as a community that was caught totally unprepared for rapid growth. Reacting to the population pressures and ended up overbuilding.

Kodiak has a chance to plan and consider both the kinds of dwelling units that would most likely meet the future needs, and the methods the people feel will best stimulate construction without overbuilding.

Impact

The new comprehensive plan should clearly reflect the feelings of the people of Kodiak. Supporting zoning ordinances should insure that growth takes place as was planned.

TRADITIONALLY KODIAK has been a city of single-family residences. Under current zoning and subdivision ordinances a single family home requires 7,200 square feet of land, provided the lot is served by sewer and water facilities. Otherwise each single family home requires 25,000 to 40,000 square feet of land.

Thus, if current patterns continue and there were sufficient buildable land, between 635.7 acres and 3,500 acres would be taken by the needed 3,000 units — depending on the availability of water and sewer.

Conversely, were Kodiak to completely reverse current trends and house the growing population in apartments, townhouses and condominums — high density housing using only 2,774.5 square feet per dwelling — only 175.8 acres of land would be needed for 3,000 additional units.

ACCORDING TO the impact study

"It is impossible to determine at this time how much land along the existing roads and sewer and water lines are available for development...It can be assumed, however, that as development activity increases, the majority of new structures would be placed on existing utilities and roads. Therefore, within a few short years after the initial impacts of OCS development...the existing road and utility system will be completely utilized..."

According to Stuart Denslow, Kodiak Island Borough manager, extension of public utilities requires a capital improvements program, which Kodiak does not currently have. The Impact Study recommends, "In the capital improvements program and the comprehensive plan, the community should indicate exact areas where public utilities and facilities are to be extended. They should also specify the timing of the provision of those services...(This) will reduce escalation in land costs and result in improved physical planning."

WITHOUT PUBLIC UTILITIES, high-density housing is not usually feasible. All of Kodiak's current multi-unit dwellings are within the municipal service area, and the townhouse developments planned for Russell Estates' Divisions 2 and 3 will be on municipal utility lines.

Extension of public utilities tends to stimulate new construction. According to Denslow, two years are required to plan and obtain the state matching funds to build a sewer line. Thus the ability of Kodiak to meet the housing needs of 1980 depends partly on decisions made — or not made — in 1977.

The density of housing will determine the amount of new sewer and water lines that will be needed and the rate at which new units can be built. The impact study estimates that for the projected 2,761 new units needed by 1988, 24.7 miles of sewer lines would be required if the current low-density trend continues. However, the same 2,761 units could require only 6.7 miles of sewer and water lines if built in high-density configurations.

THE IMPACT STUDY also suggests that Kodiak develop a mobile home park ordinance and plan to use trailer court areas to absorb some of the population impact. Housing for employes of the onshore facilities could be developed near those facilities rather than in the Kodiak Metropolitan area. Additionally, the borough could consider developing some of its land, which lies north of the City of Kodiak. The study suggests a joint venture agreement with the oil industry.

Alternative methods of meeting Kodiak's housing needs can be discussed at the Borough's planning and zoning commission meetings every third Wednesday of the month. Further citizen input will come from a planned borough housing questionnaire, and public hearings preceding adoption of the new comprehensive plan.

The plan should outline which alternatives and which compromises will best provide housing for Kodiak's growing population.

Monday: Transportation — Roads, planes, ferries and barges.

community to look like in the future. The effort will be in- Alaska oil lease sales, Denslov said.

Report reasons problems are not insoluble

By CHRIS BLACKBURN
Daily Mirror Correspondent

The Kodiak Island Borough Outer Continental Shelf Impact Study — the result of a half-year's research by an Anchorage consulting firm — concludes that "the assets of the Kodiak Island Borough and the communities are uniquely valuable and should be protected and enhanced. The problems faced by the communities are not insoluble...They are the type that can be dealt with through community awareness, local action and proper planning and implementation.

"...The result of the OCS impact will depend upon the level of oil industry activity which will occur in Kodiak and the methods that are used in planning for and coping with the impact."

According to the impact study, which was just completed, Kodiak Island Borough's population will continue to grow. If current trends continue, the population will double in 20 years without OCS activity. OCS activity could double the population in 10 years.

As the population increases the existing problems of crime, housing, land availability, social services and recreational facilities will become more acute.

How acute depends on the decisions made during 1977 and on the exact location of oil reserves. The impact statement predicts that the initial oil exploratory phase will probably use facilities in Seward, giving Kodiak precious time to plan.

If oil reserves are developed near Kodiak Island, onshore oil facilities will require 300 acres of land somewhere in the Kodiak Island Borough. The OCS-related Kodiak Island population increase could total 8,000 people by 1988.

According to the impact study, the additional 8,000 people would require 2,700 more housing units. If Kodiak continues

(Continued on Page 2)

Report

(Continued from Page 1)

its current low-density development pattern — with an estimated 4.35 housing units per acre — an additional 635.7 acres of residential land, 24.7 miles of road and water and sewer lines will be needed.

Were "high-density development" — with an estimated 15.7 units per acre — considered, only 175.8 additional acres of residential land would be required and only 6.7 more miles of road, sewer and water lines.

There will be corresponding increases in services, government and costs. However, the impact study lists many federal and state funding sources which could be used.

The future of Kodiak depends on where the oil reserves are and how thoroughly the community prepares.

A copy of the Kodiak Island Borough Outer Continental Shelf Impact Study has been placed in the A. Holmes Johnson Memorial Library. Additional copies will be available in about six weeks.

A time to prepare

Editor's Note — Kodiak recently received the first copies of the finished Kodiak Island Borough Outer Continental Shelf Impact Study, which not only qualified much of what may be expected if oil actually is discovered off of Kodiak, but also quantifies some interesting information about the island as it is now. Mirror correspondent Chris Blackburn today begins a series examining the impact study — and the impact of the study on the community.

By CHRIS BLACKBURN
Daily Mirror Correspondent

Impact from the Western Gulf oil lease sale could bypass Kodiak Island, or it could bring thousands of people and all the support facilities oil development requires.

The first clue to Kodiak Island's potential involvement with oil will come in November 1977 — if the oil lease sale occurs as scheduled. If the oil industry leases land in the southern half of the lease sale area, the probability of Kodiak Island becoming a desirable service base site is high.

The second clue will come as the exploratory phase progresses and the size and location of the oil fields are delineated. Once again, the closer to Kodiak Island the oil fields lie, the more likely it is that Kodiak Island will become impacted by oil development.

THOUGH ONLY ONE OUT OF every three potential oil fields contain enough oil to warrant development, it is felt the people of Kodiak must plan now as though oil discovery were a certainty or face the prospect of an unmanageable and undirected impact that disastrously alters the quality of life.

The experience of Fairbanks in 1975 — soaring rents, overcrowded facilities and unrealistic property values which is leaving an aftermath of defaults and arson — can be avoided on Kodiak Island.

The Kodiak Island Borough Outer Continental Shelf Impact Study, commissioned by the Kodiak Island Borough, outlines what can be expected and alternative methods of absorbing oil-related impact. The next step is for the people of Kodiak Island to develop a plan ready for implementation if developments in the oil industry indicate that Kodiak will become part of the saga of oil and Alaska.

AFTER THE NOVEMBER, 1977 oil lease sales, according to the Outer Continental Shelf Impact Study, the oil companies can be expected to begin the exploratory phase of oil development in the Western Gulf during the spring of 1978. In the past the oil industry has taken a "minimum investment during exploration" approach and utilized existing facilities as much as possible. The exploratory phase of development in Cook Inlet during the late 1950's was supplied from Anchorage. Seward, Cordova and Yakutat are believed to be being considered as supply bases for exploration in the Northern Gulf.

The Western Gulf could be supplied either from Kodiak or Seward. Kodiak has neither the land nor the port facilities to act as a supply base without intensive capital investment and development. Seward, however, has land and harbor space available. Exxon already controls 32 acres of land in Seward, including two acres on the waterfront. Shell and Arco depend on Seward for water to support drilling operations on the Northern Gulf.

However, Seward does not have adequate facilities for air support. The runway cannot accommodate the Hercules-type aircraft used by oil companies, nor commercial jets. The Seward airport also lacks an instrument landing system. Kodiak does have an instrument landing system which can handle both helicopters and cargo aircraft. Further, there is no practical weight limit on Kodiak's runways.

THUS IN 1978 KODIAK will probably experience its first taste of oil impact at the airport if its facilities are used to serve the first two exploratory wells. Commercial aircraft will bring some supplies and personnel from Seattle and Anchorage. Helicopters will fly from Kodiak to the exploratory rigs.

According to the Outer Continental Shelf Impact Study, an additional seven acres will have to be developed at the airport for

(Continued on Page 2)

Impact

(Continued from Page 1)

warehouse space, office space, aircraft maintenance facilities and apron area. Some additional personnel will be needed for expediting, aircraft maintenance, loading and unloading.

By late summer, 1978 the first discovery well should be completed and confirmed by a second well. Then the oil companies will begin deciding if the oil fields will be productive and where to locate permanent onshore marine service facilities.

By 1981, 10-12 exploratory wells will have been drilled and, if the suspected oil reserves are proven, the development phase will begin.

The site for onshore facilities will have been chosen and Kodiak Island will know if it will become an oil-impacted island. Hopefully, by the time the oil development phase begins, Kodiak Island will be prepared to grow rapidly in a graceful manner.

Tomorrow: Oil development and production; the maximum impact Kodiak can expect.

...by other Fuzzys' accomplishments, Doug Dawson, a high school teacher who has played a variety of Ram parts since its beginning 11 years ago, received the best supporting actor award for his 1976 portrayal

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DOUG DAWSON WITH SUPPORTING ACTOR AWARD

Kodiak supply system could be challenged

By CHRIS BLACKBURN
Daily Mirror Correspondent
Fourth of a series

Temporary consumer supply shortages resulting in inflated prices were a part of the Trans-Alaska Pipeline impact on the mainland. The supply system was unable to meet the increased demands of a growing population and increased commercial and industrial development as well as the pipeline's supply needs. The Kodiak shelf oil lease sales pose an even greater threat to Kodiak's ability to supply its residents.

The marine cargo system — Kodiak's lifeline — is already operating at maximum capacity, according to the Kodiak Island Borough Outer Continental Shelf Impact Study. In 1976 a total of 205,000 tons of cargo moved over the dock to and from Kodiak — approximately 21 tons for each man, woman and child on the island. The total cargo tonnage can be expected to increase as the population increases, and to have periods of even greater increase as the commercial and industrial segments of the island attempt to expand their facilities in response to the population growth.

Currently the city cargo dock, operated by the city of Kodiak, has 21,600 square feet of warehouse space and two piers over 300 feet in length. Sea-Land, under the provisions of its contract with the City of Kodiak, is allowed 104 berthings a year. Not only do the piers serve the cargo vessels, but they are used by the fishing fleet on a space-available basis. The boat harbor, also run by the City of Kodiak, is currently overcrowded.

TO MEET THE EXPECTED increased cargo demands the city cargo dock will have to be expanded, according to the impact statement. Were more storage and maneuvering space available, supplies could be delivered on larger vessels and the actual number of berthings would not necessarily have to increase.

Impact

Also, if the recommendation made in the impact study — that the cargo docks not be used for OCS related cargo — is followed, the pressure on the cargo system will be reduced.

The airport services will also come under pressure. The study estimates that an additional eight flights a week will be necessary to accommodate the increased demands for passenger travel, including oil and construction crew shifts. Also two additional cargo flights a week may be necessary.

THERE IS ADEQUATE LAND at the airport for the expected demands. Funds for airport master planning are available through the Federal Aviation Administration. The airport facilities are administered by the State of Alaska. Thus airport expansion will not be a part of the borough's planning efforts.

However, the people of Kodiak will be dependent on their own efforts and the efforts of their legislators to encourage the state government to plan for airport expansion to meet the anticipated demands.

The ferry Tustumena represents the only vehicular link between Kodiak and the mainland. The ferry carries a maximum of 200 people and 45 cars. It can also transport vans up to 40 feet in length.

AS POPULATION PRESSURES increase, the demands on the ferry system should also increase. Eventually year round service may be necessary, as well as more frequent service. Since the ferry system is administered by the State of Alaska Division of Marine Transportation, Kodiak's own planning efforts will not include the ferry system.

However, once again, the people of Kodiak can encourage the state to consider planning for increases in ferry service.

Additional cargo and people moving into Kodiak will mean proportionate increases in vehicular traffic on Kodiak's road system. Though the proportions of the increase and potential areas of congestion depend on the future housing patterns and siting of oil industry facilities.

The city, the borough and the state are all involved in the building and maintenance of different parts of the road system.

THE STUDY QUOTED the State Department of Highways as saying, the bridges along the Chiniak Highway can support large semi-tractor-trailer trucks. The road would have to be widened an additional 28 feet and straightened in some parts.

The city road system is designed for low-density traffic and may need considerable upgrading to meet anticipated demands. The impact study recommends that road standards by adopted; methods of separating commercial, industrial and normal traffic be examined; and a trail system for pedestrian traffic be considered.

Anchorage has had success with its bicycle trails program which has received ready bonding support. The bicycle trails are usually built in conjunction with new roads or the upgrading of existing roads.

MEETING THE TRANSPORTATION needs anticipated for the future involves the city and the borough and diverse state agencies. To consolidate planning efforts and utilize funding sources, the impact study recommends the borough and city create a transportation authority with its own charter.

"The authority should be comprehensive, with powers over the port, airports, the OCS transportation facilities, and should operate in close coordination with the Public Works Department of the City of Kodiak."

Whatever method is used to meet the anticipated demands on Kodiak's transportation system, close cooperation between the borough, the city and the state will be essential.

Tomorrow: Social strains.

Anchorage Times
May 12, 1976

Young Raps Impact Aid

By BETTY MILLS
Times Washington Bureau

WASHINGTON — A bill to compensate coastal states for the adverse impact of offshore oil drilling would not provide adequate funds, Rep. Don Young, R-Alaska, says.

The House will consider legislation Friday which would provide $50 million in automatic state grants to meet the onshore impact of development on the outer continental shelf in the next two fiscal years. It also would authorize $125 million in discretionary funds administered by the secretary of commerce in the next five years.

In minority views submitted with the report on the bill, Young said the funding "is not sufficient to cover the costs that the local and state government will have to bear as a result of the federal development.

"This will leave the states in serious economic straits, especially in the more heavily impacted areas, from overcrowded schools and services, insufficient sewage systems, poor roads and higher state and local taxes," the congressman said.

Young said the per capita cost of offshore development from increased population, based on growth figures from the Alaska pipeline, would be $1,630 to the state government and $351 to the local government. The projected population growth directly attributable to oil development is 94,000 by 1985, according to estimates of the Office of Management and Budget. The total cost to state and local governments from offshore oil development would be $185,214,000 per year, Young said.

"While the revenue received from the Alaska pipeline was sufficient to meet much of the cost of impact funding, this is presently impossible to meet since no revenue is coming into the state as a result of OCS development," Young said.

The congressman said the authorization to coastal states must be increased.

"The state deserves the money for investment for other worthy projects, instead of underwriting the cost of a federal project," Young said. "The OCS is a federal project and should be a federal responsibility."

Next Three Years Hold Plans For Other Areas

Today's lease sale of tracts in the northeastern Gulf of Alaska is the first of nine federal outer continental shelf oil and gas lease sales planned off Alaska's shores during the next three years.

The accelerated leasing program is aimed at making the United States more energy self-sufficient, says Edward Hoffman, manager of the Alaska Outer Continental Shelf Office.

The tentative schedule calls for two more sales this year. Tracts in Lower Cook Inlet are to be leased this fall, possibly by October, and tracts in the western Gulf of Alaska, in the Kodiak area, are scheduled to be leased in December.

Other sale areas on the federal schedule include Bering Sea (St. George area), March 1977; Beauford Sea, October 1977; Outer Bristol Basin, December 1977; Bering Sea (Norton Basin), August 1978; Gulf of Alaska, Aleutian Shelf October 1978, and Chukchi Sea (Hope Basin), December 1978.

Offshore Alaska has an estimated petroleum potential of 69 billion barrels of oil and 349 trillion cubic feet of gas, according to the Alaska Outer Continental Shelf Office.

An estimated 40 per cent of the nation's "frontier areas" which are untouched by the drill lie off Alaska's shores. Another 40 per cent lie onshore, said Dr. V. E. McKelvey, director of the U.S. Geological Survey. But both are subject "to some of the worst operating conditions known on our planet," he said.

Offshore, drifting sea ice, 50- to 75-knot winds, 75 foot waves, protracted periods of darkness and occasional major earthquakes all present potential hazards, McKelvey pointed out in a Dallas speech in September.

"Onshore, temperatures reach well below zero and logistic problems are staggering. In addition, the entire area is 1,000 to 2,000 miles away from a major energy market. One does not have to look far to understand why this area has been left alone until now."

Anch. Times Apr 13, 1976

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Jones believes companies will wait until they obtain leases before investing in more data. The first wells in each area, he predicts, will have considerable impact on subsequent seismic activity.

Esso Seismic Inc.'s Kirsten Bravo shot about 1,000 miles of seismic line last September in the Baltimore Canyon and Georges Bank for Exxon.

The Georges Bank area isn't far behind the Baltimore Canyon in the amount of seismic data available to companies, Jones tells the Journal. There may be a last-minute flurry of proprietary shooting in Georges Bank in the coming months if it appears the sale will come off in August as proposed.

Jones predicts considerable seismic activity in the South Atlantic next spring and summer. Not much seismic data have been gathered on the Southeast Georgia Embayment or the broad, deepwater Blake Plateau.

Jones expects a rapid buildup of group, speculative, and proprietary shooting within 600 ft of water on the Southeast Georgia Embayment. A gradual increase is predicted for the Blake Plateau, which isn't scheduled for a sale until mid-1978.

Because basins off northern California, Washington, and Oregon are believed by industry to be very poor petroleum prospects, Jones doubts there will be any rush to acquire new data there.

Very little seismic data are available in Offshore Alaska basins, other than in the Gulf of Alaska.

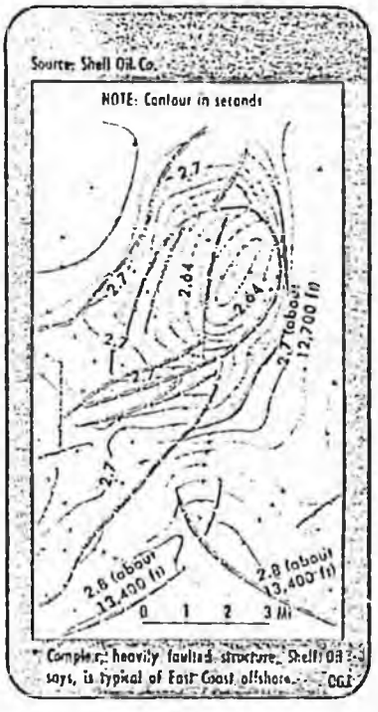
Industry is in the midst of an active exploratory effort in the Lower Cook Inlet, although acquisition programs there currently are shut down for the winter. Jones expects a spurt of shooting and possibly core or deep-stratigraphic drilling this summer.

The Kodiak shelf also should be an active area in the coming months, if it appears the proposed December sale will materialize. A very coarse grid of seismic data is available on Kodiak.

Although exploration on this shelf is still in an early stage, Jones believes industry can generate and interpret enough data in the coming months to be fully prepared for a December sale.

Seismic data in the Bering Sea consist of a very coarse grid over only a portion of the area, in the Bristol basin. Most of the current data was acquired beginning in the summer of 1973. Activity speeded up in the summer of 1974, and Jones predicts considerable shooting and possibly core drilling will take place in the next few summers.

Atlantic prospect*



Complex, heavily faulted structure, Shell Oil says, is typical of East Coast offshore.

USGS reconnaissance surveys indicate six or seven distinct basins in the Bering Sea, Jones reports.

The Exxon explorationist also foresees increased seismic activity in the unexplored Aleutian shelf, Norton basin, and Hope basin. The latter, he says, has been the scene of proprietary shooting by one or two companies.

Stratigraphic tests. The Sedco J semisubmersible is drilling the first of two Offshore East Coast stratigraphic tests (see cover photo) for a 31-company group led by Ocean Production Co. And more tests are planned in other regions as part of industry's program to collect the first subsurface information in offshore frontiers.

Spudded last Dec. 14, the initial East Coast test is projected to 16,000 ft. Site for the B-2 test is 73.6 miles off the New Jersey coast in the Baltimore Canyon (see map, OGJ, Oct. 20, 1975, p. 39).

The Ocean Production group also will use Sedco J to drill its second 16,000-ft test, designated G-1, more than 100 miles off the Massachusetts coast in the Georges Bank area.

Combined cost of the two operations is a little less than $18 million to determine porosity and permeability in Jurassic and younger sediments.

Among future work, Exploration Services Co. Inc., Ventura, Calif., proposes to drill a 12,000-ft stratigraphic test in Lower Cook Inlet beginning in March. Estimated cost is $5.5 million at a site in 19-14s-22w.

Exploration Services also is trying to generate 3,000-5,000-ft tests on the Kodiak shelf, Exxon's Jones reports.

West Coast sources say a second attempt may be made this summer to drill a stratigraphic test in the Gulf of Alaska, where mechanical problems halted a similar test last October. Last year's hole reached the 5,100-ft level — far short of its 16,500-ft goal — at a reported cost of $12 million.

Earlier deep stratigraphic drilling included two holes on the Outer Continental Shelf off South Texas. Drilled by two 32-company groups, the tests revealed poor characteristics in potential reservoirs. This poor showing was reflected in low bonuses offered in Feb. 4 and May 28, 1975, sales of federal leases.

Discouraging results from another stratigraphic test, this one drilled off southern California, drew part of the blame for the generally low level of bonuses offered at last December's federal lease sale off California (OGJ, Dec. 22, 1975, p. 15).

On-structure drilling has yet to take place in the frontiers. And only this can determine if known structures hold oil and gas.

Gulf's Carter believes results of on-structure drilling in the Gulf of Alaska will have a strong influence on pre-drilling evaluation of the Kodiak shelf, Bristol basin, and Bering shelf. Likewise, Baltimore Canyon drilling will determine to a great degree how much leasing and exploration Georges Bank, Southeast Georgia Embayment, and Blake Plateau will attract.

Drilling problems. Several companies surveyed by the Journal declare the Gulf of Alaska presents some of the frontier regions' thorniest problems in exploration, drilling, and production. Lesser problems are foreseen in most other areas of the offshore frontier.

"To be economic, a structure in the Gulf of Alaska will have to contain several hundred million barrels of reserves," Gulf's Carter says. He doesn't see gas as a viable exploration target because of enormous development costs.

Severe storms, strong currents, and

OIL & GAS JOURNAL JAN 1976

though its presence is widely known to the industry because of seismic work in the area.

It resembles a huge oval about 25 miles long and 10 miles wide, starting near the 3-mile line offshore and extending southwest into the center of the Icy Bay sale area.

"There is room here for another Prudhoe Bay field," says one company geologist. "But no one suggests that it will turn out to be another Prudhoe Bay. It's extremely rare to find a big structure filled with oil. What I am saying is that there is room here for another Prudhoe Bay. We just hope that it contains several billion barrels of oil.

"But if it's going to have anything big, it must have pay sections which are tremendously thick, and it certainly must have better porosity than the same formations onshore.

"Just because it is offshore, or downdip, doesn't mean it would have more porosity. That would not be a valid geological supposition. But we can reasonably expect some porosity. If we have that, we must also have the source beds to contribute the oil. Everything has to come together just right."

Operating costs. Companies preparing to bid on Gulf of Alaska leases have tempered their enthusiasm for the area in the past 2 years because of the great surge in offshore drilling and production costs.

The semisubmersible rigs which will be used for most of the drilling, plus other supporting services, will cost an estimated $100,000/day. This would mean that a well which took 100 days to drill would cost $10 million.

A shallow test may cost only $7 million, but if there is any trouble with the hole, the price tag of an exploratory well could rise to $15 million.

And finding oil is just the first step. Constructing platforms which meet the weather, ocean-bottom, and earthquake specifications will start at $100 million. Laying pipelines to a shore base, or constructing an offshore loading terminal, will add to the mounting costs.

Because of such prospective costs, companies are counting on reasonable crude prices to recoup their investments and make a profit.

"We couldn't go into the Gulf of Alaska for oil priced at $3 to $4/bbl," says one oil-company executive. "If we found a 5-billion-bbl field, we could make it on $5 to $6 oil. But if it's just a 1-billion-bbl field, we would need $10. We couldn't develop a 500-million-bbl field at today's oil prices."

Economics such as this will have a dampening effect on bids at the sale.

The rigs. Two semisubmersible rigs are being built by the Kaiser Shipyards near San Francisco specifically for use in the Gulf of Alaska. Others will be available from shipyards in Japan and other yards of Southeast Asia.

N-M Dec 10, 75

Federal report says

Pipeline construction has sped deterioration of state's highways

ANCHORAGE (AP)—The federal Department of Transportation reports that trans-Alaska pipeline construction has speeded the deterioration of Alaska state highways—and says the federal government has no responsibility for repairs.

Alaska's Gov. Jay Hammond has fired off telegrams protesting that conclusion to Vice President Nelson Rockefeller, House Speaker Carl Albert, Transportation Secretary William Coleman and Federal Highway Administrator Norbert Tiemann.

Hammond noted the trans-Alaska pipeline was mandated by the U.S. Congress. This year's federal highways appropriations bill includes a section directing the Federal Highway Administration to study the need for special federal aid in building or repairing roads necessary for energy-related projects.

"This is another Catch-22," the governor stated. "Why should the study go forth if precedent has been established that there is no federal responsibility for impacts to highways used for the nation's energy needs?"

Coleman stated in his report to Vice President Nelson Rockefeller, president of the Senate, "This report of initial finding documents the fact that pipeline construction has accelerated deterioration of several state highways at a more rapid rate than highways not subjected to such traffic.

"The report further establishes that repair and restoration of the damaged highways is not a federal responsibility."

The report estimates some $300 million would be needed for reconstruction made necessary by pipeline construction.

The state sought $70 million from Congress for emergency repairs during the last session. That bill passed the Senate but was downed by the House.

In August, Sen. Ted Stevens, R-Alaska, said he believed the DOT study would indicate damage exceeded the $70-million figure, adding, "There is no question it is a federal responsibility."

Coleman said the department report is an interim study and makes no recommendation for a final solution to the problem.

SUN OIL CO. estimates development of 100,000 b/d of production in the Gulf of Alaska would cost $500 million to $1.1 billion, depending on water depth.

That is based on estimated development costs ranging from $5,000 to $11,000 per daily barrel of production, depending on water depth, M. D. (Zeke) Noble says.

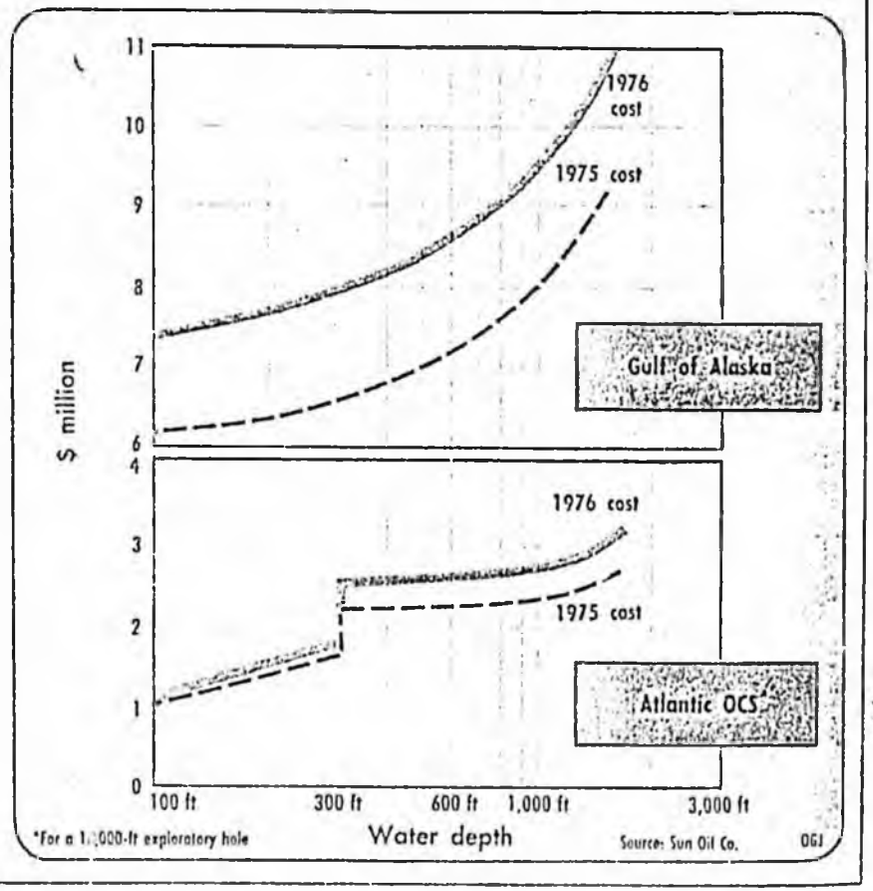
Noble, president of Sun's newly formed Sunmark Exploration Co., and J. Dwayne Taylor, an executive vice-president of Sun, spoke to the Houston Society of Financial Analysts on Mar. 17. Taylor described the purpose of Sun's recent reorganization.

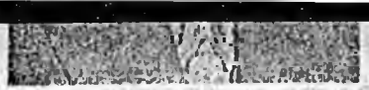
Gulf of Alaska. In the face of such ferocious costs, how high must the price of oil be to support development

Taylor says the price should be in the range of $14-16/bbl. And Noble says "a great deal of Gulf of Alaska potential would not be developed at today's prices." If the Gulf of Alaska sale occurs as scheduled on Apr. 13, Noble says, first production probably could not take place until 1981.

Sun also has revised upward its cost estimates for exploratory drilling in the Gulf of Alaska (see graph). A year ago, Sun estimated a 10,000-ft exploratory hole in 300 ft of water would cost about $6.5 million. Noble now estimates the same well would cost $8 million. He estimates a well on some of the known structures in deeper waters of the Gulf of Alaska would cost $9 million.

Gulf of Alaska, Atlantic wildcat costs*





MICHAEL MONCHINO
New Kodiak manager

banquet facilities. Tentative plans call for construction to begin this spring.

Monchino, 25, has served as manager of the Sheffield Top of the World Hotel in Barrow. He

extension has been signed with an Anchorage contractor.

Stephan and Sons, Inc.-Mat-Su, Inc., a joint venture, was awarded the contract at their bid of $1,662,115.95. The engineer's estimate

Mill Bay, was more than $300,000 under the contract figure.

Work is expected to be completed on the project, which does not include paving, by the end of the year.

Impact: Problem of becoming a center of development while maintaining traditional lifestyles . . .

By CHRIS BLACKBURN
Daily Mirror Correspondent
Second of a Series

If the exploratory wells drilled in 1978 confirm there are indeed extensive deposits of oil on the Kodiak shelf, the oil industry will begin plans for oil development and production. Unless the oil fields lie in the extreme northern end of the lease sale area Kodiak Island can expect to become a center of oil development activity. Construction workers, production personnel, planes and tankers and materials for support facilities will float in, ferry in and fly onto the island.

If the people of Kodiak Island have discussed and accepted a new comprehensive plan and supporting zoning ordinances, the oil support facilities will be constructed in the areas the citizens of Kodiak have predetermined to be most desirable — or least undesirable.

If the groundwork is not completed by 1979, the oil facilities will be constructed wherever the oil industry can build most efficiently and with least expense.

THE KODIAK ISLAND OUTER CONTINENTAL SHELF Impact Study recommends that "To the extent possible, the Kodiak Island Borough should discourage the location of OCS related industrial facilities within the Kodiak metropolitan area or in any of the other villages on Kodiak Island. The location of such facilities within these areas would be extremely disruptive to the traditional lifestyles, community structures, and social and economic characteristics.... The Borough should insist that the oil industry be self-sufficient and willing to pay its own way in terms of the impacts resulting from the facilities directly related to OCS development..."

The Kodiak Island Outer Continental Shelf Impact Study estimates that the Western Gulf oil lease sale lands could produce as much as 164 million barrels of oil a year. All estimates of oil facilities and personnel requirements are based on this figure.

In 1979, as the first exploratory wells show evidence of productive oil fields, the oil industry will begin looking for a site for permanent onshore facilities. By 1984, at the projected peak of the development phase, a maximum of ten berths for oil company vessels may be needed — plus land for silos, tank storage and warehousing, open storage and office facilities. In all, about 80 acres of land will be needed in conjunction with harbor facilities.

THE OIL INDUSTRY will probably prefer a site on or near the existing road system. Chiniak may best suit the needs of the oil industry, provided the people of Kodiak have decided to prohibit industrial facilities within or near the metropolitan areas. The north side of Ugak Bay would also be suitable. Possible, but less likely, sites are Kalsin Bay and Middle Bay.

Karl Armstrong, executive vice president of the Koniag Regional Native Corporation, which holds title to the former Chiniak tracking station, said that the oil companies have shown interest in using Chiniak as the site of onshore facilities, but that discussions ceased when the Kodiak lease sale was postponed.

Armstrong a former fisherman, also mentioned that harbor facilities at Chiniak would offer sanctuary to fishing vessels encountering rough seas near Cape Chiniak, an area notoriously hazardous for fishing vessels.

ARMSTRONG SAID that while Koniag is not averse to discussing the prospect of onshore oil facilities at Chiniak, only further study will tell which site would be most desirable.

Whichever site is selected, harbor development must be preceded by public hearings. The State of Alaska owns all coastal waters from the shoreline to three miles from shore and would have to grant a permit for development. Before any permits could be granted public hearings would have to be held.

Likewise, any attempt to locate onshore support facilities on federal lands would require public hearings.

PUBLIC HEARINGS can be used by the people of Kodiak to direct the eventual siting of oil facilities. A strong and unified show of support, or opposition, to a particular location usually has a decided effect on final decisions.

Armstrong also pointed out the desirability of the people of Kodiak insisting — with the help of the Borough government, state legislators and other groups — that all public hearings related to development on Kodiak Island be held in Kodiak rather than Anchorage or Juneau.

As the development phase progresses more airport land will be needed — for helicopters, for increased commercial and cargo flights and for warehouses, and maintenance and service areas: approximately 40 additional acres.

DURING THE DEVELOPMENT phase over 1,000 people would be employed in development and construction. The year 1985 is predicted to be a peak employment year with 1,565 people involved in oil-related activities.

By 1987 the oil industry could be entering the production phase on the Kodiak lease lands. As early as 1979 the oil industry will begin selecting the site of a crude oil storage area and marine terminal. These facilities would require about 150 acres of flat, stable land — more if the land is hilly or unstable. The size of the crude oil storage facilities will determine the number of tanker trips required each year to keep the production operations underway. As few as eight tanker trips could be needed, or as many as 26.

By 1987 the oil related population should begin to stablize. The impact study estimates that about 2,651 people will be employed in oil-related occupations and Kodiak Island will have a total population of 14,252 people.

Tomorrow: Housing — how can Kodiak meet the demands?

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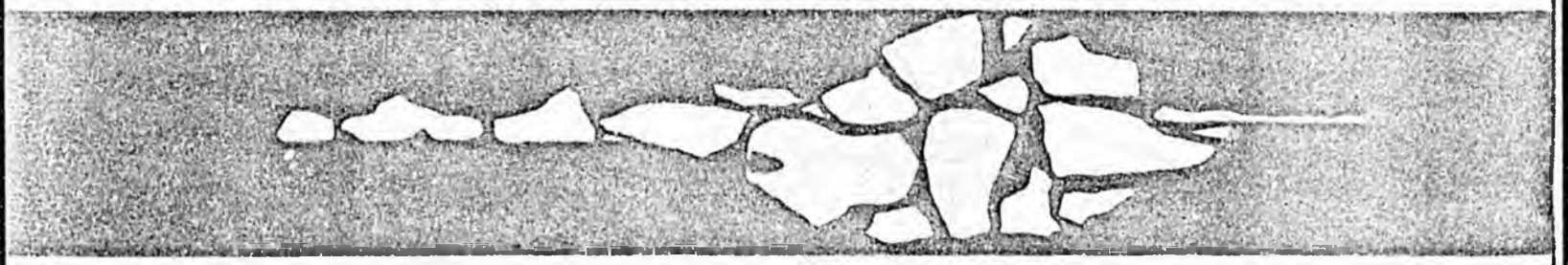
ALASKA Seas and Coasts

A Newsletter for the Alaska Commercial Fishing Industry



THE ALASKA OCS - An update

By John Williams

Until recently, John Williams served as a Marine Advisory Program Agent with the University of Alaska. He was involved with seafood processing and coastal resource activities.

Because of the rapid changes in the policies and scheduling of the development of the Alaskan outer continental shelf, and the necessary time lapse between completion of a story and the delivery of Alaska Seas and Coasts, *some points contained in this article may have changed. More information will be presented soon in* Citizen's Handbook — The Alaska OCS. *The publication will be presented by the Alaska Sea Grant Program with partial funding by the State of Alaska.*

OCS UPDATE

ALASKA — One down — eight to go.

In April of this year, the Department of the Interior leased the first outer continental shelf (OCS) oil development tracts off the coast. The sale, located in the northeast Gulf of Alaska from Icy Bay to Kayak Island, netted over 500 million dollars in bonus bids for the Department of the Interior, which administers the OCS program through the Bureau of Land Management (BLM). This is the first of nine scheduled sales on Alaska's OCS.

Shell Oil Company began exploratory drilling in the Icy Bay region on September 1, with Sedco 706, a semisubmersible drilling rig. In October, ARCO began exploratory drilling operations with the semisubmersible Ocean Ranger, recently transferred from the Bering Sea.

Sedco 706 is 330 feet high with its derrick upright, 245 feet wide, and 295 feet long. It provides living quarters for 96 men, and storage space sufficient to drill for several weeks without resupply. The drilling rig is held in place by anchors connected to computer controlled tension winches, which compensate for wind, waves, and current to keep the rig located over the undersea well.

Next on BLM's agenda is a sale scheduled for lower Cook Inlet, followed by a western Gulf of Alaska (Kodiak) sale. Cook Inlet could go on the auction block early next year, with the Kodiak sale following later in 1977.

OCS IMPACTS

In early 1976, the federal government estimated that OCS leasing would create 90,000 oil jobs in Alaska to be filled by trained personnel and that this would cost state and local governments in excess of $600 million to supply the necessary services and facilities to these new residents. This dollar figure did not consider families of the oilmen or the jobs created in the service industries which accompany the oil business. An additional 1.3 to 1.7 jobs will likely be created in service industries for each new oil job.

The Coastal Zone Management Act of 1972 (CZM) was amended this year to help states in planning and funding coastal energy development activities. The CZM amendments of 1976 created a $1.2 billion national impact fund. Eight hundred million dollars of the fund is in the form of loans for environmental and economic planning, schools, highways, hospitals, guaranteed bonds, etc.

The remaining $400 million is available as grants to be used as a back-up system for the loan fund. Money from this source will be distributed to states based upon a formula considering the number of offshore acres leased, the volume of oil and gas produced, population influx, etc.

The federal government's assistance to states coping with the onshore effects of OCS development is much more limited than for mineral resource development on federal lands contained within state boundaries. In this situation, the federal royalty from the resource is shared with the state from which it was extracted and can be used in any manner that state government chooses. The royalty from OCS petroleum development is not shared by the federal government with adjacent states. In the case of OCS resources, state and local governments must apply for impact monies for specific purposes and be able to prove that it is a reasonable request.

In addition to the burden of proof requirement, states receiving OCS impact monies must already have or be

(Continued on page 2)

(Continued from page 1)

making "reasonable progress" toward a coastal management plan as outlined in the CZM Act. Legislative support for development of such a plan for Alaska's coast has been minimal. The Legislature may have another look at coastal management legislation in the upcoming January session.

NEW ADMINISTRATION

Because of Jimmy Carter's election, many people in Alaska are now trying to assess the impact the new administration will make on the OCS lease schedule and procedures. To date, Carter has not been specific on the issue. He has, however, expressed some concern about the accelerated pace of lease sales and its impact on federal revenues from the leases.

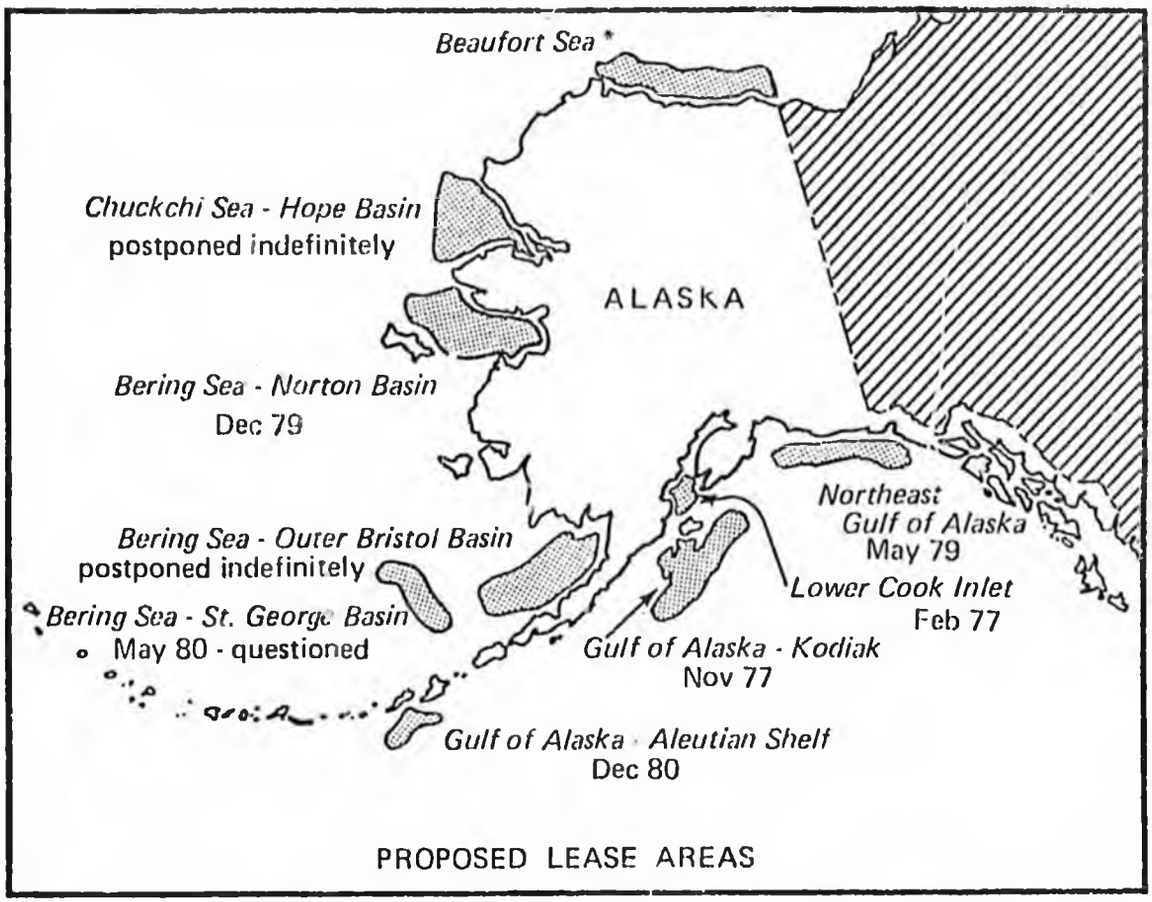
With a Democratic congress and president, chances seem better that some changes will be made in the OCS Lands Act, under which the OCS is administered. Senator Jackson (D-Washington) wants new amendments completed and signed by late spring. The amendments reportedly would consider states' interests to a much greater degree, and involve state and local governments in the process.

The State of Alaska has conducted an ongoing battle with the Department of the Interior over the presently proposed lease schedule and procedures. In a letter dated August 4, 1976, Governor Hammond submitted the State's proposal for an OCS lease schedule to Secretary of the Interior Thomas Kleppe. The Secretary had promised to reassess the Alaska OCS sale schedule, which presently calls for nine sales in three years. What actions the lame duck Ford Administration may take on this matter prior to January 20 are uncertain, although at press time negotiations were ongoing to dramatically revamp the present BLM schedule.

Hammond bases his schedule on a number of factors of importance to the people and environment of Alaska. His reasons for slowing down the sale pace include the cumulative effects which would result from the present accelerated lease schedule and the impact on communities and people unprepared for the rapid influx of large development. Hammond also wanted time for further study of the physical hazards and potential environmental risks, especially in the ice covered western and northern waters, and time to prepare the management sectors of state and local government to deal with the many implications of petroleum development on the frontier Alaska OCS.

Hammond's proposal, substantiated by considerable research by state agencies, would extend the schedule to six years, and would not include scheduled sales in the federal areas of the Beaufort Sea, Bristol Bay, or St. George Basin until further research and industrial technology are achieved. The state would agree to hold a joint state/federal lease sale in the shallow, inshore Beaufort Sea area in the fall of 1977 in place of a federal Beaufort Sea sale in the deeper, shear ice zone.

Many of the changes resulted from recommendations by Governor Hammond in his August letter to Interior Secretary Kleppe. The new sale dates reflect a compromise between the rapid schedule and Hammond's proposed delays. The Department of the Interior and the state disagreed on the need to complete environmental studies before scheduling a lease sale.



PROPOSED LEASE AREAS

Included in Interior's proposed new OCS lease schedule are changes brought about because of the state's insistence on a slower, more cautious pace in Alaska.

**The Beaufort Sea lease area is subdivided into at least three zones generally characterized by distance from shore, water depth, type of ice and anticipated ice motion. The leases for this area in the current schedule are: near shore, Mar. 78; less than 60 ft. water depth, Feb. 79; greater than 60 ft. water depth, not scheduled.*

OCS Impact Aid

By Sen. Ted Stevens

President Ford recently signed the Coastal Zone Management Act Amendments of 1976 into law. This new government program will provide a $1,200,000,000 impact assistance fund for states and municipalities affected by outer continental shelf oil and natural gas development.

The Office of Coastal Zone Management, which is part of the National Oceanic and Atmospheric Administration, will be administering the impact assistance program. That office is presently drafting regulations which will serve as guidelines for the disbursement of funds. Draft regulations have been published in the Federal Register so that they may be viewed by the public, and the Office of Coastal Zone Management is soliciting comments from interested citizens and public groups in the formulation of final regulations.

The Office of Coastal Zone Management is particularly interested in Alaska problems. During the month of August the Coastal Zone Management Advisory Committee, the Citizens Advisory Committee to the Office of Coastal Zone Management, was in Alaska for a tour of areas of the state which potentially could be impacted by outer continental shelf oil and gas development. The members of the Advisory Committee went to Juneau, Yakutat, Anchorage, and Kenai. All of the members found the trip to be informative and they learned a great deal about Alaskan problems.

The Coastal Energy Impact Assistance program has an authorization level of $800 million in loans and $400 million in grants. The grants are to be used for planning, to meet the needs created by unavoidable ecological losses, and any other projects which are necessary and cannot be funded under the loan program. The $800 million loan program is for public facilities and services.

Under a series of amendments which I sponsored, the loans issued by the federal government can go either to the state or to the municipalities. The full faith and credit of the United States is pledged to these loans — not the credit of the state or municipality. Therefore, the complex system of referendums required for normal state or municipal indebtedness is unnecessary.

In order for a state or municipality to receive a loan, it must first set out a revenue schedule to the Secretary of Commerce in which the state or municipality assures the Secretary that income which the state or municipality would receive from the oil and natural gas development over a 20-year period would be sufficient to pay off the loan. Should that income fail to accrue for any reason, the Secretary must automatically forgive the balance of the loan indebtedness.

Many Alaskan communities will be interested in receiving planning grants from the Office of Coastal Zone Management. The Act provides for $50 million in planning grants, to be awarded to states and municipalities impacted by outer continental shelf oil and gas development. These are non-matching grants in which the federal government puts up 100% of the money. These monies can be used for any planning activities to meet the on-shore impacts of outer continental shelf oil and natural gas activities. The Office of Coastal Zone Management informs me that they are working as expeditiously as possible to see that planning grants are awarded to Alaskan communities at the earliest possible date. Since the Office of Coastal Zone Management is presently drafting regulations to implement the Act, it has not yet begun receiving grant applications.

The Coastal Zone Management Act Amendments of 1976 will be of substantial benefit to the Alaska fishing industry. In areas of the state which are impacted by outer continental shelf oil and natural gas development, impact assistance funds may be used to build harbor and dock facilities, breakwaters, aids to navigation, and other facilities of general benefit to the entire maritime community. I also expect that impact assistance funds may be used to build aquaculture facilities. In the unlikely event that a major oil spill occurs, an aquaculture facility could be used to offset any damage which was incurred to fish stocks. It is therefore essential that these facilities be built prior to the production of oil and natural gas. I have strongly urged the Office of Coastal Zone Management to include aquaculture facilities in its funding program.

In addition to impacts resulting from outer continental shelf oil and natural gas development, the coast energy impact fund can be used to meet the impacts resulting from the transportation of energy resources through the coastal zone. This means that state municipalities located in the coastal zone, such as Valdez, which are the transportation centers for oil, natural gas, or coal would also be eligible to receive funding. The city of Valdez is potentially eligible to receive funding as a result of the trans-Alaska pipeline project. Looking ahead a few years, in the event that Alaska ships coal to the southern 48 states, port facilities for the operation would also be eligible to receive impact assistance funds.

The Office of Coastal Zone Management expects to be finished drafting its regulations by April of 1977. Dr. Robert Knecht, Associate Administrator for Coastal Zone Management of the National Oceanic and Atmospheric Administration, has advised me that he expects the first funds from the impact assistance program to be available for states and municipalities sometime in April or May of 1977.

On May 17, 1971, Cornell University ornithologists announced what they said was the first successful rearing of a wild bird of prey hatched from an artificially inseminated egg.

In the bloody battle of Jutland, the German navy slugged it out with the British navy in the North Sea in 1916. It was the only major sea battle of World War I.

CAPITAL NEEDS FOR EXISTING AND NEW OIL AND GAS FIELDS 1975 THROUGH 1985

(Billions of Dollars)

	Area	Capital Outlays
1	Alaska - Onshore	$ 41.9
1-A	Alaska - Offshore	22.1
2	Pacific Coast States	15.5
2-A	Pacific Ocean, Except Alaska	20.2
3	Western Rocky Mountain States	8.8
4	Eastern Rocky Mountain States	13.0
5	West Texas and Eastern New Mexico	37.5
6	Western Gulf Basin	57.8
6-A	Gulf of Mexico	75.7
7	Mid-Continent	21.0
8	Michigan Basin	)
	Eastern Interior	) 11.7
	Appalachia	)
11	Eastern Gulf and Atlantic Coastal Plain	1.6
11-A	Atlantic Ocean	13.1
	Area Unidentified[a/]	5.7
	Total	$345.6

Source: The backup data for the figures used is cited in a study entitled "Domestic Petroleum Industry Capital Needs and Availability, 1975 - 1985" published by The Standard Oil Company of Ohio on April 14, 1975. The $345.6 billion shown above is the oil and gas exploration and development portion of the $411 billion of petroleum industry needs for all purposes on Table I of the Appendix of that report.

a/ Includes certain naval lands and military reservations and lands with heavy hydrocarbons in California and certain other locations.

Richard M. Donaldson, Standard Oil Co of Ohio, Resource Comm Hearings March 23-30, 1976

OCS sale

OCS Impact

Anch News Jan 31, 1976

95,000 people due in oil migration

JUNEAU (AP) — Gov. Jay Hammond said Friday a new federal study indicated Alaska would carry a vast share of the population increase expected from accelerated development of oil resources on the outer continental shelf.

A report compiled by the Office of Management and Budget (OMB), Hammond said, showed that of the more than 147,000 persons who would be attracted by development off all states, nearly 95,000 would come to Alaska by 1985.

Such a migration of new residents would bulge Alaska's current population by more than 25 per cent.

Other figures from the OMB report, disclosed by Hammond at a news conference, projected rapid development of offshore oil and gas tracts nationwide would generate $951 million in additional government "infrastructure" in the next 10 years.

Of that total, $683 million was allocated to Alaska, more than seven times the cost of government services expected in any other region.

"This is just a working paper," Hammond said of the report. "Whether or not the figures are firm is debatable, but it is what the federal government is keying into their assessment of impact upon the state of Alaska.

"And, I think it is very dramatic in its revelation."

Bob Palmer, chief of staff to Hammond, said he had obtained the figures during a trip to Washington Monday. They are part of a report to be distributed to coastal states soon, he said.

A copy of the full report was not available.

Hammond has been an outspoken critic of Interior Department plans for conducting nine major lease sales off Alaska during the next three years, including one in the northeast Gulf of Alaska early this year.

A study conducted by the state last year concluded that costs associated with the leasing program would mean an additional $300 tax burden for each Alaska resident annually.

Interior Secretary Thomas Kleppe has delayed the gulf sale while he considers criticism by the Environmental Protection Agency and the President's Council on Environmental Quality leveled at an environmental impact statement on the sale.

Other figures from a portion of the report released by Hammond predicted peak employment in Alaska during the 10-year period would be 19,200 workers, with permanent employment set at 8,100.

Net additional new employment was projected to be 13,650 persons.

Offshore oil boom: where's the revenue?

By HAROLD POMEROY
(Second of three articles)

Consider these revenue facts:

—The state spends more than twice what it receives from recurring revenues (income taxes and liquor-cigaret levies, etc.) on a variety of items and services, capital improvements, debt payments and revenue sharing to boroughs and cities.

—The deficit above normal revenue receipts is met from the petroleum industry payments, primarily lease bonus bid payments (about $1.1 billion since the beginning), royalty and production taxes.

—The 20-mill pipeline tax is significant but from the start of flow from Prudhoe Bay, the revenue diminishes toward zero in proportion as the reservoir is depleted.

Now consider this:

Most of the lower Cook Inlet petroleum industry activity that produces revenue for the public treasury will be located beyond the three-mile state jurisdiction. Tax revenue from on shore activities, such as corporate income, personal income (from workers) and gross receipts, will be negligible compared with the revenues denied Alaskans from bonus bids, royalty, production tax.

Thus, in order that the national interest be served, the state will face a deficit of the gap between available tax revenues and the cost in state services disbursements to boroughs and cities for the people added to the population by reason of the new oil boom.

The deficit in revenue may be the equivalent of $800 or more per person per year. The total number of people — workers and dependents — in the boom period may be an average of as many as 13,500. This number at $800 per person is $10,800,000 per year. If half the people chargeable to the boom were already residing in Alaska, the net deficit might be assumed to be around $5 million a year. For those enticed here by the boom and who manage to find ways to stay indefinitely the deficit between public revenues and cost will continue indefinitely.

It is demonstrated daily that we are unable to discourage "foreigners" from coming to Alaska to find greener pastures and excitement. Efforts in this direction are inevitably of minor effect. There is no residency requirement for state service, for example, for the very good reason that a residency requirement is subject to constitutional challenge.

The pending federal development activities in lower Cook Inlet highlight the unique "cost element" of our Alaskan society. The facts are not obscure, but there is a temptation to find a palatable explanation.

The central facts are: When we became a state in 1959 the public services we provided for ourselves were limited and meager. Our means were very meager without any oil production. Since then normal tax revenues have been enormously augmented by petroleum industry revenues. The people wanted, and continue to want, a range and extent of services similar to what is considered normal in other states. Costs of doing public business are as extreme as the costs of doing private business in Alaska.

What has been happening is well illustrated by the Alaska Psychiatric Institute, working on the funding of which started before we became a state. Before that, the mentally ill might be held in jail temporarily, or put in beds in medical hospitals not equipped for their care, then shipped Outside, far from friends and families. Under the leadership of Delegate Senator Bob Bartlett, money was secured from the federal government to build API, and Alaska was authorized to select one million acres of land to be used as a resource for mental health programs. API was opened in 1963. The mentally ill were brought home for treatment here. Now there are also mental health centers, which function as outpatient clinics.

Thus, we are doing what civilized people consider a "must" — engaging in services for the mentally ill contrasted with the alternative of a combination of just ignoring them or locking them up in an "insane asylum." API care ranks with average for the smaller states.

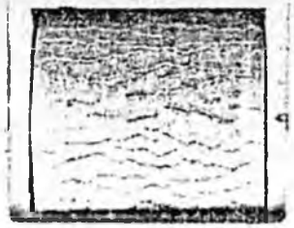
It is probable that most people will want a decent American standard of services, even if it takes revenue we haven't got — in the absence of using bonus bid money, royalties and production taxes. Is such an expectation unreasonable?

Meanwhile, we face an unusual situation.

Up to now, with respect to development in lower Cook Inlet, the Gulf of Alaska, or anywhere else beyond the three-mile limit, the federal government position is: We are going to establish developments out there; you are expected to provide the people from onshore; it is not our concern how much more it costs you beyond your tax revenues to take care of them decently.

(The writer is a member of the governor's growth policy council and a former chairman of the Kenai Peninsula Borough. His final article will appear on Tuesday's Opinion Page.)

Anch Nav
Jan 12, 1976



ay, March 17, 1977

Auditors Say Lease Mistakes Costly

WASHINGTON (AP) — Congressional auditors say the Nixon and Ford administrations were in such a hurry to obtain offshore oil that they failed to make sure the oil companies paid a fair price for drilling rights.

The General Accounting Office said yesterday the former policy of expedited leasing of offshore oil areas "could adversely affect our domestic energy production."

The Interior Department leased oil fields on the outer continental shelf "without reliable knowledge of the resources they contained," the GAO report said.

This encouraged speculation in offshore oil lands, thereby tying up oil industry capital in lands with little or no oil and infringing "on the public's right to receive fair market value for the resources," the GAO said.

President Carter's interior secretary, Cecil Andrus, has promised to overhaul leasing procedures for offshore oil fields. In recent congressional testimony, Andrus said the government plans to do some exploratory drilling before leasing new areas to make sure that the government receives a fair return.

The GAO said the Interior Department estimated fiscal 1976 revenues from sale of offshore leases at $12.9 billion. "Actual bonus revenues received from all sales amounted to $1.3 billion, only 10 per cent of the original estimate by the department," GAO said.

Included in this was revenue from leases of 1.3 million acres off southern California sold on Dec. 11, 1975. Before the sale the Interior Department estimated that two-thirds of the 231 leases up for bidding would be sold for about $2.3 billion. However, oil companies bought only 24 per cent of the leases for $417 million.

This sale came after former President Richard Nixon had twice ordered the Interior Department to triple its leasing of offshore oil fields.

"Exploring Offshore Oil: A Scottish Economist Views Onshore Impacts for Alaskan Communities"

An Interview with Niall Trimble

ALASKA
COASTAL MANAGEMENT PROGRAM

INTRODUCTION

Good day, this is Kevin Waring. I'm Director of the Division of Community Planning in the Alaska Department of Community and Regional Affairs. With me today is Mr. Niall Trimble, an Economist with the University of Aberdeen in Scotland. Niall has done substantial research on the development of the offshore oil fields in the North Sea. It's a very timely visit Mr. Trimble is making here to Juneau. He is here shortly after we have seen the first of the Federal offshore leases in the Gulf of Alaska. We have arranged for an interview with him to talk about some of what he has seen in his own research in oil development in the North Sea, particularly what it might mean to the communities and the State too, which over the next few years, will be facing some pretty substantial responsibilities for managing population growth and onshore growth associated with the offshore industries.

MR. WARING: Niall, in your research in the North Sea, what have your findings been, generally?

MR. TRIMBLE: Our research has basically covered two areas. We've been studying the industry itself, trying to predict the level of activity. For example, the demand for helicopter services, the demand for supply bases, supply routes, the requirements for merchant platforms and for the sites being constructed. We've looked at the overall demand for labor that's involved in all these processes, and we've also looked at area studies for several of the areas likely to be seriously effected by the advent of North Sea oil. This includes areas like the Shetland Islands and the Aberdeen area.

MR. WARING: Niall, one of the things that has been of most concern to many of Alaska's smaller communities has been the uncertainty of the schedule of development, how quickly things would happen, and what would happen following a lease sale. Could you outline the schedule of development in the North Sea since exploration began there?

MR. TRIMBLE: The first serious leasing for the northern half of the North Sea, the area off the Scottish coast, took place in early 1969. There was also a major leasing in 1971-72. Following the 1969 leasing, there were rigs exploring in 1970. I would expect that in Alaska there will be at least some rigs out there within a year of this Gulf of Alaska lease sale. Probably, substantial activity would be occuring two or three years after that. I would also expect that as soon as exploration starts, there will be some oil discovery, probably within six months ta a year of the first rig going up. After that, it gets a little more complicated. Once you've found oil, then there is a period of approximately a year or so to determine the structure of the oil deposit and where to put the platforms. They then have to sit down and think about the way in which they are going to develop the field (six months) - how many platforms they are going to have, where they need pipelines, whether to use tanker loading. Then about two years after the field has been first discovered, they will announce a development plan of some sort. They will then order platforms, announce contracts for labor to lay pipelines, and that sort of thing. Once you've ordered a platform, it will take about two years to construct, assuming

there is no delay in starting construction. After two years, the platform is ready and it will bave to be towed out. If it's a steel platform it will take as much as a year to 18 months to install. Assuming the Gulf of Alaska is like the North Sea and you can't work in the winter months, then you can't do installation or pipe laying in the period from October to March. You are confined to the summer months. About a year after you've first towed the platform out, it will be ready to start drilling. You should be able to start producing from this field in about a year or so. Production will probably build very quickly to a peak within about three years. Drilling will not be completed for another three years after that. So roughly from the time leasing starts, you'd expect to see some oil production within about six or seven years. Alaska can look forward to oil production from about 1982, 83 or 84, I would imagine.

MR. WARING: Is it at the production stage that employment starts to taper off? Is it at the earlier stages that the most intensive employment occurs?

MR. TRIMBLE: Most intensive employment is in the development stage when you are actually constructing platforms and laying pipelines. This may not be the case in Alaska, because all of these activities may take place elsewhere. Alaska is a very remote rural area with small communities which simply don't have the facilities to produce platforms, coat pipe or anything like this. The greatest employment will probably be in two areas. First of all, supply bases, supplying the exploration rigs and the platforms. It will also be in marine terminals. The pipelines running into shore will eventually reach terminals where oil will be shipped into tankers and on to markets. These things will cause employment in the Alaskan case.

MR. WARING: How much employment might be involved in the exploration associated with, say, one platform or terminal construction or, were it to occur, platform fabrication?

MR. TRIMBLE: If you have an exploration rig operating, it will have a crew of about 45 to 60 people. There will be two crews that will work about a fortnight, so it's between 90 and 120 people on a rig. There will also be perhaps 100 people on shore associated with this. In the case of Alaska these may be located elsewhere, not necessarily in a shore base, but perhaps in Anchorage or Seattle. In the case of a platform, there are probably about 200 or 300 people involved, both in installation work and in the first 5 or 6 years while the platform is drilling. Thereafter it will fall off quite considerably to maybe 50 to 80 people. The terminal, it depends on the size of the terminal. The Sullom Voe terminal in Shetland is a very large one. About 100 million tons of oil a year scheduled to be shipped through it. It would employ about 600 people. I would guess that terminals on the Alaskan coast would employ about 150 or thereabouts.

MR. WARING: Would that be true of the construction period too?

MR. TRIMBLE: No, during the construction period for most of these things, employment would be very much larger. Again, the example we can look at is the

Shetlands, where a terminal would require about 2000 to 3000 people to construct. I imagine that any medium size terminal handling 10 to 20 million tons of oil a year could require 1000 people to construct it. So the problem of accomodating large numbers of men will probably come at the construction stage, rather than long-term operations.

MR. WARING: Are there any rough figures on overall employment directly associated with the offshore industries? What level has this reached now in Scotland?

MR. TRIMBLE: The current figure is about 25,000 people in those establishments which have been set up specifically to deal with the oil industry. There is a lot of employment with indigenous companies which were there prior to the arrival of the oil industry. I think these are things like engineering firms who have taken additional oil industry business and have had to hire extra people to meet the demand. The overall figure would be something like 35,000 to 45,000. I wouldn't expect it to be anything like this in Alaska.

MR. WARING: How have the national governments and the local governments reacted to the growth of the offshore industry? What is of special concern to us is how the smaller communities have reacted to the substantial changes in economics and lifestyles.

MR. TRIMBLE: The British government has been concerned about the development of offshore oil in parts of Scotland because some of the areas effected are very small, isolated areas with social ways of life which may be adversly effected by the arrival of the oil industry and large construction camps. On occasions they have diverted construction projects to other areas which they felt to be more suitable. Some of the local authorities have imposed particularly rigorous conditions on their developments in order to try and maintain there own way of life. The obvious example is the case of the Shetland Islands. Shetland is very similar to many of the communities in Alaska. It is remore, rural, with a total population of about 18,000 people. It is located 150 miles from the Scottish mainland. Its people have traditional independence. The Shetland Council has insisted that development on the Island be held to the absolute minimum. Any activities which are not absolutely required to be located on Shetland must be sent elsewhere -- to Aberdeen or somewnere like that. Importantly, all developments must be grouped together to avoid unnecessary proliferation around the Shetland coastline. For example, the main function of Shetland is a trans-shipment terminal where oil comes in by pipelines. It's stored in tanks and passed through jetties into waiting tankers. This is one of the major activities which is going to occur in Alaska. Shetland has concentrated all of its trans-shipment activities in one site. That's Sullom Voe, north of the Shetlands. The companies are not being allowed to go elsewhere. If they don't want to come to Sullom Voe, then they can't go to Shetland at all. They have also taken rigorous control of the proliferation of supply bases. They've controlled that very sucessfully. In general, they try to limit the impact of the industry on Shetland. The long term job creation is probably only about 1000, which a place like the Shetlands can cope with successfully, even though there are problems at the construction stage when the labor force is always much larger.

MR. WARING: Has the oil industry been discouraged by the rather stringent planning requirements?

MR. TRIMBLE: It doesn't appear to have been at all.

MR. WARING: Can they accomodate themselves quite well to them?

MR. TRIMBLE: Very much so. It doesn't cost them that much and Shetland is the obvious place for them to go, under the circumstances. They just accept these sort of planning constraints. They have no choice. There is only one obvious site for them to use and the Shetlands are not insisting on anything unreasonable. The oil industry seems to react to this quite favorably.

MR. WARING: What sort of arrangements are made for providing local revenue to, say, the county government for providing services or housing expansion?

MR. TRIMBLE: A lot of these things are financed centrally by the British government and the Scottish Office: like roads, new airports, expansion of port facilities, and housing. These aren't financed entirely from central government, but they offer large grants, perhaps 75%. So, a lot of funding comes from outside. The Shetland government also has an unusual arrangement with the oil companies whereby it receives a certain amount of revenue on every ton of oil which passes through the Shetland Terminal. It gets a revenue of something like four or five million pounds a year coming directly from the oil companies. That is in addition to the normal property taxes that are levied on the terminal itself and on the port dues that the companies pay. It is an entirely separate thing.

MR. WARING: You've been here a few days, Niall, and have had a chance to learn some of what is going on in Alaska, what the reactions have been to the potential offshore development, and what the community situations are. Could you offer some recommendations to our State and to some of the communities as to how they might manage things to their own best advantage?

MR. TRIMBLE: I think the best advice you could offer to the communities of Alaska is not to underestimate the strength of your position. There are certain obvious sites for the oil industry to choose from for supply bases and terminals. The oil industry will take these sites come what may. The people living in parts of Alaska don't need to think that they have to surrender to the oil companies. They can impose quite strong conditions. Their position is very strong. They can dictate to the oil companies, not the other way around, because the oil companies have no choice. They have to go to the nearest position for supply bases and to the nearest land for pipeline land falls. The industry is forced to choose this so the position of a local community can really be quite strong. But you must try and prepare yourself, you mustn't assume that you can do nothing about it. You can impose strong planning conditions and try and make sure that the arrival of the industry is acceptable to the community. Another thing for the State government in general is to acquaint itself

with the modus operandi of the oil industry. How exactly do they operate? Have your own source of expertise, so when the oil industry makes requests of you, you know whether to turn them down or not, and what the effect is likely to be if you do turn these things down.

MR. WARING: Given the importance of the fishing industries in Alaska, have there been any particular problems or conflicts between the fishing industry and oil developments in the North Sea?

MR. TRIMBLE: There don't appear to have been many problems as far as I'm aware, though I'm not an expert in this field. There are two problems which could arise. First of all, labor loss from the fishing industry to the oil industry. I gather there have been several problems in Alaska before with the construction of the pipeline. With very high paid employment, people have left all sorts of jobs. This doesn't appear to have happened in Scotland as far as the fishing industry is concerned, partly because the fishing industry offers very high paid employment. This may be different in Alaska, where I gather fishing is not as well paid as oil company jobs. But it certainly doesn't appear to have been a problem in Scotland. The other possibility is pollution. Dumping of oil at sea could damage fishing grounds. Again, this doesn't appear to have been a problem so far. Another possible problem is the dumping of debris over the side of rigs and over platforms, which may get caught up in nets. The oil industry has made arrangements to compensate fishermen in the North Sea and I imagine some arrangements could be made here.

MR. WARING: Has the industry accepted, or do they have unlimited liability for damage they might do to fisheries through pollution or damage of equipment?

MR. TRIMBLE: I'm not quite sure what their position is. They certainly have a fund to pay for damaged nets. Obviously, if the damage to the net can be traced to a specific company, it is automatically liable under normal British law. If a net is damaged, and there is no obvious person to blame, then the industry has a general fund for compensation, though it's not very large.

MR. WARING: Before we come to a close, might there be any other points you'd like to call to our attention?

MR. TRIMBLE: Again, I think your strength with the oil companies is quite great, and there is not very much you can do that is going to turn them away. Communities all over the world are imposing more rigorous conditions and imposing high taxes. Don't feel constrained. Don't feel that you have to give them a particularly good deal because Alaska is a very attractive area for them. There are very good reserves here. It's quite possible that in the next 10 to 15 years Alaska could become the biggest oil producing state in the United States, and that is quite sufficient on its own to attract the oil companies here.

MR. WARING: Thank you very much Mr. Niall Trimble, from the University of Aberdeen, for a very informative, comparative point of view on offshore oil development and what it means for the communities in Alaska.

This project was supported, in part, by the Federal Coastal Zone Management Program Development funds (P.L. 92-583, Sec. 305) granted to the State of Alaska by the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

TO: LISA

FROM: Jack Chenoweth

Coastal Energy Impact Assistance program -- initial determinations of assistance to states...

House C&RA Committee may want to hold hearings by way of "oversight" to determine, first, whether available federal assistance is adequate for coastal municipalities, and how the assistance is being made available to municipalities, as well as to determine whether a state program of assistance (HB 219) is necessary, and, if so, how it could be tailored...

Reference Library
LEGISLATIVE AFFAIRS AGENCY
POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99801

Nautilus
1056 National Press Building
Washington, DC-20004

EDITOR
John R. Botzum

Coastal Zone Management

FIRST NEWSLETTER OF COASTAL RESOURCES DEVELOPMENT, CONSERVATION & ENHANCEMENT

Volume 8, Number 20, May 18, 1977

THE COASTAL ENERGY IMPACT PROGRAM PASSED A MILESTONE THIS WEEK with the announcement from Commerce Secretary Juanita Kreps of the first allotments of funds to the coastal states and territories. Some $125 million is involved, including $15 million in outright grants ($3.5 million for planning, $1.5 million for environmental grants, plus $10 million in the so-called "formula" grants for past impacts), and $110 million in the form of "credit assistance" -- loans and guarantees. The allotment will be turned into cash for the 30 states and three territories no later than next month, a source at the Office of Coastal Zone Management told CZM newsletter, when the first planning grants are awarded. The states have been drafting their applications for those funds with the help of OCZM personnel during a series of site visits. The first states to receive their planning funds will not be those with the largest allotments, according to CZM's source. He emphasized that "certainly" part of the $3.5 million in planning monies will be awarded in June but indicated the bulk of the funds would be going out in July.

There is no further state review of the allotments announced this week. That process ended 4May after a 45-day period in which the states had the opportunity to examine the data base OCZM had established for allocating the funds. An OCZM source noted that there had been "some questions" on the planning grants during the review process, so there may be a second look at just how these funds are allocated. There's a possibility another technical paper will be circulated among the states for comment during the next few months which would describe "alternative" ways of dealing with planning grants. The largest questions center around how OCZM should weight the impact of energy facilities on heavily populated areas in contrast to the impact on environmentally sensitive regions -- the difference between New York and Alaska, for example. The planning grants are allotted on the basis of all energy facilities in the planning stage for the coastal zone.

Asked if OCZM would change its allotments on the basis of any new outer continental shelf leasing schedule from the Dept. of the Interior, an OCZM source said the agency would not "go back and withdraw the money." Schedule changes would simply affect the next allotment of CEIP funds. (See page 3 for the latest OCS leasing schedule.)

There are few surprises in the allotments. Alaska takes the lion's share of the credit assistance program -- $48.6 million of the total $110 million available. Louisiana ranks second with $19.4 million, while the mid-Atlantic sale group of states will share $12.7 million (although the funds are impounded until current litigation is resolved). Texas is allotted $4 million. The west coast situation looks like this: California is allotted $6.6 million, Oregon, $484,000, and Washington $5.8 million. The Washington state impact is based mostly on the movement of oil from Alaska. Three states together account for almost $1 million of the $3.5 million in planning grants: Alaska, California and New York, each getting about $350,000. Surprisingly, two Great Lakes states don't fare badly at all: both Michigan and Ohio will receive over $250,000 in planning grants. Massachusetts on the other hand will get only $65,000. The Gulf states together account for a little better than 10% of these grants. Alaska is allotted over 40% of the environmental grants ($663,000 of the $1.5 million available), while Louisiana runs a distant second, getting $265,000. The mid-Atlantic sale group gets $173,000. (Continued on next page)

INSIDE THIS ISSUE: How each state fared under the first CEIP allotment (p. 2) ....Andrus issues new OCS lease sale schedule (p. 3)....Johnston dominates first mark-up session on S. 9 (p. 3)....New URI coastal center sets conference (p. 5)

ALLOTMENT OF FUNDS UNDER THE COASTAL ENERGY IMPACT PROGRAM

Planning Allotments

Alabama	$ 25,548.47
Alaska	365,466.40
California	349,638.96
Connecticut	44,447.31
Delaware	56,045.14
Florida	161,350.92
Georgia	38,920.16
Hawaii	16,397.16
Illinois	28,315.79
Indiana	39,671.93
Louisiana	125,522.44
Maine	57,306.54
Maryland	181,235.26
Massachusetts	64,751.00
Michigan	246,304.73
Minnesota	15,909.09
Mississippi	45,446.39
New Jersey	252,702.13
New Hampshire	79,319.80
New York	334,624.07
North Carolina	21,716.17
Ohio	203,712.45
Oregon	30,930.48
Pennsylvania	23,590.91
Rhode Island	93,520.80
South Carolina	26,871.44
Texas	193,230.78
Virginia	83,223.88
Washington	175,227.48
Wisconsin	27,165.17
Virgin Islands	59,422.90
Guam	16,554.57
Puerto Rico	15,909.09
TOTAL	$ 3,499,999.99

Credit Assistance

Alabama	$ 1,271,355.85
Alaska	48,612,973.45
California	6,605,743.00
Florida	94,452.96
Georgia	2,739,427.21
Louisiana	19,412,573.54
Maryland	3,539,591.82
Michigan	259,380.37
Mississippi	2,660,663.68
Oregon	484,460.32
Texas	4,078,925.80
Washington	5,781,743.50
Virgin Islands	1,794,200.20
* Mid-Atlantic Sale	12,664,508.23
TOTAL	$ 110,000,000.00

Environmental Grants

Alabama	$ 17,336.67
Alaska	662,904.18
California	90,078.31
Florida	1,207.99
Georgia	37,355.82
Louisiana	264,716.91
Maryland	48,267.16
Michigan	3,537.00
Mississippi	36,281.77
Oregon	6,606.27
Texas	55,621.71
Washington	78,841.95
Virgin Islands	24,466.36
*Mid-Atlantic Sale	172,697.83
TOTAL	$ 1,500,000.00

* These funds are impounded as a result of litigation arising from OCS Lease Sale 40. They will be allocated upon resolution of the litigation.

** A small portion of formula grants will be allotted after resolution of state boundary disputes.

Formula Grants

Alabama	23,114.00
Alaska	1,178,643.00
California	869,022.00
Florida	51,687.00
Louisiana	5,458,584.00
Mississippi	258,771.00
Texas	993,554.00
* Mid-Atlantic Sale	1,010,723.00
** TOTAL	$ 10,000,000.00

THE NEW SCHEDULE FOR THE SALE OF OCS LEASES WAS ISSUED 17MAY BY INTERIOR:

#47	Gulf of Mexico	Jun77	#49	Mid-Atlantic	Dec78
CI	Cook Inlet, Alaska	Oct77		Beaufort Sea, Alaska	1979
#42	North Atlantic	Nov77	#46	Kodiak, Alaska	1979-80
#43	South Atlantic	Jan78	#48	So. California	1979-80
#45	Gulf of Mexico	Feb78	#54	S. Atlantic Blake Plateau	1979-80
	Eastern Gulf of Mexico	Aug78	#53	General Pacific	In doubt
#51	Gulf of Mexico	Oct78			

The above schedule represents a general delay by Interior Secretary Cecil Andrus of two months in Gulf of Mexico sales originally scheduled in 1977 by former Secretary Thomas Kleppe, and four to six months in the Atlantic coast sales originally scheduled from Jun77 to Jun78. The Cook Inlet AK sale will go forward, but later than had been anticipated (CZM, 4May) -- not until Oct77. The Kodiak sale (originally Nov77), as well as the ones in southern California (originally Mar78) and on the Atlantic's Blake Plateau (originally Dec78), will be allowed to slip into the 1979-1980 period. Andrus said merely that they would be "considered for the planning schedule to be developed for the period through 1980." That schedule is due in August.

The Secretary practically ruled out a general Pacific sale when he said it "may be dropped from the planning schedule." Departmental planning activities for those sales which could occur in 1979 or 1980 "will continue." Andrus further emphasized his own flexibility: The schedule issued 17May and the one to be issued in August are, he said, "for planning purposes only." Specific dates for all the sales under discussion have yet to be fixed, and the Secretary added: "I will make decisions on whether to proceed with specific sales only after all the requirements of the Natl. Environmental Policy Act have been met and I have personally studied the comments of the governors of the affected states and others on all issues related to the sale." The Dept. of the Interior will in no way "be bound," he said "by a desire to achieve a schedule...."

The Secretary described the new program as having "twin thrusts" -- completion of development in known areas and a "steady exploration and development pattern in frontier areas." He recognized the "need to develop" U.S. oil and gas resources "as a part of the President's Natl. Energy Plan." But he also recognized the states' concerns for the impact of outer continental shelf development off their shores. Claiming that his leasing program would be different from that of the previous Administration, Andrus said he intended "to recognize fully the distinct social, economic, technological, cultural and environmental elements associated with each individual region and sale." He promised to work with the states "and others" to resolve key issues, and suggested that those issues can be resolved "by providing adequate time in the planning process." He said he believed that the department "will benefit from the advice of the coastal states and, in turn, the states may better understand the impacts they must plan for."

AESTHETICS TOOK ITS LUMPS ON THE FIRST DAY OF THE MARK-UP OF THE OCS BILL (S. 9) by the Senate's Energy Committee. Otherwise the session produced some heat among the members over the basic issues confronted in the Senate's version of the 1977 amendments to the Outer Continental Shelf, as well as some light on how those opposed to the bill intend to fight it. The whole session (two and one-half hours) was spent on amendments submitted by Sen. J. Bennett Johnston (D-LA). Some 27 amendments to the bill will be unopposed on the basis of agreements reached between the majority and minority staffs, but there seems to be an ample number of "opposed" amendments to keep the committee in mark-up sessions for several full working days at least.

The committee earnestly considered its future schedule of meetings in order to continue the mark-up as quickly as possible -- Chairman Henry Jackson (D-WA) emphasizing the need to meet at least two more days this week -- but it was decided today (18May) that the best the committee could do was to schedule a "tentative" mark-up session Friday (20May). So much

Exxon Man Belittles Oil Impact

Times Juneau Bureau

JUNEAU — Impact on the northern Gulf of Alaska communities where federal outer continental shelf oil development is to take place will be minimal, an oil company representative testified before the House Community and Regional Affairs Committee yesterday.

Most of the impact will be out of Anchorage, Monte Taylor, spokesman for Exxon Co. USA, said.

The committee is considering a bill sponsored by Rep. Charlie Parr, D-Fairbanks, which would require oil companies to pay a construction permit fee equal to the amount of impact their facility will have on state and municipal onshore services.

Parr, testestifying earlier before the committee, said he read press reports which said Alaska would gain 95,000 people becouse of federal offshore leasing. He also based his support for the bill on a study on North Sea oil development.

Taylor, whose company bid $49 million for 24 gulf tracts earlier this month, said it is not fair to compare the North Sea with Alaska becauuse the North Sea was developed faster than any oil development planned in the U.S.

Taylor also said a final environnental impact statement on oil leasing in the state said that Alaska would gain only 95,000 persons if El Paso Natural Gas Co. constructs a trans-Alaska gas pipeline at the same time the lease development occurred.

This will not occur simultaneously, Taylor said, adding that the report also said El Paso would employ more people than oil development.

In Exxon's exploratory work in the Santa Barbara Channel off California only 50 persons were employed at the peak, Taylor said.

When the firm begins construction work there, offshore and onshore, to prepare for production, 500 to 700 persons will be employed but that figure will drop to 50 to 100 persons after production begins, Taylor said.

Taylor also said his firm proposes to build a $30 million facility onshore, which will cost the company $1 million annually in taxes to Santa Barbara County. The impact on the county will be only $15,000 to $20,000 annually, he said.

Other oil company representatives are expected to testify against the bill when the committee continues its hearings next week.

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Alaska Construction & Oil

Oil at Yakutat? March '77

Three Residents Have Their Say

To illustrate the impact offshore development has had and is having on the northeast Gulf village of Yakutat, AC&O's Grant Petersen talked with three of its residents.

Byron Mallott, 33, was recently named president of the Alaska Federation of Natives. Born and raised in Yakutat, he has served as city councilman and mayor, and was commissioner of community and regional affairs under former Governor William A. Egan. He serves on the board of Yak-tat Kwaan, the Native village corporation of Yakutat and is chairman of the Sealaska Native regional corporation. He also operates charter and commercial fishing businesses in Yakutat. Yakutat is the northernmost Tlingit village in Alaska. Fishing and related activities are the primary sources of income. In addition to oil-related employment, other significant income sources include state and federal jobs.

AC&O: 1976 was a big year for OCS operations in the northern Gulf of Alaska, with two exploration rigs (SEDCO 706 and Ocean Ranger) drilling in the fall and a third enroute when 1977 arrived. When was the impact of offshore development first felt in Yakutat?

MALLOTT: The first apparent activity began in the fall of 1974 when a consortium of three companies, Shell-ARCO-Mobil (SAM), purchased the old Ocean Cape cannery properties. They then contacted the city council. Yakutat is a first class city, has a number of governmental powers and exercises most of them. It's a pretty sophisticated village both in terms of leadership and the services it provides; it's not what most people think of when they think of a typical Native village. The city had anticipated interest by oil business and earlier in the year contacted me for some assistance in my capacity as commissioner of community and regional affairs, and our department started assembling a planning assistance program for Yakutat. The council was contacted by real estate agents seeking to obtain rights to the tidelands that fronted the cannery. The previous owners didn't own the rights and thus couldn't transfer them to the oil companies. Communications between the SAM group and the city government continued through the winter and into 1975 as the companies outlined their plans.

In 1975 I resigned from the cabinet, returned to Yakutat and subsequently testified for the city at the Gulf of Alaska lease sale EIS hearings held in Anchorage. Immediately after the hearings the state contacted the city concerning its planning and zoning program.

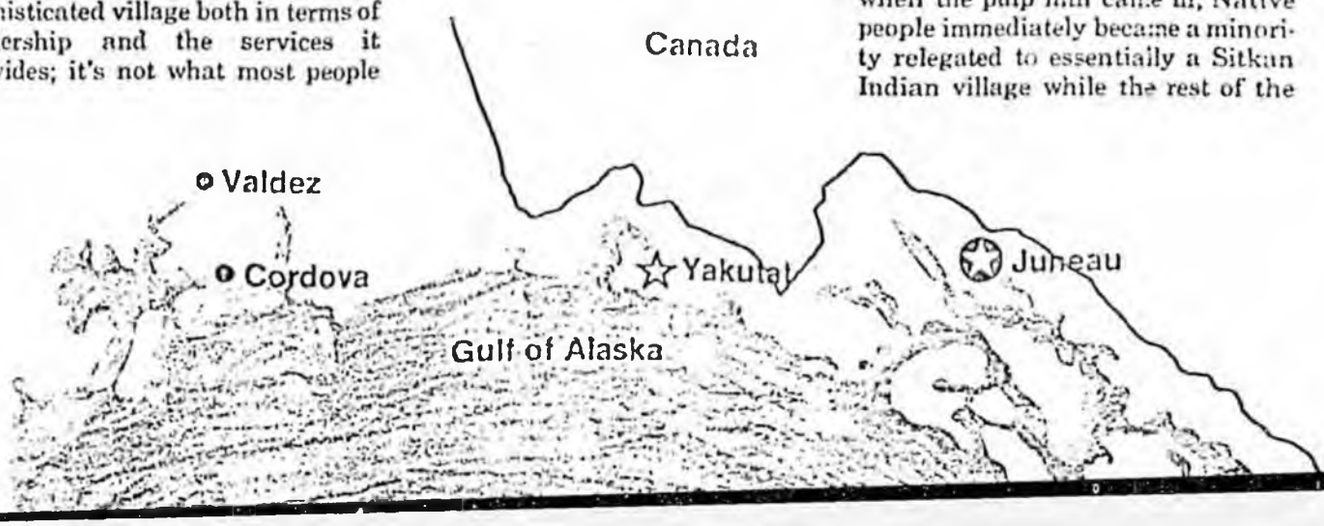
Shortly after my resignation and prior to the EIS hearings, I came to the AFN and asked them if they could assist us in dealing with the impact issue. I pointed out that the city was about to move into building a planning and zoning program from scratch in a relatively short period of time and asked if the AFN would help us fund an attitudinal study of the whole Yakutat area, to allow the city to get some sense of what local people really felt. We were inquiring not about OCS oil development but about growth and the future of Yakutat as a general proposition. They said they would and gave us a grant of $15,000.

That survey revealed a number of things. It showed that local people are very concerned about OCS and what the potential for rapid growth meant to Yakutat. At the same time they were very concerned that Yakutat needed a much stronger economic base. It had suffered economically for years and years from the seasonal cycle of summer employment from fishing and winter welfare.

On the one side was the combination of wishing to maintain a small town lifestyle which translated for Native residents into wishing to maintain subsistence uses of natural resources and concern about what population increases would mean to everyone. You see it every year. In a short period of time, sport fishing bag limits on the nearby Situk River went from 12 to six to two salmon daily simply because of the increase in the number of people in sport fishing.

People are very concerned about that type of thing. A lot of people use sport fishing bag limits as part of their subsistence and subsistence permits were becoming much more complex to obtain. People were concerned that this would be the trend and that sooner or later they would be shut out, and they recognized that it all came from population growth; that in turn resulted in over-utilization of resources.

At the same time, local people in leadership roles also felt that they wanted to maintain a small-town lifestyle because of the political control that local residents have of smaller governmental institutions. Fresh in our minds were examples of what happened with rapid growth in Native places elsewhere. At Sitka when the pulp mill came in, Native people immediately became a minority relegated to essentially a Sitkan Indian village while the rest of the



prosperous city grew up around it without their having any economic or social participation. At Juneau, Ketchikan and Wrangell the same things happened; a major industry came and the Native people were left to live in what amounted to a Native slum. We didn't want that to happen in Yakutat. We didn't feel that the history of the development of the Alaska Native and the understanding of non-Natives in the terms of industry, in terms of their social habits had progressed to the point where this was not something to be concerned about.

But at the same time people were saying we want jobs. We're sick and tired of being poor. So we developed the survey so that we could try to get a more definite statement of the people's real wants. People were saying essentially those two things but beyond it they were saying "We think that if economic growth comes, we'd still have essentially a small town lifestyle even if Yakutat got up to 1,500 people, which would be doubling or tripling the size of the city; we could live with this."

While this was happening, the oil companies began preparation of the cannery site for additional service space. This was taking place while the city was protesting the use of that property for that purpose and asking the companies to wait until the planning and zoning program had been developed. They were advised that the property would not be zoned for industrial purposes. About the same time, the oil group purchased from the local Standard Oil distributor, a man named Israelson, some beach property on the other side of Monti Bay and began to develop this area also, thinking that with the existing connecting roadway they could use both sites.

At this point we had two types of impact, one economic and one psychological. The former was in terms of more employment. Green Construction, as the contractor, hired as many local people as they could. Thus it was normal summer construction impact that Yakutat had known for many years.

The greater impact was more in the area of expectation, anticipation that this was going to be something far larger than had ever happened here before. It produced a sense of concerned expectation, especially on the part of the city government, which took a substantial interest in what was happening.

AC&O: You mentioned the city was advising the companies while they were setting up their work pad that the zoning would likely be inconsistent with their plans for the area. How was this resolved?

MALLOTT: It was settled basically through the oil companies asking what the rules of the game were, our establishing the rules and the companies, the Kwaan and the city working within them. How we got to this point is important and considerably more complex. The outcome was an outgrowth of the realtionship between the Kwaan and the city, policy recommendations from several sources and by basic land use considerations.

We have about 350 shareholders in Yak-tat Kwaan and almost all of them reside in Yakutat. Recognizing that the corporation's shareholders comprised 90 percent of the residents of Yakutat in 1975, it was pretty likely that public policy and corporate policy wouldn't be too far apart.

I should also mention that at this time there was a pretty paranoid attitude based on a lot of rather scarey information we were hearing. The

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EIS of course had to include a wide range of possibilities as to what OCS oil development might mean to Yakutat. Population impacts were projected to range from 1,000 to ten times that figure and the state was talking to us about major impacts over a relatively short period of time.

We had a lot of very conservation-oriented people riding us, calling us, saying "Give 'em hell." Major policy makers in state government were saying "You have (we think) if you choose to exercise it the capability of getting them out of Yakutat. All you have to do is say it, and do it." Other state officials were saying "You have the capability of achieving something different here, achieving what you want in terms of limited growth, building a strong local economy but at the same time avoiding the other kinds of difficulties." Still other advice from state circles said "You're going to get wiped out so you might as well roll over and play dead."

Along with the advice we also received a firm offer of support from the state, specifically from Governor Hammond and Commissioner of Natural Resources Guy Martin.

During this time we had been giving the oil companies a series of what were essentially ultimatums that said they weren't really wanted, nor was (their) rapid growth desired. We asked what they were going to do and got little response back because in view of this, they didn't know how they fit into the picture.

Their reply was essentially: "Hey. We want to be good neighbors. Give us the ground rules. We want to know what the rules are and we'll be glad to play the game."

We decided that we didn't want a confrontation with the industry, so we went to them and said there was no desire to do battle with them. Instead we said "If you'll agree to move out of the Ocean Cape property and won't fight us over it (and they had, with lawyers coming from Denver and Houston to the planning and zoning meetings to oppose the new ordinances), we'll try to put together a comparable package agreeable to us both."

The decision ultimately made did agree with the industry and with Yakutat, although others did not understand how we reached an agreement and some very much opposed what we were doing, in some cases for personal gain reasons.

As background to the agreement, in the fall of 1974, when Yak-tat Kwaan had just begun its land selection, we were more concerned at that time with the selection of lands having significant timber value and with balancing that with lands having significant historical and cultural value to shareholders.

We chose those large blocks which obviously had no other value than commercial timber; we also selected all of the islands and as much shoreline as was possible to get ownership of as many salmon streams and camping areas as we could, since our history and culture is tied into use of the seashore.

In the meantime we'd been hearing something about this OCS business but weren't aware of the magnitude of things accompanying it. Then in the winter of 1975 when the city was gearing up its planning and zoning program, with Shell-ARCO-Mobil already on the ground, a number of other oil companies contacted us about the acquisiton of Kwaan property. BP wanted to purchase property further away from the city on Yakutat Bay. Yak-tat Kwaan was then a brand new corporation and we'd just made our land selections; suddenly we're being hit by oil companies wanting our land. In addition we'd been approached by Pacific Alaska, who wanted to lease land on Monti Bay for the future siting of a liquefied natural gas plant.

While the Kwaan was building its land use policy statement, the city was designing its planning and zoning program. The latter also supported a major policy position made at the time by the Kwaan—no major developments on Yakutat Bay, other than on Monti Bay. We felt that for the benefit of our shareholders, for recreation use and for subsistence use, development on Yakutat Bay had to be limited. This coincided very closely with the city's thinking; at an early stage they had said they didn't want one oil firm to use the (facing) Ocean Cape and Israelson properties because other oil companies would seek similar sites and service spaces would be scattered around the Bay and all over Yakutat. The city said, "We want development to be located in an industrial area, a single integrated industrial park complex to which all users would have access."

Although they came from different directions, the Kwaan and the city were saying the same thing. The Kwaan wanted protection of recrea-

tion and subsistence resources in other parts of Yakutat Bay and preferred development confined to Monti Bay. The city said local residents should be protected by isolating development to a specific part of the area. Coming from different locations, the Kwaan and the city arrived at a pretty major policy decision on how they wanted it to happen and where.

Enter the state, which owned a significant hunk of nearby property—almost all of the land surrounding the Israelson property that SAM had purchased on the other side of Monti Bay.

In July 1976, the city and the Kwaan met with Governor Hammond and his cabinet with a proposition to exchange some land. To obtain the land around the Israelson property, the Kwaan and the city would offer land of comparable value further down Monti Bay. This arrangement would allow the corporation and the city to go to the oil companies with an alternative to their initial two-site location, an area that could be developed into a single integrated industrial park.

The governor agreed with the concept and the Kwaan and the city each appointed several people to a negotiating group that worked with the state. The resulting land trade proposal was approved and the Kwaan obtained 70 acres surrounding the ARCO base.

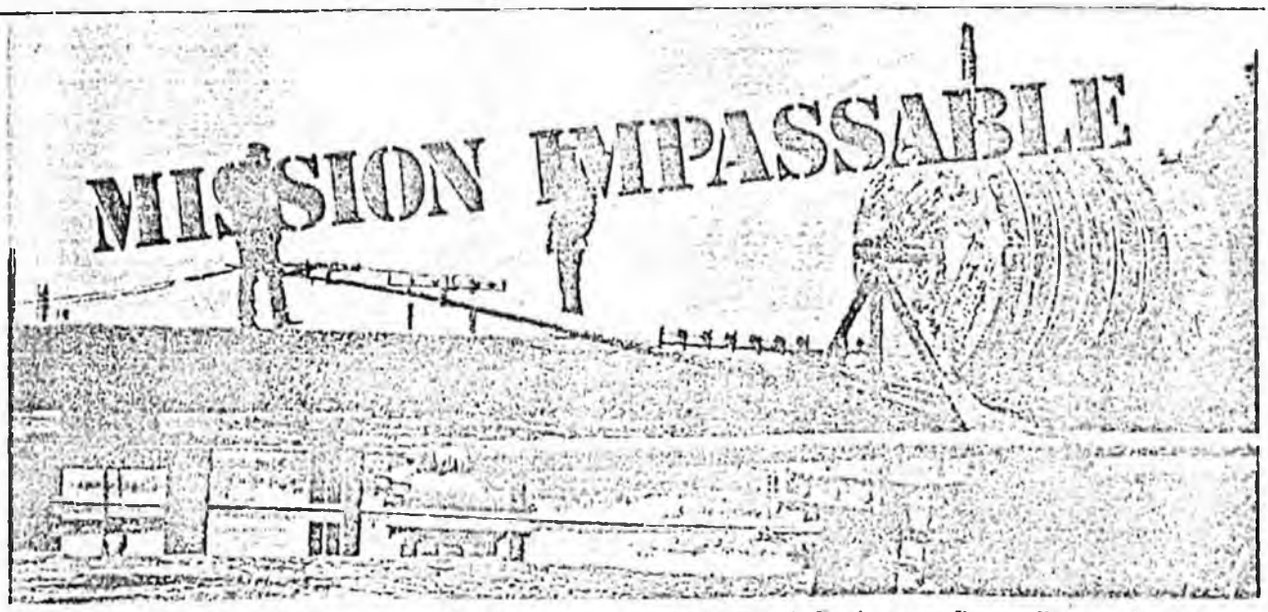
This trade, incidentally, was done over fierce opposition. A number of local people and several developers essentially from Anchorage were trying to kill it, knowing it could stifle other speculative development opportunities in Yakutat, so it was over a number of "dead bodies" that the land trade was finally accomplished. It's significant to note that throughout this critical stage, we had a solid 80 percent of the Yakutat area residents supporting our efforts. One minority said "Development at any cost, bring it on, man, let's open up Yakutat and go!"

With the trade complete, one step remained before going back to the companies with an offer. The city as part of its planning and zoning and a look to future growth felt it needed to expand the municipal boundaries to take in the other side of Monti Bay, which was proposed for industrial use. The Kwaan, who owned most of the land, agreed with the city. In what is an unusual move for business, the Kwaan urged the city to expand the city boundaries to take in this Kwaan land. Usually local businesses raise hell when local governments start to annex, but again, because Kwaan shareholders comprise the majority of city residents, they said bring the Kwaan land for industrial use into the city so there is some control over how things happen.

The local boundary commission approved it and by March 1976, the city boundaries were nearly quadrupled to include all the potential development in Monti Bay.

At the same time the city and the Kwaan came to an agreement on the tidelands. As part of the boundary expansion, the city agreed to include the tidelands fronting the Kwaan lands used for the industrial park. This gave the city additional local governmental leverage on what would happen in the park. This then set the stage for a return to negotiations with the oil companies.

The Ocean Cape area, on which work had already been done, was zoned non-industrial; the oil companies could have sought relief in the courts. To diminish that possibility, they were given an alternative. In essence they were told they couldn't



MISSION: 40,000 feet of pipelines carrying flare gas on the North Slope must be strung with heat cables to keep the moisture in the gas from freezing.

PROBLEM: Pipeline is up to 50 feet from the gravel work pad. Terrain is tough — much of the pipeline on vertical supports over water and muskeg. Temporary work platforms could be built on or near the pipeline — the heat cables pulled from spools by power winch or by hand. But engineers from Rogers Electric decide it would be slow, difficult and costly. Rogers ingenuity is called upon.

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operate there but were not going to be kicked out altogether. Instead we told them that we had 80 acres across the Bay and that we'd like to talk about putting together a joint venture for operating all of this. The results of that approach can been seen in a lease agreement we just signed with ARCO and Shell. The agreement provides for their operation of a 77-acre industrial park that will serve as a supply and operations base for petroleum activity in the Gulf.

A related transaction calls for the buy-back of half of the 21-acre Ocean Cape property by the Kwaan. The remainder is to be sold to the city in the near future.

AC&O: We've covered much of the early development-related decisions that were made and some of the background. What about the experiences of other communities in dealing with very similar problems? Were you able to use their experiences?

MALLOTT: As you noted earlier, several of us went to England, Norway and the Shetland Islands to see how things were being done in the North Sea and to learn how the people there had handled it. One of the lessons, a significant one, was learned from the Shetland Islands' Council. That council, in getting a special act through Parliament, got the powers of both a local government and a business corporation combined in a single entity. For example they could zone an area, tell a company wanting to establish there where it would locate, and, functioning as the same governmental unit, tell the company they (the council) would own 51 percent of whatever business goes in. Their powers were huge. They could exercise jurisdiciton as far as three miles out, could even stop ships from coming into their waters. But the basis of their strength to deal with the oil industry there was the quasi-business powers given to the council. They could require part ownership in any business activity that took place in their area.

That was the essence of the governmental strength that the Shetlanders had, and it reinforced our beliefs that we were moving in the right direction by insisting on and designing in local control. We were two separate agencies, but through the close working relationship developed between the city of Yakutat and the Kwaan, we achieved something close to the leadership strength of the council.

The other thing we observed over there that alleviated much of my personal uncertainties over offshore activity was the technological capabilities of the industry. This is not to say they didn't make mistakes; they did make them, a couple of which were financially very costly. The important thing was that they showed the capability to deal with their problems, and without placing the surrounding environment in jeopardy.

AC&O: The impacts of a business the size of the oil industry on a local economy are significant. This is especially true in the case of Yakutat, with a small population and an economy that has been based primarily upon the seasonal business of fishing. What are some changes you've observed in the area?

MALLOTT: Inflated property values were one, and the best example I can give is the oil companies' purchase of the Ocean Cape property. They paid over $500,000 for property listed on the city assessor's books for $170,000. This started an inflationary spiral. All of a sudden, property that in 1974 was selling for $1,000 was selling for $10,000 less than two years later; real estate agents from Anchorage were interested and were in Yakutat scouring the area for available property. A corporation that owned large mobile home parks throughout the state wanted to put in a 200-unit mobile home park in Yakutat. There were home builders who were interested in putting together a subdivision.

The city had been urged by its planners and state agencies to plan for this kind of impact, which could include a two- to 20-fold increase in population. The city refused and said they'd plan for what they considered to be sufficient services for local people and prepared instead for a maximum of 1,500, in terms of expansion of municipal services.

Their position was and is to stop at 1,500 and to make it tough for people to live here beyond that. The Kwaan cooperated by keeping a lid on speculative kinds of purchases by not allowing their area lands to be sold. That was one major early impact. The assessed valuation of properties more than doubled from 1974 to 1976.

In 1974 the total city budget was $75,000; it was $300,000 in 1976, largely as a result of increased demands for city services. Legal fees increased significantly. While the city was working on the planning and zoning, it instructed its legal counsel to look at all existing ordinances to determine if they were sufficient to deal with potential OCS oil development. One of his principal responsibilities was to look at the city's financial ordinances to ascertain whether the city would be receiving its fair share. The instructions were not to rip off the oil industry but to draft ordinances to ensure that the city would receive sufficient revenues to meet required services. To meet the increase in city operating expenses, the 1975 city mill rate of 7.5 went to 20 mills in 1976.

The two percent sales tax was modified. There had been a segregation of funds within the sales tax which earmarked half the tax for a specific health and education process. To meet the operating budget, we had to change the ordinance to allow all the sales tax to go into the general fund.

The city school system (the local school district) was operating at maximum, so we needed a new elementary school. We went to Juneau and obtained state funding to build the school. It will be a $2-million physical plant whose large operating costs will have to be picked up by local sources and that'll be a strain on the budget. The city now receives less than one-fourth of its total operating capital from local sources. All other revenues come from federal and state revenue-sharing, grant-in-aid programs and various kinds of contract services with the state and federal governments. These are some of the impacts.

To lessen them, particularly those involving property values, when we were negotiating for the buy-back of the old Ocean Cape property, we said we'd not contribute to furthering the inflationary spiral created by paying what ARCO and Shell paid for it. The oil companies said they recognized the fact that their activity was a cause, agreed to take a look at realistic property values and based the negotiations on that.

AC&O: Did you see any signs of people moving in, anticipating jobs with the industry?

MALLOTT: Nobody has moved into Yakutat just looking for employment. It didn't happen in '75 or '76. As a matter of fact, the FAA pulled some people out and it caused the school district to have fewer people. This

resulted in some problems because we count heads in order to get our money.

One thing the Kwaan did that greatly minimized some of the impact on the area was to obtain the old RCA "White Alice" communications site and convert it to a transient housing complex for oil workers involved in crew changes out of Yakutat. Yak-Tat Kwaan has operated the transient camp for about six months and by doing so aleviated potential crowding in the city's hotels and restaurants. ARCO in fact has provided financial support beyond its obligations to keep the camp going and thus hold down the effect of its crew rotations.

AC&O: There are some obvious pluses to the industry's arrival in Yakutat.

MALLOTT: Several. We now have one of the best airports in the state. Before it didn't have all the aircraft navigational facilities that other airports had. It was largely the advent of increased air traffic from OCS that caused the FAA to install a full instrument landing system in 1975. Alaska Airlines, looking at increased traffic, has constructed a new terminal. The Evergreen and Era chopper outfits have built hangars. Essentially all of the impacts with the exception of the ones mentioned, have been positive.

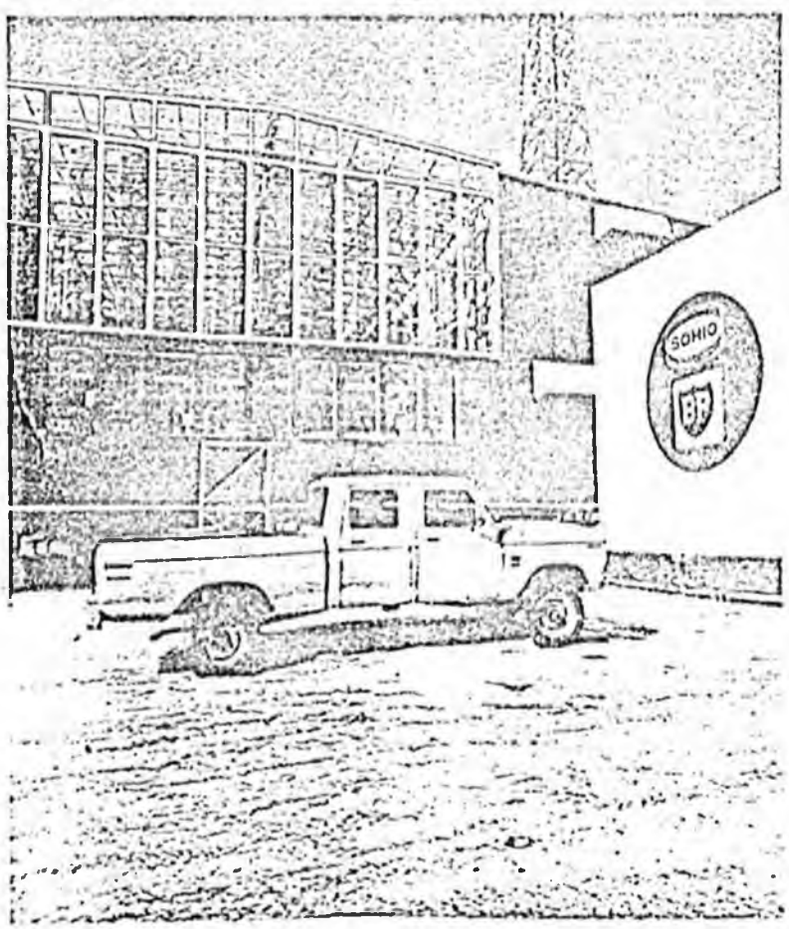
In the area of employment, we worked very hard, both the city and the Kwaan, with the oil companies to get them to hire locally; they agreed, sought qualified people and hired them. We had local people working on the construction of the on-shore operations base. When it became operational, a majority of the 40 workers were local people, half of which were Kwaan shareholders.

That amounts to a $200,000 a month payroll. This has had great impact on the health of our people. They now have the money to get medical and dental care that before was out of their reach. Some people are traveling outside of Yakutat for the first time in their lives. The impact has been very positive.

Incidently, while on the subject of employment, part of a lease agreement signed by ARCO and Shell for the industrial area includes provisions for training and hiring Kwaan shareholders and members of their families, as well as keeping to a minimum the number of new families the industry moves into the area.

AC&O: Much of what we've discussed concerns consensus feelings and thoughts of Yakutat's people. As one who is obviously very concerned about the city's future, what are your feelings about offshore development in the northeast Gulf and throughout the state.

MALLOTT: The industry is far ahead of any of the governmental institutions in terms of preparedness for offshore development. As a result, we should proceed slowly until the governing agencies are capable of dealing with even potential impacts. I think the federal "Project Independence" development schedule amounts to insanity, and is based upon no sense of reality. I'm not saying I oppose offshore development, but even if we develop all the oil resources available to the United States, we're looking at a very limited supply. They are not sufficient to allow us to not be dependent upon other sources. Members of the government and the industry are ignoring this to justify speeding up oil development. We'll never be independent of other sources; I think we need to accept this and slow down the schedule. The industry has the



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technological know-how, but the local, state and federal governments do not have the ability to deal with the cumulative effects of rapid OCS oil development.

AC&O: What changes, improvements in the existing procedures do you consider essential?

MALLOTT: I think that the federal government should channel sufficient revenues to state and local governments to allow them to do the necessary planning. This does not need to be a long, involved process.

The state government should do a better job of channeling those state and federal resources available to it on down to the local level. It needs to develop state and regional priorities but not over the "dead bodies" of local governments.

Local officials must recognize and accept their responsibilities in this area, including development of local resources to the maximum degree possible, and utilizing state and federal assistance where needed. City governments up and down the coasts of Alaska need to realize the importance of the development and utilization of strong local governmental tools to deal with the challenges they will soon encounter.

Harvey Milton is a 63-year-old Tlingit Indian who has resided in Yakutat all his life. He has fished "since I can remember," and has done commercial gillnet fishing. He has been a registered big game hunting guide for over 30 years. Milton welcomes the new industry to his home but worries about the effect a nearby oil spill would have on his people's subsistence and livelihood.

AC&O: Mr. Milton, you mentioned your father, grandfather and great-grandfather all lived in the Yakutat Bay region. As a resident of this same area for over 60 years, you know a great deal about its people, its history and what happens here. When did you first become aware of the oil companies coming to your village?

MILTON: The oil people first came here about two years ago to see if we could work together. That was going to be alright because they would help Yakutat people by giving them jobs.

AC&O: How do the people here feel about oil exploration in Yakutat?

MILTON: We all know the oil is needed. It's like the tide; we can't stop it and we can't stop needing the oil, but it won't last forever because it is getting shorter. I teach my grandchildren to eat seafood because the time will come when we go back the way as before. When they get no more oil, we go back to the olden days and burn the wood.

AC&O: How do most of the Yakutat people make their living?

MILTON: Most people here, whites and our people, live from fishing the Bay.

AC&O: When did you first notice the impact of the oil companies on the village of Yakutat?

MILTON: At first the oil company was going to build where lots of children go to school, near the old Ocean Cape cannery. Be. Yakutat people were worried about their children, so they talked to the oil people. They agreed to go across the bay and everything worked out fine.

AC&O: What is your main concern about the oil companies being here?

MILTON: If the oil spills on the sea and drifts into the shore it will affect Yakutat. In the springtime, salmon come in here and if the oil comes, all the seafood is going to die because I know the wind and currents and they will bring it in here and the salmon can't go up their streams near Yakutat. That is our concern.

Jeff Widdows, 26, is a commercial fisherman and owner of transportation and janitorial businesses in Yakutat. A 15-year Alaska resident, Widdows lived in Anchorage for 10 years where he attended East High and AMU. Five years ago shortly after he and his wife Kris bought a house in east Anchorage, "We all of a sudden realized we were settled in for the next 30 years with an 8 to 5 schedule and knew we wanted more out of life." They decided on Yakutat, where Jeff had been offered a job with the Standard Oil distributor; Kris went to work for the U.S. Forest Service. As reflected in the interview, Jeff Widdows' feelings about big business coming to his "refuge" are clearly mixed.

AC&O: In our discussions with present and past residents of Yakutat, almost all have ambivalent feelings about the coming of the oil industry. The greatest concern is that it might adversely affect the rural, outdoor-oriented lifestyle characteristic of the community. Why did you move to the area and have any of its attractions been influenced by the new industry?

WIDDOWS: I like the outdoors, and the hunting and fishing it provides, and am consciously aware of it. I cuss the rain but it's part of what I love and part of something that somebody did a damn good job of putting together. What's more important is just knowing that they're available when I have time to do them.

Other attractions of the area I value are the people and the way of living here. Our Anchorage friends ask us what we do "down there." We visit people and don't worry about calling first, or whether it's mealtime, or whether we're properly dressed; or, maybe we'll get hungry for some clams and go down at night and dig some.

If I forget about leaving my keys in the truck, or locking it, I don't worry about it; you'd think at least twice before doing that in Anchorage.

You asked if any of this has been affected by the oil companies coming here. It's hard to say. There are some things that most people would consider minor, but they're important to me and I think they've been somewhat affected. I mentioned that Kris and I often go down to the beach in the evening. A couple of years ago we'd be the only ones there. Now you're seldom alone. When we lived out near the airport we'd see bears all the time. In fact one morning I heard a lot of noise nearby, looked out and saw three of them playing in the bed of my pickup, rocking it and bouncing up and down 'til they got tired of it and left. Another time when I was getting ready to leave for work, I heard some commotion and went to the door to check it out. When I looked out the narrow window in the door as I started to open it, a bear was peering in to see what was happening inside. I loved it. I seldom see them now. This might be related to the increased activity around here.

AC&O: Has the oil business had any direct impact on your livelihood, and if so, what kind?

WIDDOWS: The first impact was when I discovered I no longer had a place to keep my bus. *(Widdows provides transportation services for area school children and had stored his vehicle in a warehouse that Atlantic Richfield leased; ARCO later consented to letting him store the bus in an adjacent warehouse.)* They later asked me if I could provide maintenance services for their offices. I didn't need the money but it was a good offer.

Our house is another example of impact. Ten years ago it sold for $3,000, two years ago it sold for $17,000, and we bought it this spring for $40,000. The reason for that price tag is offshore development in the vicinity. It was the first house available in over four years. It's in poor condition, but we wanted to be part of the community and when you live out at the airport, you're considered to be transient. It may not be the way you feel, but that's the way it is here.

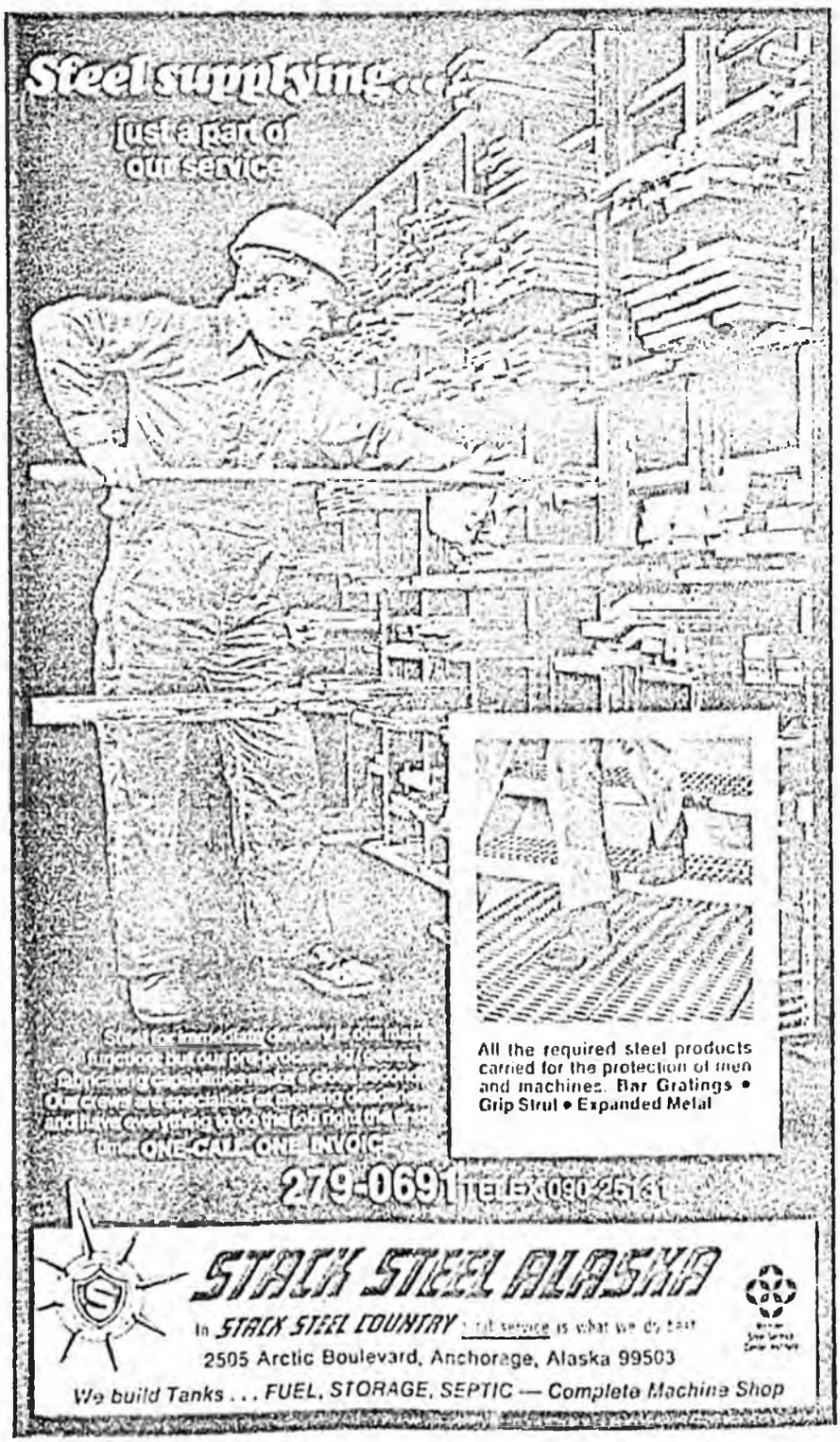
AC&O: How have others you know been affected?

WIDDOWS: The companies have brought money to the town. There are a lot of people here who in the past had little or no money coming in during the winter time. Now they have a regular paycheck coming in during what used to be pretty lean months. This in turn has helped the local stores. One of the biggest assets of this community is its isolation. What has happened to many other Alaskan communities that are more accessible to big business hasn't happened here yet. In others where business has come, many residents by choice or by no choice were sort of pushed aside, but here they haven't been and that's good. Fishing has traditionally been the mainstay of the Yakutat economy and continues to be, gillnetting and subsistence fishing. Considering the options available and the possibilities, I think all sides involved in the planning did a good job.

AC&O: What are your overall feelings about the way the companies have related to the community?

WIDDOWS: This is something I've found it a little hard to admit but I'm pleased with the way they've conducted their operations, with the way they've tried and in most cases succeeded in cooperating with the people here. I hate to admit it but the detrimental impact so far has been very slight and there have been some advantages. A lot of people are employed by their being here and are making more money than they ever have before.

I was dead set against their coming here and I'm dead set against this place changing; until recently my feelings were if they need the oil, get it out of somebody else's backyard, but realistically maybe that's not possible here. I'm still against any big development here but I'm very relieved with the way they've conducted themselves so far, in cooperating with the community in just about every way that they could. I'm pleased also with the caliber of people that they've brought in; they're pretty nice people. I've always noticed two kinds of people in a community, those that are there because they want to be and those that have to be such as for their jobs. The people that came in have been friendly, kept a low profile and seem to get along. □



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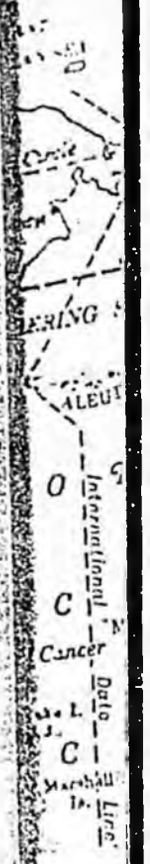


AC&O production editor Norman Bolotin recently travelled to Great Britain as part of the preparation for this special report. Having covered Alaska oil development for the magazine for the past four years, he went there to tour the support facilities serving the North Sea oil fields. The following several pages illustrate many more parallels between the North Sea and Alaska than just lines on a map. Photos are by the author unless otherwise indicated.

There are striking similarities between the North Sea and Alaska, and many more than one would suspect at a superficial examination. The obvious parallels come to mind immediately: northern latitudes, cold weather, rough seas. But rough and deep waters for drilling can be found in many parts of the world, although likely not as rough as in the North Seas or offshore Alaska. Initially, it should be noted that the U.K. is perhaps a decade ahead of Alaska in offshore development. Some of the major fields have been producing now for over a year. Onshore construction and offshore drilling continues at a hectic pace in the North Sea while exploratory drilling is only now getting underway in the 49th state.

When discussing petroleum these

days, the political aspects of the industry are sure to touch off a controversy. Great Britain is involved in a merry-go-round situation similar to the one in the states—high consumer costs for petroleum products, the resulting dissatisfaction among residents and a mounting national interest in reducing exports and imports of petroleum products: energy independence. Sound familiar? It would take another entire issue just to scratch the political surface of the issues, so this article will deal only with the non-political similarities of the oil industry in the United States and Great Britain.

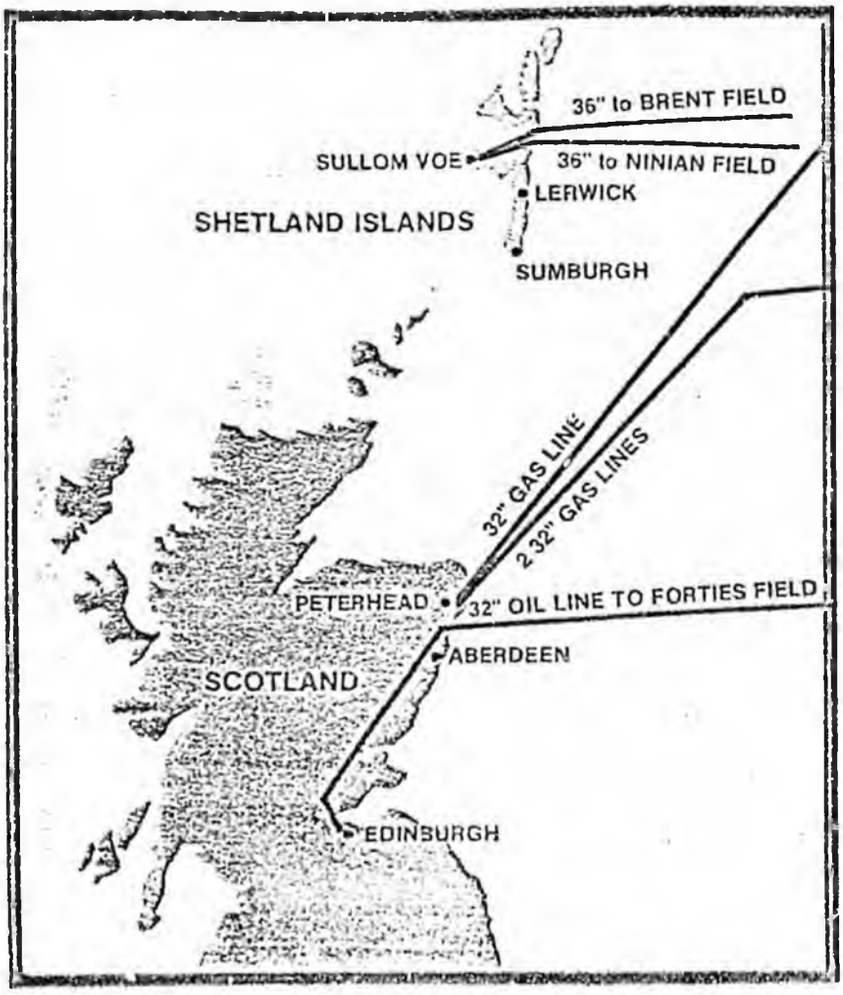
The effects of offshore development in Alaska—on the economy, on the land and on the people—will be more subtle than those experienced on the pipeline. At the same time, they could be greater. Until oil was discovered at Prudhoe Bay, Alaska—to the rest of the country at least—was some land of igloos and gold miners, a place in the far corner of the map that was mired in the 19th century. The oil line educated outsiders and expanded and stabilized the state's economy. The population doubled and the economy doubled many times. The coming of the offshore oil industry, over several decades, will have a tremendous effect on Alaska; but it will come in periodic jumps and it will come after the oil line has had its massive, initial effect. On the positive side, Alaskans know what to expect and so do outsiders. A negative effect could be complacency, an incorrect assumption that after the pipeline, anything will be easy. Those who were in Alaska six or seven years ago have learned to be wary after that first boom and bust came with North Slope oil. A lot can be learned from what has taken place in Great Britain, as well.

OIL FROM THE FORTIES FIELD

AC&O's trip to the U.K. included visits to Edinburgh, Scotland, where a subsea oil line terminates. The other end is in the Forties Field, the largest of the North Sea oil fields. At Edinburgh is the Dalmeny tank farm, where oil is stored prior to loading onto tankers, and the Hound Point tanker terminal, where the crude is loaded onto ships.

The known recoverable reserves of 17.5 billion barrels in the North Sea nearly double those at Prudhoe Bay. It was back in 1959 that British Petroleum, the parent company of the firm so well known to Alaskans now, first demonstrated an interest in the North Sea. Exploratory activity, primarily seismic, began in 1962-63 with a cooperative effort between BP, Shell and Esso. Later, GUMBP was formed: Gulf Oil, Union, Mobil and BP. This group continued searching for potential subsea oil and gas structures, and in 1965, BP sank the first exploratory well. By the end of the year, the firm announced the first commercial discovery of gas in the North Sea.

Due to problems reminiscent of the struggles between the state of Alaska and the federal government, there had been little interest shown in the North Sea earlier. This was because of uncertainty over ownership of the waters; here the question was an international one. The first U.K. leases were issued in 1964. At that time, BP obtained rights to an area 100 miles east of Aberdeen . . . what was to become the Forties Field. The name comes from the water depth along the sandbank in the area—40 fathoms. North Sea weather, like Alaska's, is among the worst in the world, as well. In that area of the North Sea, there are 273 "bad" days in any given year and 49 "marginal" ones. This leaves just 43 classified as "fair" or "good." Due to this and other circumstances, design criteria are stringent, as in Alaska. Platforms in the North Sea are constructed to withstand 94-foot waves and 130-mph winds, statistically probable every 100 years.



Once BP knew there was oil present under the North Sea in commercial quantities, the problem became one of logistics—how to produce it and get it to land. It was decided that the Forties Field would be covered by four platforms some three miles apart. Each production platform would be identical in terms of output and would house 27 wells. The wells would fan out into the subterranean reservoir at angles up to 55 degrees. The next step would be getting the oil to the mainland.

The minimum size line that was determined adequate to carry the projected 400,000 barrels per day of crude oil was 26-in. in diameter. The line was to be built in two segments: a 107-mile stretch under water and a 130-mile section overland to the Grangemouth refinery near Edinburgh. Again, to allow for expanded capacity, the line was redesigned to 32-in. in diameter; the on-land portion of the pipeline measures 36-in. in diameter.

The submarine line was coated with a special concrete mix. By September 1974, the underwater line was in place, with only one major incident having occurred. A typically rough North Sea storm had damaged one section during laying. It was subsequently replaced. The project continued on schedule. Then, again because of weather, the difficult final linking of the line underwater was delayed over one month, waiting for ideal weather.

The onshore portion of the line was simple by comparison . . . by comparison to either the underwater segment or the trans-Alaska pipeline. The right of way was less than 20 feet wide and the temporary work area only another 40 feet. Here weather was not a problem and the line was buried conventionally, as only a portion of the Alaska pipeline could be. The 36-in. diameter onshore pipeline was coal-tar-enamel coated and fiberglass wrapped, then laid in a six-foot deep trench. The onshore line was completed early in 1974, having been placed at up to three miles per day at a cost of $700,000 per mile.

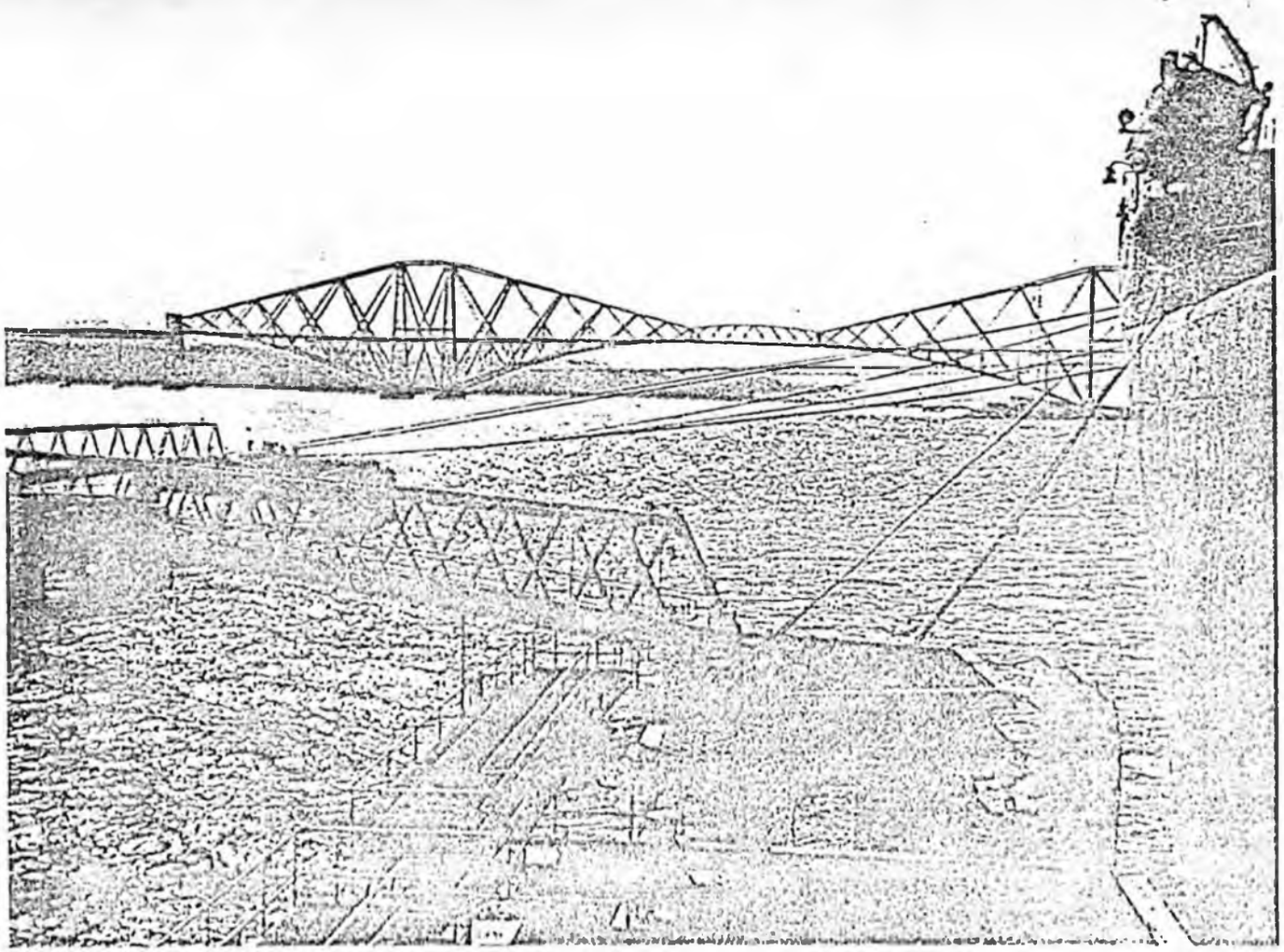
There are alarm systems and check valves built in every 10 miles, and driving through the area now the casual observer would be unaware of the line's existence. If full, the line would contain approximately 1.4 million barrels of crude. Once the oil reaches the refinery, the similarities to the U.S. are even more obvious. Oil and gas are separated as they are at the Slope in BP and ARCO gathering and flow stations.

Another structure of significance was built at Cruden Bay. This is where the 21-in. diameter underwater line meets the 36-in. diameter overland (or more accurately, underland) line. Two surge tanks were erected there, to avoid shutting down the line completely in the event of any problem. This way, oil could be diverted for a couple of hours if necessary. Flow in the line can be stopped almost immediately, but start-up takes a full day. The tanks, but nothing else, can be seen at Cruden Bay. The line winds innocently under the area, including a stretch that runs next to the local golf club.

FROM PIPELINE TO REFINERY TO TANKERS

BP already had a large tanker terminal in western Scotland, but using it to serve the Forties Field would have meant construction of another long and costly pipeline. The problem—again similar to the situation in Alaska—was to find a suitable site. It had to be downstream from the large Firth of Forth bridges, yet not too near the more than half-million people of Edinburgh. Tankers would be needed to take the crude to other refineries, since only one-fourth of it would be handled at Grangemouth. Hound Point was selected. The name is reflective of typical Great Britain history. A faithful dog there is said still to mourn his master, who was lost in the Crusades of the 12th century.

The Hound Point terminal, and the Dalmeny tank farm inland from it, are amazingly unnoticeable, despite their close proximity to Edinburgh. The site selected for the tank farm was already environmentally impacted. A half-century earlier the area was a thriving shale oil mining site and was scarred with a huge "bing," or spoil heap. In July 1973, the construction began. The project required dozing and rearranging 2.5 million cu. yd. of the spoil. Today, the site looks more like a landscaped industrial park than a tank farm of such magnitude. It is clean and aesthetically pleasing. Grass covers the area, as do 55,000 trees and shrubs . . . and nettles. The 93-acre site is less than four miles inland from the tanker terminal and just 10 miles from the heart of Edinburgh; yet it is isolated. Coming around a curve in the road, there is a



View from the Hound Point tanker terminal near Edinburgh. At the right is the stern of a tanker being loaded. In the distance are the twin Firth of Forth bridges; the nearer one is the old steel railroad structure.

fence with green hills behind it. After a few more turns up the private road, the tanks seem to jump out. The area is landscaped to blend in with the surrounding countryside. The tank farm was built to be functional and unobtrusive; it is the latter, and BP says it is the former, as well.

The tank farm sits 165 feet above the sea level of the tanker terminal, so loading all can be done by gravity flow if desired. Pumps are present for faster ship loading when needed. The entire plant can feed a tanker at up to 15,000 tons (7.5 bbl. per metric ton) of crude per hour when employing the pumps. The tank farm includes not only the crude tanks, but ballast facilities as well. And a 250,000 dwt supertanker can be turned around in just 24 hours, including off-loading and treating ballast. This time is exactly the same as it will take to deballast and load a crude tanker at Valdez.

The Hound Point tanker terminal is not owned by BP, but leased to the oil company by the Forth Port Authority. The "W" shaped maze of valves, pipe and steel sits in 78 feet of water and stretches a quarter of a mile in length. The terminal, while its actual capacity could be more, is to be used for an average of three tanker callings per week—one super and two smaller tankers.

The tank farm and terminal have served their purpose, and in fact have helped bolster the local economy, according to Ron Findlay, BP spokesman at Grangemouth. But the effects have been subtle, as intended. On the environmental side, the tank farm is well hidden, as we have said, and it is revegetated so well that sheep have been brought in to graze on the site. Any visitor to the area would be totally unaware of the tank farm and likely would miss the tanker terminal as well; the twin Firth of Forth bridges are far more impressive and offer an interesting contrast: the old steel cantilever railway bridge and the newer automobile suspension bridge.

Some residents there are less than happy with the results of the oil development, however. This comes back to the political situation mentioned earlier. One resident summed up the situation: "Oil is like everything else," he said. "We export more whisky than anyone else in the world . . . but we never see the money. Oil? We won't see that money, either. Nothing for Scotland. That bridge is like your Golden Gate Bridge, but you know how long it took us to get the money?" And one shopkeeper added simply, "we don't see any extra money from it."

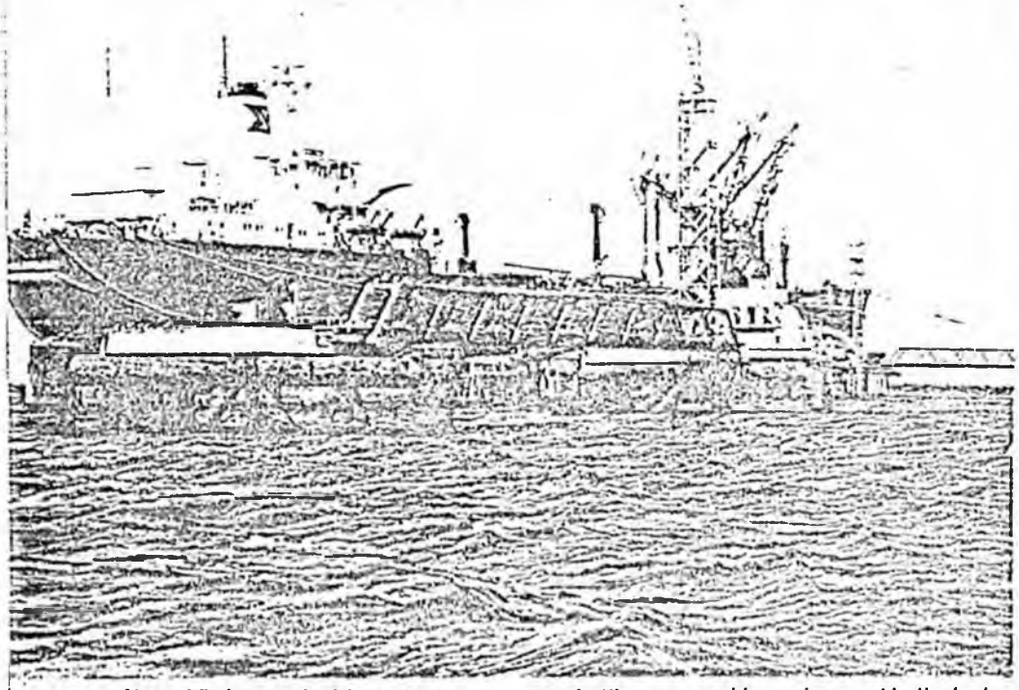
Edinburgh is hundreds of years old, a city with more people than the whole of Alaska. The oil industry is making very small ripples in the lifestyle there. The pipeline in Alaska should have made one thing very clear to Alaskans. Any tanker terminal, ANYWHERE in Alaska, will have a much, much greater effect on nearby communities, both socially and economically.

Also of interest to Alaskans is the difference in scheduling between offshore development and that which is underway at Prudhoe Bay. With the Alaska pipeline, there was a single major field with a single major construction project to serve it.

In the North Sea—and in Alaska's

future—there will be more incidences of construction coinciding with production. For example, the "ultimate" capacity of the Alaska pipeline is 2 million bbl./day; but to handle production as it is scheduled from the planned number of wells and known reserves at Prudhoe, the actual capacity will be more like 1.5 million bbl./day. This figure is based on the production that should come from the Prudhoe Bay structure as it is planned to be drilled. In addition to four pump stations needed to bring the line to full capacity, other structures in the North Slope area would have to be tapped to increase the throughput to 2 million bbl./day.

In the North Sea, plans call for exploratory drilling to be ongoing with the construction of new facilities needed to keep pace with anticipated discoveries. As new wells are sunk, onshore facilities are increased. In Alaska, the pipeline is a more singular project, but the added pump stations could come if these other structures are tapped in the next few years. On the longer term, of course, would be activities in the Beaufort Sea, which also could feed the line.



Hound Point terminal from the ferry used to shuttle personnel from shore out to the tanker terminal. The cantilever-like structures near the front of the vessel are the offloading booms feeding crude to the tanker at the time this shot was taken.

THE SHETLAND ISLANDS

The Shetland Islands are like the small communities of Alaska and Sullom Voe is the Valdez of the North Sea. While all of Alaska is isolated, Shetland is somewhat unique to the U.K. Remember that Great Britain has a land mass roughly equivalent to the state of Oregon—just a small

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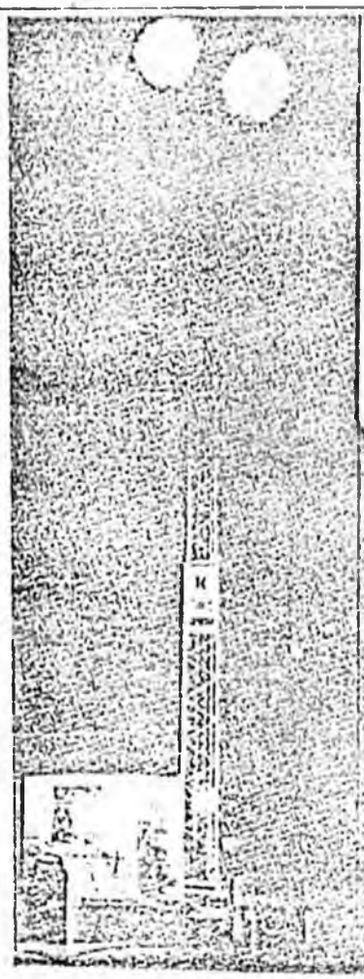

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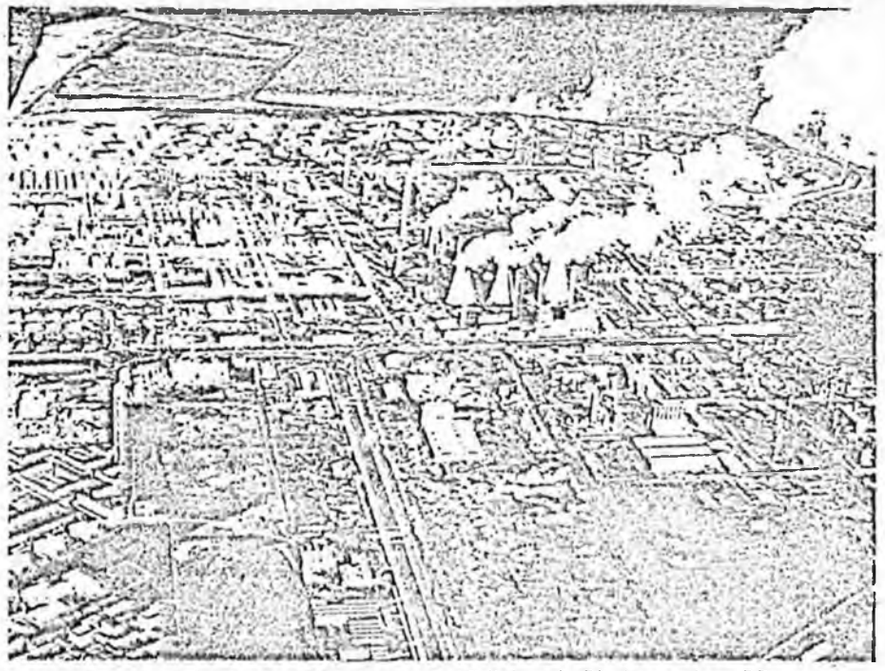

Aerial view of the Grangemouth refinery near Edinburgh. Photo courtesy BP.

island in comparison to Alaska. Scotland is densely populated in only a few areas, but compared to Alaska, there are people everywhere. The Shetland Islands are nearly 700 miles north of London, and 185 miles above Aberdeen. Aberdeen, like Edinburgh, is old, but smaller, with less than 200,000 people. It is the main transport point for North Sea personnel. But because it is so old, and relatively large, the impact of the oil industry has not been what it will be on the Shetland Islands or on Alaska.

In Shetland, the feelings are much like those of Alaska. A feeling that the less than 20,000 residents there (only 3/100 of one percent of the U.K. population) are isolated and ignored. Even Alaska can boast a larger percentage of the U.S. population, an overwhelming 1/5 of one percent. The size and isolation of the area and the feeling of Shetlanders should be familiar to Alaskans.

THE SULLOM VOE TERMINAL

Sullom Voe is more isolated than the facilities at Edinburgh, and not just because everything in Shetland is remote. It is even isolated to those living in the islands. It sits just beyond the remains of a World War II air base. It is hardly small, but to be an eyesore, someone has to be nearby to see it.

The closest town is Lerwick, 25 miles down the narrow road; it is also the only town in Shetland, boasting about one-third of the islands' population. The most recent census of 6,100 does not reflect the oil industry, which has increased the town's population by perhaps as much as 25 percent. And another 25 miles from Lerwick is the Sumburgh airport, at the extreme southern tip of the main island. Beyond Lerwick, the rest of Shetland's population lives in a few scattered villages and on farms. Anyone who enjoys the countryside or quiet solitude of Southeast Alaska couldn't help but enjoy the Shetland Islands. But Shetlanders don't necessarily like the oil industry. This is not to say that it is resented; it is accepted, at the least. Still, despite the smallness of Shetland and the largeness of the oil development, the impacts seem remarkably few, either positive or negative.

This level of impact should be interesting to Alaskans. We have already mentioned the isolation, with which Alaskans surely can identify, as well as the feelings that perhaps too many of the economic benefits are reaped at the national rather than local level.

The accompanying article in this issue on development in the Yakutat area should be read with Great Britain in mind. The problems and development in Great Britain and Yakutat offer unique insight into one another, enough that we felt the subject warranted a separate article. In Shetland, development is far beyond the exploration underway in Yakutat; but it is what has been learned in this activity that we hope can help in guiding the activities in Alaska.

The Shetland project, exclusive of other North Sea work to the south at Edinburgh and in the Forties Field, totals approximately $9 billion, thus far. This includes $7 billion for offshore platforms and field development, $1 billion for pipelines and another $1 billion for the terminal itself. The Sullom Voe terminal "will be Britain's biggest oil port, and is designed to be a tangible expression of co-operation between the Shetland Islands Council and the oil industry," according to BP. In a local paper, Ian Clark, chief executive of the Shetland Islands Council (the local political body) was quoted as saying that "what is surprising is not that difficulties have arisen but that there have been so few!"

The environment has received prime concern from BP. While the Cruden Bay-to-Grangemouth line discussed earlier was larger, the conventionally-buried lines at Shetland were placed with the same care. Of particular environmental interest is the countryside in general: the roadways could not accommodate a pair of typical American sedans side by side. And the paved roads that wind through Shetland with sheep grazing only a few feet to each side are off limits to all construction vehicles. The large trucks simply were not allowed to service the site from land. All shipments—from machinery and cement to steel and food—had to be hauled by sea and delivered at a dock at the Voe. To the farmer or shopkeeper living somewhere between Lerwick and Sullom Voe, just looking out the window would not reveal the presence of a billion-dollar construction project so near. And since crews are shuttled north from Aberdeen by plane, then directly to rigs by helicopter, there is no booming bed and bar business.

One of the two pipelines coming inland in the Shetland Islands is shown here. The line is all conventionally buried in Shetland and from this work, one would hardly guess the magnitude of the project. The pipeline will carry half the oil that arrives at Sullom Voe when the terminal comes on line, but to the casual observer, this work might look like little more than a new irrigation line being placed on a Scottish sheep farm.

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THE PIPELINES TO SULLOM VOE

The pipeline out to the Ninian Field is impressive, even if the onshore portion is short—just 17 kilometers. The 36-in. steel subsea line was laid at the rate of one mile per day in the midst of 30-ft. waves. The Ninian line comes inland at Grut Wick and the second 36-in. steel line, from the Brent Field, comes inland at Firth Voe.

The Ninian line runs 103 miles to Grut Wick on the Lunna Ness, where the coastline out to sea is very rugged, dipping to 270 feet below the surface just a half mile offshore. The Brent Line is only 10 miles shorter, with connecting lines bringing crude from other fields in the area. Because of the rough sea floor, gravel was dumped along the route to provide a soft bed for the line.

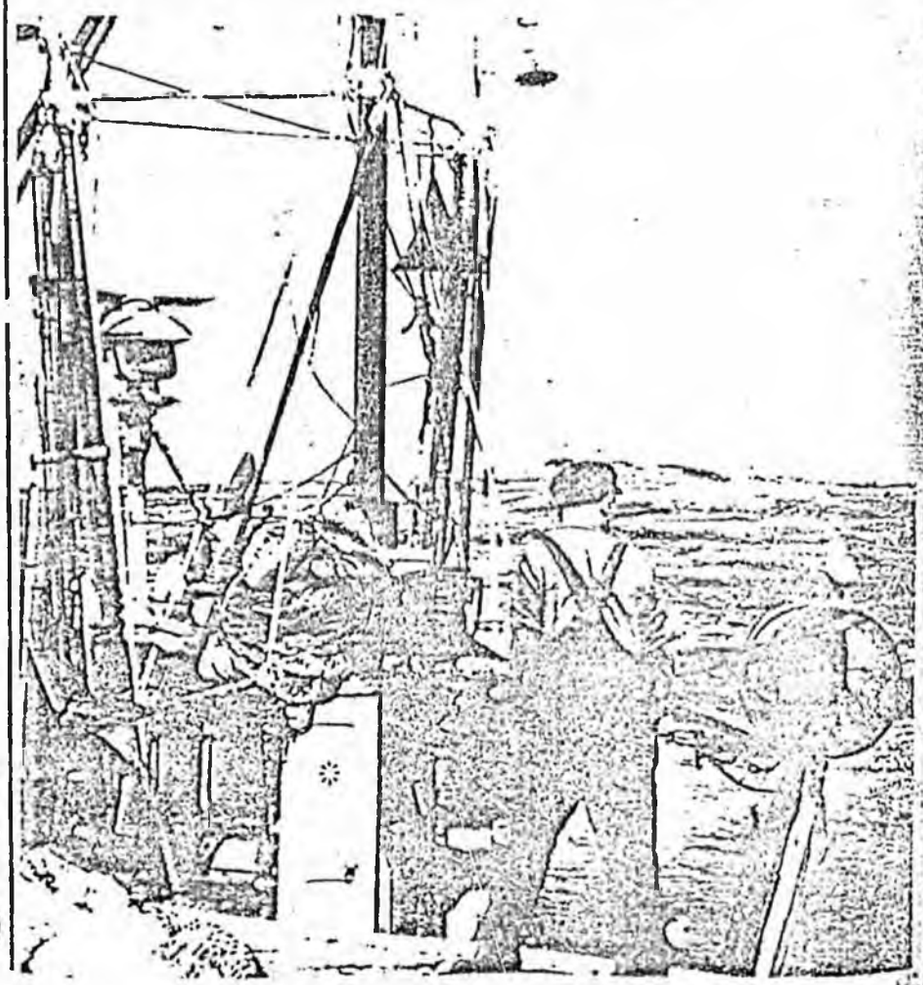
The Brent Field was discovered by Shell/Esso in 1971, starting the oil industry on its way in the northern areas of the North Sea. Considering how much development has taken place since then, and comparing it to the 1968 Prudhoe Bay discovery, a lot has been accomplished in a very short span of time.

After the Brent discovery, four other fields were found in subsequent years, with the Ninian field (the other major one in the area) being the fifth discovered. There is oil industry speculation that other fields could eventually lead to more pipelines into Sullom Voe.

Sullom Voe, a 1,200-acre complex, is to be operational in 1978, but by no means complete. The initial stage of operation will have the terminal receiving 800,000 bbl./day of crude, with 3 million bbl. day scheduled several years in the future. Of the firms involved there many would be familiar to those involved in Alaska oil: BP, Chevron, Conoco, Gulf, Shell, Esso, Amoco, Amerada, Mobil.

When Sullom Voe is completed, it will be the largest oil terminal in all of Europe. Interestingly, the senior project manager for the terminal is David Henderson, a BP engineer who formerly worked in Alaska. By the time his work is completed, the terminal will be handling tankers up to 300,000 dwt and as

The fishing fleet has always been a mainstay in Lerwick, and even though it is smaller than in previous years, fishing will likely outlive oil in the Shetland Islands.

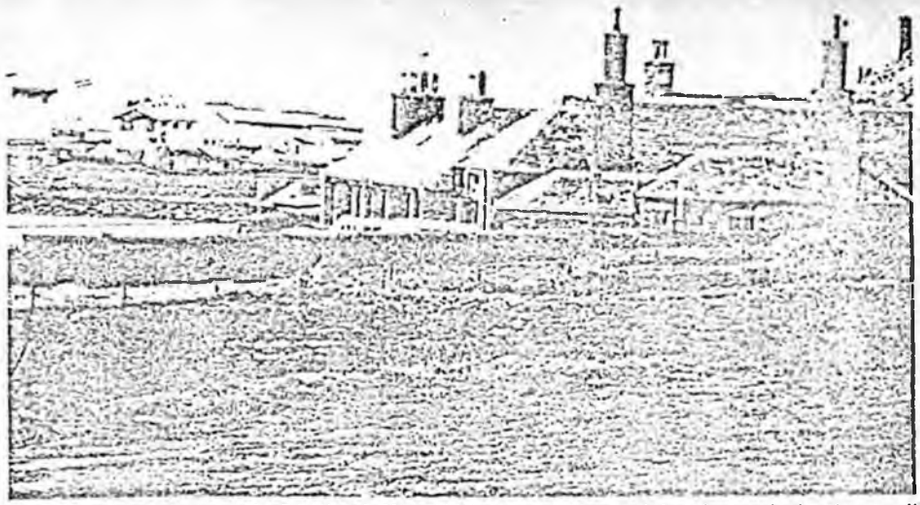


many as 1,000 vessel movements per year. Like other facilities mentioned here, Sullom Voe is not privately owned. It is a 50-50 arrangement between the Shetland Islands Council and a consortium of over 30 oil companies.

Unlike those at Valdez, the crude storage tanks at Sullom Voe will have floating roofs and each of the four tanks currently under construction will have a 600,000-bbl. capacity. The total capacity will be expanded in later phases of construction. Ships docking at the terminal will berth at one of two jetties. Number One will accommodate tankers from 18,000 dwt to 120,000 dwt and Number Two will handle the larger vessels, ranging from 50,000 dwt to 300,000 dwt. The smaller of the two jetties will also handle dockings by liquefied gas tankers. A third pipeline is being built in the area as well; it will run from the Brent field south to St. Fergus, near Peterhead on the mainland of Scotland. It will carry 500 million cu. ft. per pay of natural gas.

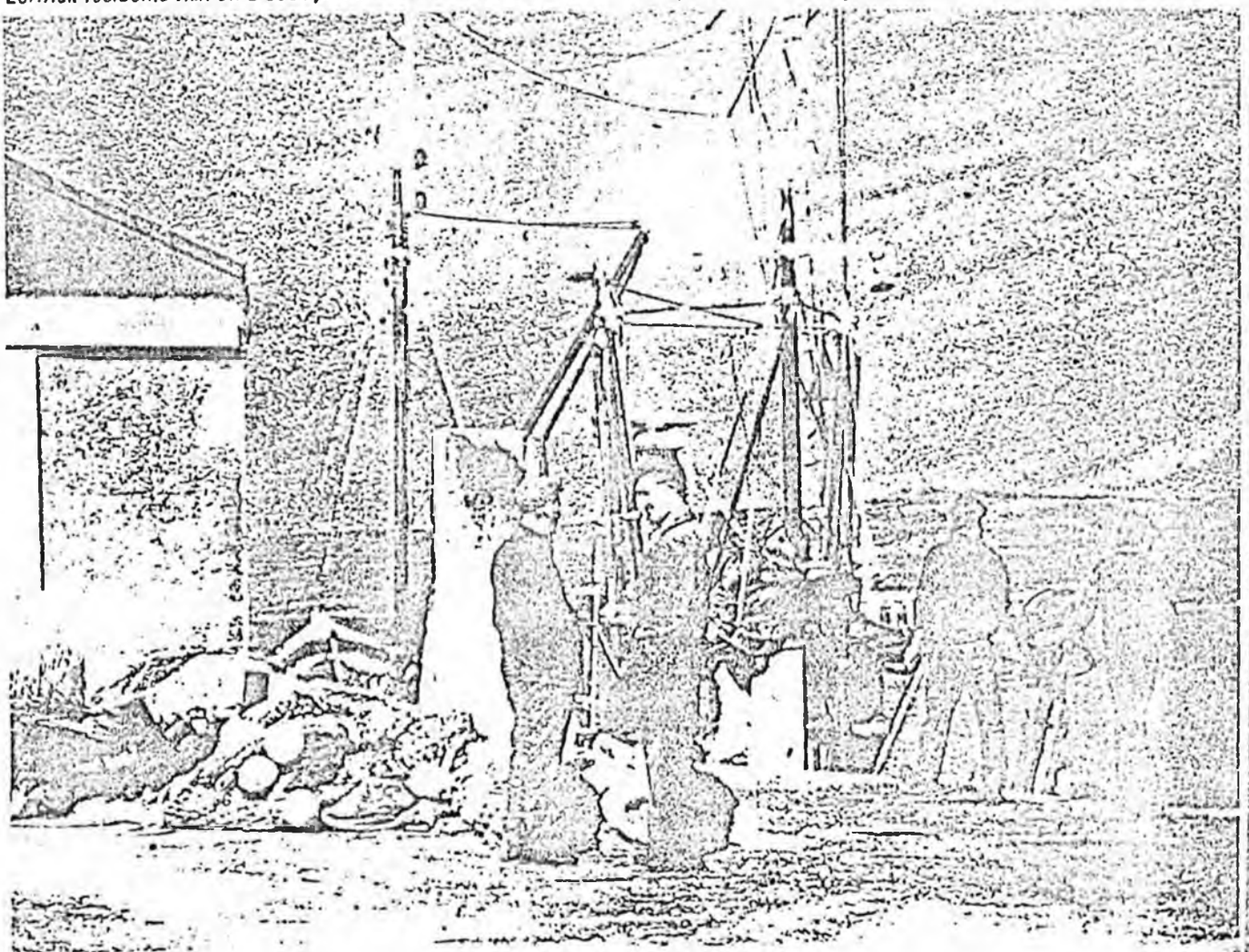
Peat in this area of the world is quite common, but disposing of the large amount excavated at Sullom Voe was not easy. JMJ, earthmoving contractor on the job from Northern Ireland, moved several million cu.yd. of the material—used there for home heating—on the site; it was used as fill in nearby Orka Voe, an inlet just east of the terminal. One of the important factors on the job was coordination. With nearly three dozen firms involved in the consortium building the massive facility, often as much as six weeks was needed before each phase of work to ensure approval of all of the oil companies. While BP has been designated project manager, there is no separate company formed by those involved, such as was done by the pipeline owners in the formation of Alyeska Pipeline Service Co.

The list of equipment operating at Sullom Voe to accomplish this big



Lerwick, the only town in Shetland. The 1971 census showed 5,100 people in the small community; forty years earlier there were 5,500 living here.

Lerwick residents visit on a dock just a block from the commercial street, closed as it always is this Wednesday.



earthmoving task is impressive . . . and familiar to U.S. construction personnel. Caterpillar equipment dominated, including the following:

Dozers,
D4s through D9s.....16
657 Scrapers.....6
End dumps.....19
Excavators.....8

Other equipment on the job included much of European manufacture, as well as some from this country. Among these were a pair of Massey-Ferguson dozers and two each Hyster and Dynapac compactors.

The "average" size vessel calling at Sullom Voe is estimated to be in the 100,000 dwt class. Each ship will be met by a qualified local pilot to guide it into port. Tugs will steer the tanker in and after safety and anti-pollution checks, it will be allowed into the terminal entrance channel for deballasting. Loading rates will be 25,000 to 30,000 tons per hour.

An interesting Alaska-U.K. comparison is the size of the Sullom Voe facility in relation to Valdez. Assuming 1.5 million bbl./day throughput for the Alaska pipeline in 1980, Valdez will be handling about 7 percent of the U.S. projected consumption of 21 million bbl./day. On the other hand, Sullom Voe will be handling 40 percent of Great Britain's domestic need. And by 1980, total North Sea production is expected to fulfill 100 percent of the U.K.'s needs. Both Alaska and North Sea resources are, of course, finite, while demand often seems infinite. The North Sea fields currently being developed are estimated to have a producing life of 25 to 40 years.

In Shetland, residents will be assured of at least one positive impact from this oil development. Somewhere between $70 million and $175 million is to be distributed to local industries as reimbursement for the disturbance caused by the oil industry. Other effects already have been felt.

The fishing fleet has dwindled, but the economy is stronger than in recent years. But one Lerwick resident asked AC&O rhetorically, "What will we do when the oil industry goes . . . ?" It does not seem unreasonable that perhaps 40 years from now life will not be all that different in Shetland than it is today, or as it was 40 years ago. If the several thousand residents of Shetland had wanted another way of life, they would have changed the area before the oil industry arrived or they would have moved elsewhere. In 1931, for instance, the official census of Lerwick was 5,538—little different from the present. Naturally, those that own the small hotels or that drive the taxis are glad to see that business is better. But no Hilton or Sheraton is going up to rival the Kveldsro or Lerwick hotels; each is small, with a restaurant and bar where residents go for an evening out.

A college student in her twenties saw more good coming from the growth of industry there. "There used to be one flight in and out a day," she said. "There are close to 100 now." That figure includes the helicopter flights to the platforms but still it reflects the obvious change in the small airport. "Young people have not had much opportunity here, you know," she went on. "You could teach . . . or work in a shop . . . or be a fireman," she said. "Otherwise you had to leave Shetland. Now there are other things to keep the younger people with an education from leaving." And that viewpoint is part of what seemed fairly universal there: living in Shetland because one likes

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Shetland, a pride in being a Shetlander—not wanting to leave. It is that same camaraderie one sees in Alaska.

The hotels do receive more business because of the oil industry, no longer relying totally on seasonal trade. But as we said, there has been no rash of construction to meet a demand by industry people. Houses are another story, however. "It's hard to find a home for sale," one man related, but again, not solely because of the industry. "Most farms have been handed down from generation to generation and you can't just go buy one." His farm was small by Shetland standards: 40 acres, a couple dozen sheep. He has lived in Shetland all of his 40 years, driving a taxi for wages. "My wife takes care of the house and garden," he said. Then remembering what outsiders, even outsiders from as near as London, had written, he added that "newspaper people come up here, spend a day and think they're experts on Shetland. They see a farm like mine and look around here (the road from Sumburgh to Lerwick) and then go write about the poor potato farmer and the barren islands with no trees." It's not unlike what happens when uneducated politicians or journalists come to Alaska and produce "exposés" on the crime or describe Alaska as it was when Jack London wrote about it.

A painter enjoys the cool wind and scenic waterfront of Lerwick.

Visibly annoyed, the taxi driver continued, "Sure, I've got potatoes, and I dig up just what we need to cook for dinner each night. But I'm not a potato farmer. And I slaughter a sheep or two each year for food, but that's all. I drive a taxi every day, and work on my farm the rest of the time. There's a lot we don't have here... one television station, no nightclubs...." But that's why Shetlanders live in Shetland. He smiled a bit and added: "I could drive you to one of the most beautiful places you've ever seen," motioning over the rolling hills. "We've got trees here; there's a place over there where they bend over the road and come together. You can drive under them and not even see the sky." But it all depends on who is doing the looking; a lot of people would find Alaska unattractive or boring, too.

One can learn a lot during a 25-mile taxi ride, and besides the education, the price compares well, too. It costs under $10 from Sumburgh to Lerwick, about the same as from Juneau to the airport there, which is only nine miles. And in Lerwick gas is twice the price as in Alaska. But Shetland prices have nothing to do with the coming of the oil industry. Gas was expensive and taxis cheap before anyone decided to build the Sullom Voe terminal.

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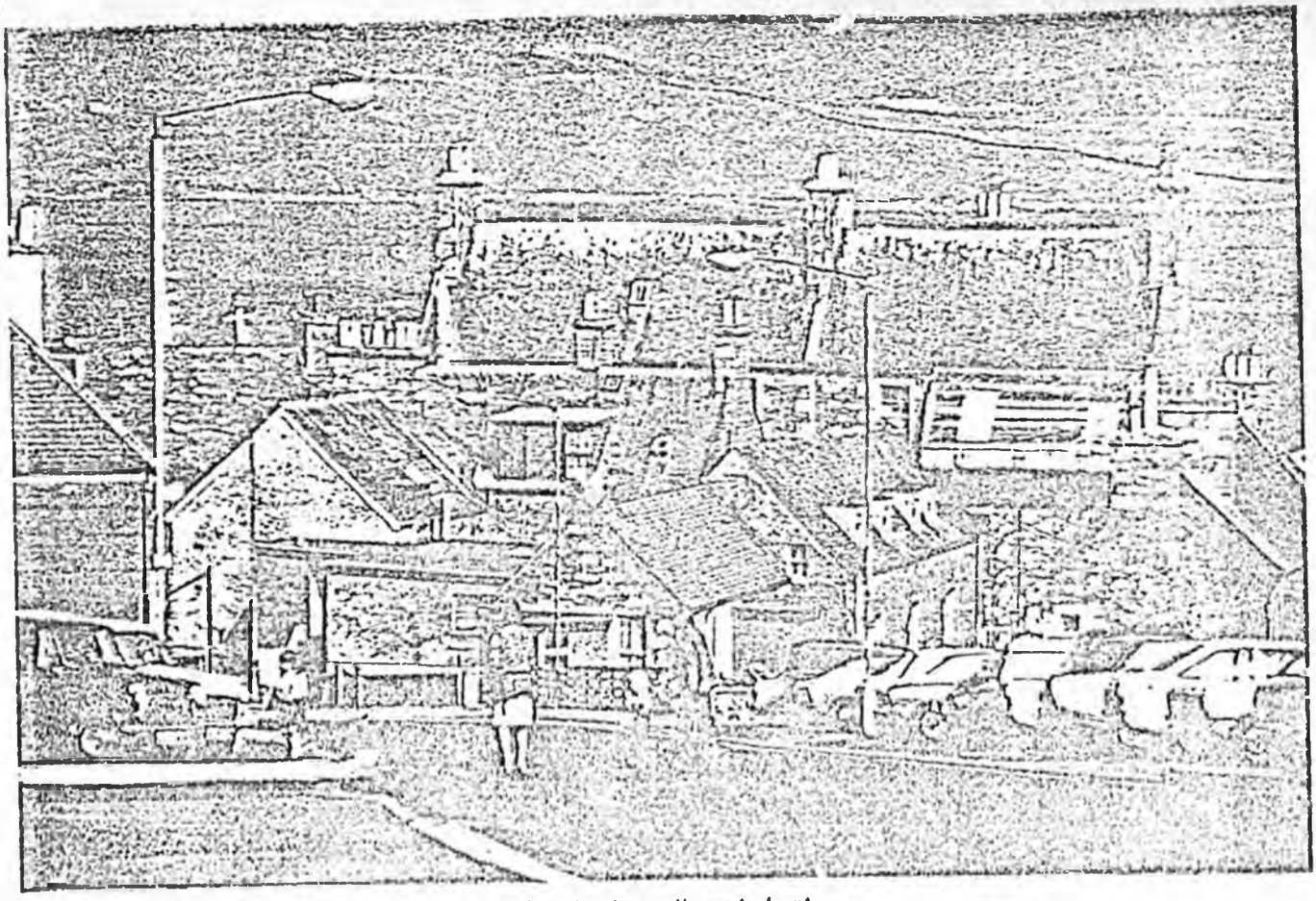


Downtown Lerwick, walking toward the main shopping street near the waterfront.

Some prices do reflect the oil industry. House prices, because supply is low and demand high, have gone up considerably. "If the oil company wants them, they'll pay any price," one person said.

With a large work force at Sullom Voe, the effects have to be felt. There are over 1,000 w[illegible]ers at the site now; that number w[illegible]peak at 2,800 by late 1978. But they have Shetland's second largest "town," the construction camp at Sullom Voe. Like those in Alaska, it has a cafeteria, television rooms, tennis courts, the excellent camp food and something not one of the pipeline camps can offer: liquor.

One company helping to see that crews are well taken care of in the North Sea is quite familiar to Alaska, as well: Universal Services. USI, well-known for feeding and serving Alaskan pipeliners, began its North Sea work in 1965. The firm had grown so much that in 1972 it opened an office in Aberdeen. The following year, Universal Services Inc.-International set up its headquarters for North Sea operations in Edinburgh. As in Alaska, USI employs mostly locals for its operations, which include Sedco, Santa Fe International Service, Transworld Drilling, Penrod Drilling Company and Zapata North Sea, Inc., as clients in the North Sea.

Besides the well-known ponies, sheep are even more prevalent in Shetland. There is also arctic wildlife like that found in Alaska, such as the brightly-colored puffin. And the environment is well cared for according to a local newspaper, which said that the oil industry has drawn "on (its) accumulated experience in environmental care and research from the island of Britain to the delicate tundra of Alaska" to ensure that no damage is done during construction.

The environment in Shetland is unique to Great Britain just as Alaska's is to the U.S. The climate in Shetland, despite the northern latitude, is relatively mild, aided by a gulfstream. Snow is uncommon, as is extreme cold; but fog is another story. It can lay in patches all day in one valley, yet be conspicuously absent only a mile away. This is onshore, remember, as once one travels the 100 miles to the oil fields, Alaska-like ice, snow and cold accompany the rough waters.

At Sumburgh, there might be excellent visibility and sunshine at noon, only to have the airport socked in by that afternoon.

NORTH SEA TRANSPORTATION LINK

And when the airport is socked in, crews go nowhere. It used to be that talking of offshore rigs conjured up visions of rough seas and small boats carrying the seasick crews. The seas weather and temperament of the seas haven't improved over the years, but transportation has. Today, supertankers carry the crude and massive helicopters carry the crews.

In 1975, nearly 200,000 passengers and 1,000 metric tons of supplies were carried from Aberdeen and Sumburgh to the northern North Sea platforms by helicopter. This total is exclusive of the lifts done in other areas of the North Sea, and the freight figure refers only to small items carried along with crews. The big lifts of supplies and million-pound items is done by ship and barge. But the passenger figures are impressive, and when the totals are released for 1976, the figures will be much higher.

The oil workers are hauled predominantly by two firms—Bristow Helicopters and British Air-

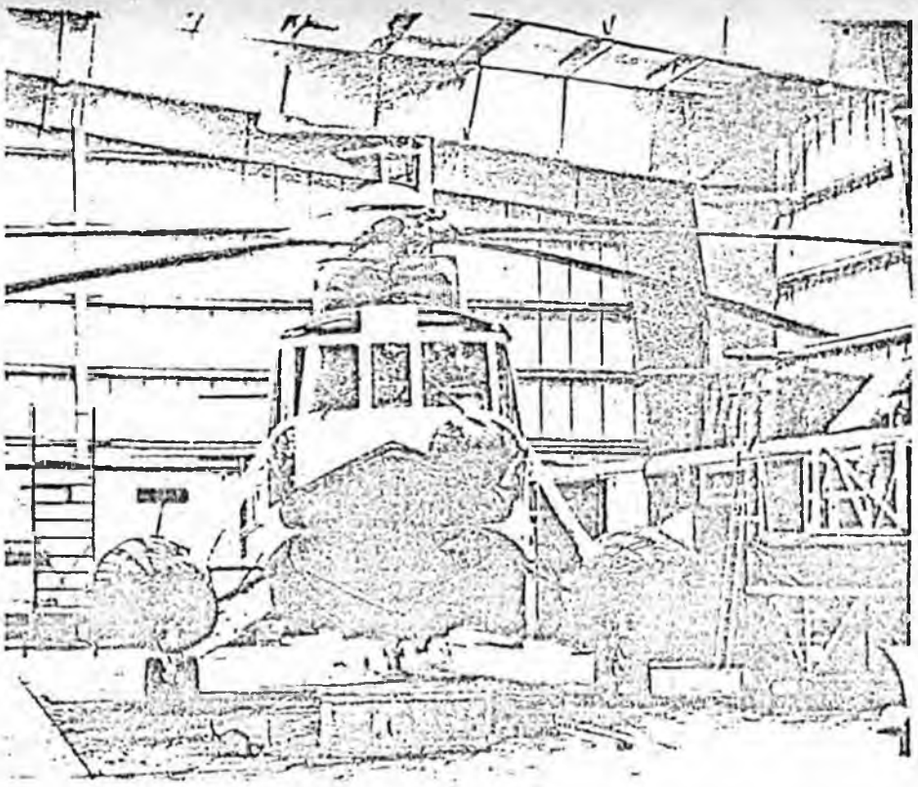
ways Helicopters. The latter is a wholly-owned subsidiary of the large airline with the same name, but is a totally independent operation. Together, they have made Aberdeen the busiest heliport in the world. The two companies' investments in Scotland are approaching $100 million. In 1975 pilots for the two firms logged 36,000 hours of flying time out of Sumburgh and Aberdeen. The totals were higher in 1976, as well, but complete figures were not yet available as we went to press.

The weather at Shetland can change as rapidly as anywhere in the world; but when it changes before a chopper is in the air, it is no problem for the pilot. He either flies or he doesn't. It does cause immense logistics problems for the companies trying to get crews and supplies to and from rigs. The danger from the pilot's point of view is that a weather window may open to fly and be gone before the flight is completed. To put the area in perspective, the drilling platforms are roughly 100 miles out of Shetland, or halfway to Bergen, Norway. Flights to the rigs often have unscheduled stopovers in Bergen due to weather.

Brian Johnstone, in charge of scheduling and flight control for British Airways Helicopters at Sumburgh, told AC&O that the problem is compounded when the weather forces a helicopter to Norway. "We have no aircraft for the next group out," he said. Robin Zingel, manager of the British Airways Helicopter operation at Sumburgh, reiterated the problem. "We're stretched so thin ... we could use two more aircraft right now." When the airport is socked in or a flight is delayed by weather, the small airport is jammed with crews waiting . . . and waiting. The back-up is a constant problem, as every oil company is obviously anxious to have its crews on the rigs working rather than sitting in an airport waiting.

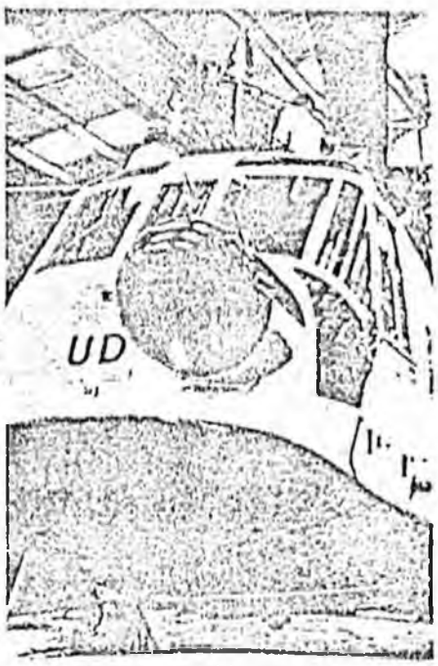
The growth of the helicopter service in the area has been tremendous, but that is to be expected with this type of development. It is the same effect that has made Anchorage and Fairbanks two of the fastest growing major airports in the world.

The mainstay of both Bristow and British Airways fleets is the big Sikorsky S61N. The reliable aircraft is used by the British Navy and in normal passenger applications can haul 25 passengers. In the North Sea, however, heavy freight cargoes and safety requirements in the rough weather cut the number of passengers to about 22 per flight.



Having been serviced, this British Airways helicopter is ready to go back to shuttling crews out to the rigs, 100 miles from Shetland.

As the industry has grown, so have the carriers. In 1971, for instance, British Airways had a single aircraft servicing the area. British Airways now has five of the big Sikorsky aircraft each at Aberdeen and Sumburgh. Bristow runs only one to three out of Sumburgh, but has a fleet of 15 at Aberdeen. The companies utilize smaller aircraft as well, but the S61N is the workhorse of the North Sea oil industry. Sikorsky passenger helicopters and sky cranes are already in use in Alaska, and the S61N obviously could play a large role in the coming offshore industry in the 49th state.



The easily-recognizable nose of a Sikorsky S61N, the main mode of transportation to and from North Sea oil platforms.

There are a total of 150 pilots flying out of the two airports, with some 400 ground personnel employed for support. In the past three years, British Airways Helicopters' operation, nearly all of which is serving the North Sea oil fields, has grown from six to 18 aircraft and flying time has tripled, as well, Zingel told AC&O. There are 83 pilots in the firm. At Sumburgh, Zingel said an average of eight or nine British Airways Helicopter flights are scheduled daily, accounting for about 80 percent of the company's flying time. The remainder is taken up with special charters and unscheduled runs to the oil platforms.

The S61N has a built-in safety feature for use in such rugged conditions. It is a twin engine aircraft, so there is always back-up power if one engine fails. The helicopters are equipped with the latest navigational aids, and are also used in North Sea search and rescue operations. The search and rescue work is in conjunction with the British government, and ensures safety in an area where conditions can be extremely dangerous.

Anch Times Feb 16, 1977

Stevens Cites Directive To Speed Offshore Leasing

The Anchorage Times

Congress has directed the Interior Department to accelerate offshore oil and gas leasing, Alaska's Sen. Ted Stevens said yesterday, and since 70 per cent of the nation's outer continental shelf lies off Alaska's shores, "the question is where and when and under what conditions."

Stevens, here for the congressional recess, said it shouldn't be surprising that Interior Secretary Cecil Andrus canceled the lower Cook Inlet lease sale, which was scheduled for Feb. 23 by his predecessor.

"He (Andrus) wanted to make the decision himself," Stevens said. "The first thing that happened after he became secretary was to be sued over his predecessor's decision (to hold the lower Cook Inlet sale). If he was going to be sued, he wanted it to be on the basis of his own decision.

"What he will do, I don't know," Stevens said. "But I don't think we ought to overreact to his (Andrus) acting in a rational manner.

"I still believe that lower Cook Inlet oil development ought to go ahead under safeguards for the fishing industry and for protection of the total environmental area there, including Kachemak Bay and others.

"But I think we ought to recognize the secretary must be in a position to personally defend the order (for a lease sale)."

Stevens said there are strong forces in the Congress which believe that the development of the outer continental shelf has been delayed by industry waiting for oil and gas prices to change and trying to create a false shortage.

"I don't agree," he said. "I don't think people realize the complexity of outer continental shelf development. Most don't realize that 70 per cent of it is off Alaska. I believe they are going to get a little bit better educated. Every year, members of Congress who have been there a while sound more reasonable. But when we just get someone to the place he understands the problems, he either retires or gets defeated for re-election.

Towboats Slice Mississippi Ice

ST. LOUIS (AP) — For the first time since Jan. 19, the Mississippi River has been opened to commercial traffic, the U.S. Coast Guard announced.

Towboats succeeded in breaking up ice above Cairo, Ill., and the channel between there and St. Louis was 300 feet wide and nine feet deep in most places, officials report.

Officials warned there were still some obstacles such as sunken barges that could present a hazard to navigation.

HB 219

(OUTER CONT. SHELF RESOURCES)

#2

MERITS OF HB 219

1. Places municipalities in the driver's seat for any OCS-related shoreside development.

2. Creates a land management tool which is applied statewide and thus is not a disincentive to development.

3. Provides money to finance costs of local planning not presently covered by CEIP or other grants.

SHORTCOMINGS OF BILL AS CURRENTLY WRITTEN

1. Local approval or veto of a proposed facility need not be consistent with existing local or State plans.

2. Standards for permit evaluation are not specified. No procedural or substantive rights of developers are enumerated or protected.

3. HB 219 is not tied to the Coastal Management Act and its requirements.

4. Three years advance notice of construction plans may not be feasible in all cases.

SUGGESTED IMPROVEMENTS

1. To limit potential arbitrary uses of local approval or veto of a proposed facility by:

a. Requiring municipal decisions to be consistent with existing and emerging plans and policies under the Coastal Management Act;

or b. Establishing decision guidelines in the bill to ensure that a municipal approval or veto is to protect the public welfare and is consistent with Coastal Management policies;

or c. Grant municipalities the power to suspend a permit application for one year while a Coastal Management program is written.

Each alternative should clarify the procedural rights of the developer.

2. Make the advance planning requirement more flexible so that developers will not be penalized by changes in their plans caused by forces beyond their control.

July 5, 1977

I. Summary of HB 219

The onshore facilities construction permit bill was proposed in the Tenth legislature - First session by representative Parr and eighteen others. It is designed to provide municipalities affected by offshore energy development with a means of exercising control over the location and public costs of OCS related onshore development.

Under the bill, each facility must obtain a permit prior to beginning construction. Permits cannot be issued without local approval from the municipality where the facility will be located. Thus, local units are given a bargaining tool which can be used to negotiate over the location and types of OCS related facilities. If negotiation fails to satisfy local needs, municipal denial of project approval will bar issuance of the permit and prevent construction of the facility in that municipality.

Permit fees generated under the bill are to be used to plan for and minimize the public costs of the OCS related onshore development. Fee amounts are proportionate to the projected impacts of the facility. (see table 1) At least 50% of the fees will go directly to the municipality where the facility is being built. An additional 45% of the fees will benefit the municipality in the form of state assistance.

This 45% of the fees will be allocated among state agencies and the municipality by DCRA according to their relative responsibilities for the provision of public facilities and services necessitated by the development. State assistance will be in forms of planning, legal expertise, and the direct provision of services such as education, transportation, and health care.

HB 219 proposes two alternative fee schedules. One measure of fees is based on population growth and the cost of government. The alternative measure is based solely on the value of the proposed development. For each facility, the formula producing the highest fee is used.

Using the valuation measure of fees, the amount of revenues produced by a development is related to the size of the proposed facility. Facility value is roughly predictable by the stages of the oil extraction process. During exploration, support facilities on shore will be valued at $10 million or less. Based on a value percentage fee calculation, a $10 million facility would pay $250,000 in fees. (see table 1) If oil is discovered, shore processing facilities will have a much higher value. The very large processing facility at Valdez is valued at $1.2 billion dollars. Fees for a facility that size would be $6 million dollars. Although the scale of the terminal at Valdez represents the largest type of terminal which may be built to service offshore oil, it is obvious that processing facilities will generate large fees. Table 1 gives examples of fees produced by different sized production facilities.

July 5, 1977

House bill 219 provides an important boost to local preparation for OCS - onshore facilities. Developers are required to submit plans to the state three years in advance. This advance notice allows time for local assessment of the project and definition of a local policy in regard to the project. Advance reporting also requires the developer to disclose information which will assist municipal decision making.

Municipalities may use fees paid to cover planning and capital improvements costs. Independent legal assistance, land use and financial planners, and administrative assistance may be paid for out of the fees. Localities can use the planning process to control growth and establish a pattern for evaluating subsequent land use demands.

Status of the bill: HB 219 was not reported out of committee in the first session. Public hearings are being held to explain the bill and provide a channel for local input into the legislative process.

July 5, 1977

TABLE 1

REVENUES THAT THE FEES WILL GENERATE

EXPLORATORY STAGE

IF the facility is valued at $5 million fee = $100,000

IF the facility is valued at $20 million fee = $250,000

Most of the facilities built to service OCS exploration will cost $10 million or less. The assessed value of the service base at Yakutat is $5.5 million as of the first of 1977.

DEVELOPMENT AND PRODUCTION STAGE

IF the facility is valued at $500 million fee* = $2.5 million

IF the facility is valued at $750 million fee = $3.75 million

IF the facility is valued at $1 billion fee = $5.0 million

IF the facility is valued at $1.2 billion fee = $6.0 million

The oil terminal at Valdez will process 1.2 million barrels of oil per day and is valued at 1.2 billion dollars. If the largest possible find is made in the Northern Gulf, shore terminal capacity will need to be 650,000 barrels per day at a value of approximately $800 million. Also a larger discovery in the NOrthern Gulf would require a Liquified Natural Gas terminal with one billion cubic feet per day capacity at a value of approximately one billion dollars.

*These fees for the production stage are calculated at a straight one half percent. If the developer failed to provide three year advance information, the fees would double.

02 001B (Rev. 10/76)

STATE of ALASKA

MEMORANDUM

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Members of House Committee
Community and Regional Affairs

DATE: August 9, 1977

FILE NO:

TELEPHONE NO:

FROM: Robert Shoaf
Summer Intern

SUBJECT: HB 219

Our critical examination of HB 219 focuses on a few major topics:

A. Local approval power
B. Prior planning by developers
C. Fee schedule

A. Local approval power

Local approval power and permit fees are the two major features of the onshore facilities construction permit. A permit will not be issued without local approval. Municipalities are not required to have planning and zoning in place to make this local decision. Areas that do exercise land use controls do not have to make their decision inconsistent with existing municipal plans and ordinances.

Regardless of how the permit is classified, the local approval power is regulatory in nature and should be designed to protect private property rights. Private property uses cannot be abridged by government unless the public intervention is reasonably related to public welfare. Traditionally, to prevent arbitrary public intervention in private land use, police power controls established standards for intervention (by planning and zoning) in advance.

The Division of Community Planning feels that local approval power in HB 219 is an essential tool which will enable municipalities to manage OCS onshore development. However, municipal decisions must be directed to protect the public welfare. Furthermore, HB 219 should be coordinated with coastal planning under the Coastal Management Act.

Three alternatives are available to remove the arbitrary nature of local approval.

1. Prior planning

OCS onshore facilities siting decisions will be made in the context of coastal planning under Alaska's Coastal Management Act. Local decisions under HB 219 should adhere to approval District Coastal Management Programs. In municipalities where no management programs have been written, local decisions should be in accordance with any existing land use controls and with the principles and emerging plans of the Coastal Management Act.

It is not certain that District Programs under CMA will produce the type of specific standards needed to guide local development decisions. Additionally, not every municipality may be able to afford adequate, on going planning.

2. Guidelines in HB 219
To guide local decisons and to prevent arbitrariness the legislature can incorporate guidelines for municipal decision making in HB 219. Because of the comprehensive mandate for coastal planning in the Coastal Management Act, these guidelines should mirror the policies of CMA.

Guidelines could require that municipal evaluation of a onshore facility construction proposal consider the environmental, social and economic impacts of the project. Approval of a project could issue when a City Council or Municipal Borough found that these impacts were manageable. For example, a municipality could base its decision in part, on whether or not the necessary supportive public facilities and services will be available when the development is completed.

Evaluation of a proposal will require detailed assessment of the proposal and its effects on a municipality. A third alternative is to structure a municipality's use of this assessment period so that local land use plans are produced to serve as a guide for the municipal decision.

3. Interim Planning
This alternative grants municipalities the power to suspend construction of an onshore facility for a reasonalble time while District Coastal Management Programs are written and implemented. These programs would place the municipal decision in a more comprehensive framework than would the reliance on guidelines. Additionally, the municipal programs would serve as a guide for future management of OCS impacts, and as a basis for ongoing planning.

If a municipality chooses to approve a proposal without suspending construction pending implementation of a District Program, local approval should be based on positive findings that the impacts of the project are manageable.

In this alternative, HB 219 would only serve municipalities who have not yet written District Management programs.

B. Prior planning by developers
The requirement of three years advance notice of construction plans by developers (section 41.45.110, May 28, 1977 version) may not be feasible. Uncertainties not controlled by developers, such as Federal OCS leasing policies, may interfere with their ability to accurately project construction plans three years in advance.

When external factors dictate a change in plans for OCS onshore activities, developers should be able to change their plans without the excessive penalty of doubling the permit fee. To allow flexibility, the advance planning requirement might be reduced to two years, with changes in plans allowed with one years notice, unless waived by a municipality. Additionally, the Department of Community and Regional Affairs should determine what advance information is feasible in terms of progress of lease sales and exploration.

Statutory Language To Structure Municipal Decisions

Alternative 1: Prior planning

"Local approval or denial of a permit shall be in accord with existing or emerging Coastal Management Programs, policies and guidelines."

Alternative 2: Guidelines

"Local permit approval may be granted by a City Council or Borough Assembly if it finds:

a. That the use will not materially endanger the public health or safety if located where proposed:

1. That the municipal water supply will be of sufficient quality and quantity to meet the increased demand attributable to the facility;
2. That the proposed use will not have an unreasonable impact of the coastal environment;
3. That the necessary supportive public facilities and services will be available as the demand for them attributable to the facility increases;
4. That associated land and water transportation will minimize degradation of waterfront uses.

b. That the proposed facility is in accord with existing plans and regulations;

c. That the use will not substantially injure the value of adjoining or abutting property, or is a public necessity;

d. That the use will not unreasonably disrupt the social and economic well-being of the municipality."

Alternative 3: Interim planning

HB 219 should specify whether the decision to utilize the moratorium or proceed immediately will be an administrative or legislative one.

Language to implement alternative three should be placed in a new section of the bill. The new section could state:

"Local Approval of an Onshore Facilities Construction Permit.

"When a developer of an OCS onshore facility requests local approval of its proposal, the municipal assembly or council shall meet to make one of two possible decisions.

"If the assembly finds that the project will be consistent with state and local plans then existing under Alaska's CMA [or consistent with enumerated standards], then local approval may be given.

"If the assembly finds that the proposal is not consistent with these guidelines [or will have a significant impact on coastal resources which is not adequately managed by present planning] or is not consistent with the local health, safety and welfare, then the assembly, by a majority vote, may choose to impose a two year moratorium on the proposal, during which time the municipality shall prepare a district coastal management program (See A.S. 46.35.030) to guide subsequent local decisions.

"If a municipality already has implemented a coastal management program, this section does not apply and the local permit decision shall be made in accordance with the policies and procedures of that plan.

"Once a moratorium is imposed, the municipality should contact the Department of Community and Regional Affairs to make arrangements to locate any funds needed for planning."

local approval power most imp. there of did not dwell on need to change fee structure

PROPOSED OCS PLANNING SCHEDULE

January 1977
(Revises June 1975 Schedule)

SALE AREA	1976						1977										1978										1979										1980									
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
44 Gulf of Mexico		F		N	S																																										
61 Cook Inlet		P			F		N	S																																								
47 Gulf of Mexico					E	P		F	N	S																																						
42 North Atlantic				E		P			F		N	S																																			
43 South Atlantic								E		P		F		N	S																																
46 Kodiak									E		P			F		N	S																														
45 Gulf of Mexico							T			E		P			F		N	S																													
48 Southern California	C		D				T						E		P			F		N	S																									
49 Mid-Atlantic					C		D			T						E		P			F			N	S																					
Beaufort Sea (near shore)									State - Federal Sale										1/																													
51 Gulf of Mexico							C		D			T						E		P			F			N	S																			
53 General Pacific							C		D					T						E		P			F			N	S																
54 S. Atlantic Blake Plateau											C		D			T						E		P			F			N	S														
50 Beaufort Sea 2/													C		D			T						E		P			F			N	S												
55 Northern Gulf of Alaska																C		D			T						E		P			F		N	S										
52 North Atlantic																	C		D			T						E		P			F		N	S									
56 South Atlantic																				C		D			T						E		P			F		N	S						
58 Gulf of Mexico																					C		D			T						E		P			F		N	S					
57 Bering - Norton																							C		D			T						E		P			F		N	S			
59 Mid-Atlantic																										C		D			T					E		P			F		N	S		
60 Bering Sea St George																												C		D			T					E		P			F		N	S	
61 Cook Inlet																															C		D			T					E		P			F		N	S
62 Gulf of Mexico																																C		D			T					E		P			F		N	S
63 General Pacific																																	C		D			T					E		P			F		N	S
64 Kodiak - Aleutian																																		C		D			T					E		P			F		N	S

C - Call for Nominations
D - Nominations Due
T - Announcement of Tracts
E - Draft Environmental statement
P - Public Hearing
F - Final Environmental Statement
N - Notice of Sale
S - Sale

1/ State May Conduct Sale

2/ Within 60 Foot Isobath or Technology Capability

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.

Curt Berklund

Director, Bureau of Land Management

ONSHORE EMPLOYMENT ASSUMPTIONS

Category		Employment
Rig Service		25 per rig
Platform Service:	Installation	100 per platform
	Drilling	80 per platform
	Production	40 per platform
Administration		15 per rig 40 per platform
Service Bases		15 per berth
Oil Terminals:	250,000 b/d	150 per terminal
	350,000 b/d	200 per terminal
	450,000 b/d	250 per terminal
	600,000 b/d	300 per terminal
LNG Plants:	1 billion cu.ft./d	200 per terminal
	1.6 billion cu.ft./d	300 per terminal

Offshore Employment Assumptions

Operation		Number of Jobs/Activity
Rig		115
Platform:	Installation and Hook-up	300
	Drilling	250
	Production	140
Lay-barge		250
Bury-barge		100

Construction Employment Assumptions

NUMBER OF JOBS

ONSHORE FACILITY		YEAR 1	YEAR 2	YEAR 3	YEAR 4
Service Base	2 berth	75	150		
	3-4 berth	100	200		
	4 berth	125	250		
Oil Terminal	250,000 b/d	150	600	1,200	300
	350,000 b/d	200	800	1,500	500
	450,000 b/d	200	1,000	1,900	600
	600,000 b/d	300	1,200	2,300	700
LNG Plant	1 billion cu.ft./d	300	1,300	2,500	800
	1.6 billion cu.ft./d	500	2,000	4,000	1,200

POPULATION OF CITIES

Yakutat	442
Cordova	2,406
Seward	1,823
Homer	1,538
Seldovia	612
Kodiak	4,960
Unalaska	510
Dillingham	1,176
City of St. Paul	456
Nome	2,585
Kotzebue	2,431
Barrow	2,307

TOTAL DIRECT AND INDIRECT EMPLOYMENT: NORTHERN GULF

YEAR	NO FIND	MODERATE FIND NO PIPELINE	MODERATE FIND PIPELINE	HIGH FIND	BONANZA
1976	240	240	240	240	240
1977	670	905	906	1123	1251
1978	905	1790	1790	1900	2155
1979	477	1366	1366	2843	3677
1980	240	1366	1669	3540	4745
1981		906	2336	4375	6140
1982		953	3242	5705	6681
1983		1353	2691	5218	9385
1984		2060	2360	7348	11,382
1985		2623	2923	8899	13728
1986		2439	2739	6401	9622
1987		2299	2599	5349	8248
1988		2069	2369	4887	7803
1989		1838	2138	4173	6918
1990		1585	1895	3671	5840

TOTAL DIRECT AND INDIRECT EMPLOYMENT: WESTERN GULF

YEAR AFTER LEASE SALE	YEAR	NO FIND	MODERATE FIND NO PIPELINE	MODERATE FIND PIPELINE	HIGH FIND
1st	1980	239	321	322	322
2nd	1981	454	834	834	1181
3rd	1982	669	1337	1447	2227
4th	1983	244	925	1145	2049
5th	1984		751	1160	2535
6th	1985		530	1265	3360
7th	1986		1021	2251	4791
8th	1987		1421	3311	3791
9th	1988		1179	1622	2885
10th	1989		1920	2145	3584
11th	1990		1653	2079	3378
12th	1991		1736	1961	3261
13th	1992		1505	1730	3030

SOURCE: Department of Community & Regional Affairs

	LEASE SALE AREA									ORGANIZATION			PLANNING TOOLS						
	Lower Cook Inlet (11)	Gulf of Alaska (12)	Kodiak Basin (13)	Aleutian Shelf (14)	Bristol Bay (15)	Bering Sea - St. George	Bering Sea - Norton Basin	Chukchi Sea (17)	Beaufort Sea (18)	CLASSIFICATION	Planning and Zoning Commission	Professional Planning Staff	Coastal Resource District (7/77)	Coastal Management Program (anticipated date of adoption)	OCS Planning Study (including EDA Title IX)	Comprehensive Plan (date of publication)	Capital Improvements Program (date of publication)	Zoning Ordinance	POPULATION (1976)
MUNICIPALITY OF ANCHORAGE	■	■	■	■	■	■	■	■	■	Unified home rule boro.	■	■	■	1979		1961(b)	1963	■	175,603
Yakutat		■								First class city	■		■	1980(a)	■	1976		■	442
Cordova		■								Home rule city	■		■	1980(a)		1976		■	2,406
KENAI PENINSULA BOROUGH	■	■	■							Second class borough	■	■	■	1979	■	1970	1967	■	19,407
KODIAK ISLAND BOROUGH			■							Second class borough	■	■	■	1980	■	1968(c)		■	7,901
Unalaska				■	■	■				First class city			■	1978(a)		1977			510
Dillingham					■					First class city	■		■	1980(a)		1970			1,176
BRISTOL BAY BOROUGH					■					Second class borough	■		■	1980		1966	1966	■	1,147
City of St. Paul						■				Second class city				(a)					456
Nome							■			First class city	■		■	1980(a)		1968	1968		2,585
Kotzebue								■		Second class city	■		■	1980(a)		1971(d)	1975		2,431
NORTH SLOPE BOROUGH								■	■	Home rule borough	■	■	■	1979		1973	1974		12,614

(a) Cities within the unorganized borough. Nearby areas in the unorganized borough may be affected by OCS development and may eventually be organized into coastal resource service areas. Coastal management plans for service areas may be adopted later than 1980.

(b) Comprehensive plan for the Municipality of Anchorage is being updated.

(c) Comprehensive plan updated for Port Lions in 1975 and for Near Island in 1974.

(d) Land use element of comprehensive plan for Kotzebue updated in 1976.

Figure 1

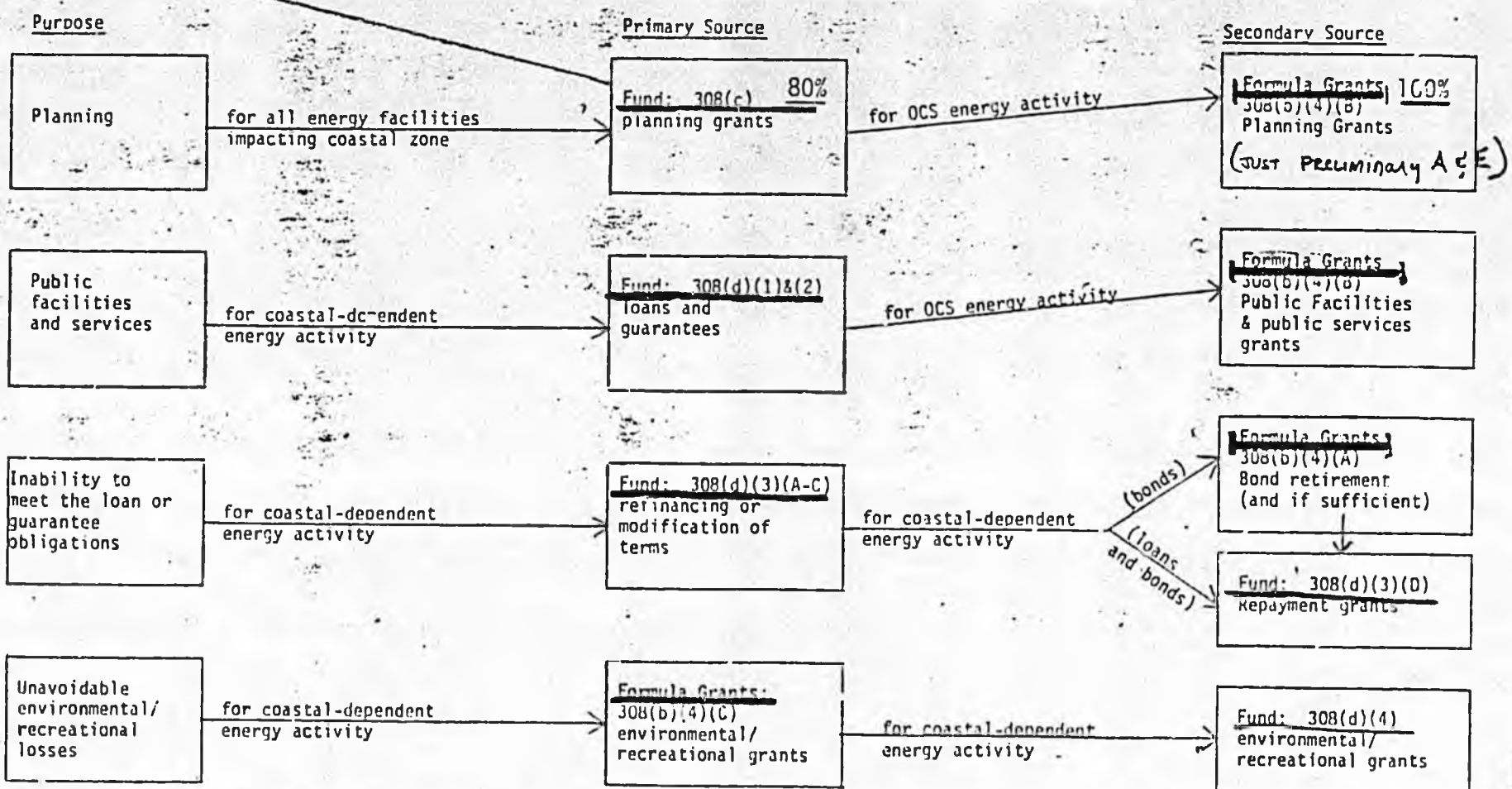
PLANNING CAPABILITIES

15% of $3.5 million divided equally among 34 coastal states = approximately $15,000

85% of $3.5 million alloted on basis of need

Figure 1

PL 94-370 Coastal Energy Impact Program: Primary and Fund 308(c) Planning Grants



Formula Grants	308 (b)	U.S.	$ 10 million	AK: $ 1,178,643
Credit Assistance ("Fund")	308 (d)(1), (2), (3)		110 "	48,612,975
Planning Grants	308 (c)		3.5 "	365,466
Environmental/Recreational Grants	308 (d)(4)		1.5 "	662,904

Past FY now to come

(1) Preliminary planning for the consequences of new or expanded significantly affecting the coastal zone, including energy facilities

Fed Reg for CEIP

(i) analysis of government or private industry siting policies;

(ii) devising strategies for the public purchase of land or the establishment of other enforceable land-use controls for lands upon or near which energy development is to take place;

(iii) devising methods of protecting environmental resources, as defined in §931.72, threatened by the siting, construction, operation, or expansion of new or expanded energy facilities; or

(iv) conducting risk management studies, hazard analyses, emergency contingency planning and coordination studies, and assessment of mitigating measures for maintaining or improving public safety threatened by the siting, construction, expansion, or operation of new or expanded energy facilities.

(2) Planning for the consequences of a specific new or expanded energy facility significantly affecting the coastal zone, including

(i) study of and planning for economic, social, or environmental consequences of the siting, construction, expansion, or operation of a new or expanded energy facility such as

(A) increased population;

(B) changes in employment patterns, including those in fishing and tourism;

(C) changes in demand for public facilities, public services, and housing;

(D) local price inflation;

(E) changes in patterns of tax and user fee revenues or inter-governmental transfers;

(F) effects on fishing and tourism resources;

(G) effects on beaches, sand dunes, air quality, water quality, or other environmental or recreational resources;

(H) shoreline erosion;

(I) ecological effects; and

(J) effects on public safety.

(ii) conducting analyses required for state or local regulatory decisions related to energy facilities, including licenses, leases, permits, and zoning ordinances;

(iii) performing cost/benefit analyses or otherwise comparing the consequences of alternate energy facility sites or types;

(iv) devising strategies for recovering compensation from appropriate parties for any adverse effects caused by the energy facility involved;

(v) forecasting employment, population, public facility and public service needs and costs, and tax or user-fee revenues;

(vi) planning for the public facilities eligible for financing under Subpart E of this part;

(vii) study of and planning for the secondary consequences, including environmental and economic consequences, of alternative types and sites of public facilities eligible for financing under Subpart E of this part; and

(viii) study of and planning for the consequences of the phasing out of energy facilities.

(3) Carrying out projects necessary to administer assistance under Section 308, including;

(i) collecting data and analyzing information required in §§931.48 (a)(5) and 931.78(c)(4) for environmental impact assessment;

(ii) designing and carrying out an intrastate allocation process as described in Subpart J of this part; and

(iii) paying other reasonable costs of administering assistance under section 308

UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Rockville, Maryland 20852

April 21, 1977

Committee members -
For your information
Lisa

RECEIVED
APR 25 1977
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Mr. Kevin Waring
Department of Community and Regional Affairs
Community Planning
Pouch B
Juneau, Alaska 99811

Dear Kevin:

It was good seeing you again last week. I hope our meetings on the Coastal Energy Impact Program (CEIP) - both in Juneau and in Anchorage -- were productive and useful from your perspective.

I have read the draft your staff provided me of Alaskan House Bill 219. The permit-fee provisions of this legislation certainly could provide Alaskan communities with significant assistance in planning for and dealing with the effects of new onshore energy and support facilities and I can say with certainty that this proposed legislation would create a useful complement to the CEIP. The provisions of the bill, I feel, would not be duplicative of the CEIP in any way.

By providing credit assistance -- loans and guarantees -- for front-end financing of new public facilities and services needed as a result of coastal energy activity, the CEIP acts in effect, as a source of last resort.

The regulations implementing the CEIP encourage a state or community to internalize the costs of energy development (as HB 219 would). And, since CEIP assistance is largely in the form of loans -- not grants -- the Federal Impact Program creates an incentive for the state or community to charge a private developer with the full costs that the development imposes on the state or community.

As has been emphasized before, the CEIP cannot be used as a complete solution to the energy impact problems of any state, the CEIP is only one tool that can be employed in conjunction with other tools (such as the permit-fee system perhaps) to deal in a comprehensive way with all the effects of energy development.

It appears to us that the provisions of the legislation when used in conjunction with those types of assistance that are available through the CEIP, could go a long way to solving Alaska's energy impact problems.

Sincerely,

Joellyn K. Murphy
Director
Office of Federal Programs

SUMMARY OF TESTIMONY ON HOUSE BILL 219

SHORE FACILITY USE PERMITS

T. M. Matthews
Exxon Company, U.S.A.

My name is Tom Matthews. I am Manager of Engineering for Exxon in Alaska. I appreciate the opportunity to offer comments on the bill before this committee, House Bill 219, concerning shore facility use permits. I would like to talk about the premise of the bill and how that is false and what the real impacts of OCS exploration and development activities are.

The basic premise of the bill is that there are immediate major impacts and demands on state and municipal public services from OCS activities and that no revenue accrues to the state or municipalities affected. A second premise of the bill is that OCS caused demands for public services exceeds revenues even more than onshore energy projects.

I would like to point out that the basic premise is false on both points and will point out why. The second premise is an incredible statement in view that the petroleum industry now pays over 60% of the revenues that go into the state's unrestricted general fund and will grow to 85% in a few years. Certainly the industry doesn't require 85% of the public services. The bill, however, assumes all of the premises are true and wants to recover all costs associated with impacts. It thus requires of every person exploring, developing, or producing under a valid OCS lease, a permit for anything leased, contracted, constructed, or in any way provided to support shore facility activity during exploration development, production or transportation. One could stretch this to the ludicrous extremes of requiring a permit to rent an Avis car or lease an ERA helicopter, and restricts a person's right to privately contract and conduct business in a normal manner. This would also place indirect restrictions on a person exploring from doing business with native corporation shore base facility plans at Yakutat, Icy Bay, Cape Chimak, etc., as the permit/impact fee alleged by the state might be too expensive.

The permit cost or fee is based on the state's assessment of maximum population increase occurring over the next 20 years from OCS development multiplied by current per capital cost estimates. This apparently assumes no dry holes and full discoveries everywhere. This is essentially paying a tax today for something that might happen in the future. The tax is reduced by the state's projections for revenues and grants associated with OCS development.

The revenues and grants are discounted to reduce them to present day dollars. Amazingly, according to the bill, however, the future population costs are not.

These cost impacts are based on the state's projections of future population increases. Reported in earlier testimony, these impacts were said to be 95,000 to 100,000 people and impact costs ranging from $400 to $685 million. These numbers were originally developed by the Office of Management and Budget in Washington, D.C. They assumed all lease sales occurring simultaneously, simultaneous discovery and development in all areas, no use of existing population, and simultaneous with a Trans-Alaska gas pipeline. Even OMB admits these numbers are inaccurate; not indicative of actual probabilities. (See attached.) The state's numbers are further based on North Sea experience. This is inaccurate. North Sea development was very accelerated. Essentially all attractive acreage, about 40% of the total North Sea was leased in a 3-4 year period. Currently there are 44 exploratory rigs working in the North Sea. At the peak there were nearly 50. At the end of this year, there will be 45 major producing platforms. Over 100 oil and gas discoveries have been made, 50 of them major. Contrast this to less than 5% of the total OCS acreage in the United States being leased since its inception and a maximum of 5 to 6 exploratory rigs forecast for Alaska OCS exploration. Furthermore in the North Sea, sites were set up to construct rigs, platforms, ships, etc. This will not be done in Alaska. Existing yards in the Northwestern states and Japan will most likely be used and new yards will not be constructed in Alaska. Evidently the countries involved in the North Sea such as the United Kingdom decided on a program of energy development and, as a result, will be energy self-sufficient within a couple of years. Perhaps the United States should have the same program objectives in action rather than just in thought.

Let's review what then are some real impact numbers in Alaska, based on actual experience in exploratory work that has resulted from the Northern Gulf of Alaska lease sale #39 that occurred in early 1976. Today three $50 million dollar semi-submersible rigs are drilling in the OCS area of Alaska, Exxon, ARCO, and Shell.

Exxon has established a temporary shore base at Seward to provide the primary logistical support for its Gulf of Alaska exploratory operations.

A 30-acre tract three miles north of Seward was leased by Exxon to be used as a storage area for pipe and other materials. Radio communications equipment also has been installed at this site and at Yakataga, which includes a small warehouse. Exxon also has leased a small tract near the Alaska Railroad Docks for open storage of heavier items such as anchors and chain.

Two large workboats, each approximately 210 feet long by 40 feet wide, will be used to transport fuel, equipment and material from the Alaska Railroad dock to the Alaskan Star. After drilling operations begin, personnel will be transported to the rig by helicopter from Yakutat which provides a shorter flying distance from Seward. Most of Exxon's tracts are more than 200 miles from Seward and approximately 100 miles from Yakutat.

Exxon's work force in Seward, including company and contract employees, will include about four people to handle and dispatch materials and to man the radios. In addition, it is anticipated that local subcontractors will require about eight residents on either a full or part-time basis for shore transportation and material handling. Additionally, 13 people will be used in supply and logistics, therefore a total of about 25 Alaska residents will be employed in Seward, Anchorage, Yakataga, and Yakutat by Exxon and its contractors.

The overall work force -- including rig crews, helicopter and workboat crews and onshore personnel -- will total approximately 200. Essentially all of these crew personnel will be from out of state and will fly back to the Lower 48 during their time off. These are experienced offshore crewmen who travel around the world, wherever rigs such as the Alaskan Star operate. These people work 2 weeks on/2 weeks off and are flown back to their homes during off times.

On the short term then, the impact of Exxon's operations in the Seward area will consist of a limited amount of local employment and as much in the way of goods and services as can be provided locally for an operation of this nature. These goods and services are estimated at $750,000/month.

ARCO/Shell indicate in recent publications that their total shore facility force in Yakutat totals 36, most of which were hired from existing local residents, with similar types of operations for goods and services. These numbers represent the real evidence of impact during exploratory operation as offshore development is not people intensive but capital intensive. It in no way resembles the people intensive construction of the Alyeska pipeline.

Predicting specific long-term impact is more difficult, and even impossible at this time, because there are too many variables and unknowns. Future actions by Exxon will depend on whether discoveries are made, how much oil or gas is discovered, where it is located, and whether there are additional lease sales in the western gulf and the lower Cook Inlet.

In any case, there will be no boom or bust effect on the economics of coastal communities such as Seward. If Exxon or any other company makes a discovery in the Gulf, it will take at least three to ten years to bring it on production, depending on permit procedures and construction times. During the early part of this period, many of the uncertainties will have been answered, and decisions regarding the location of permanent shore-support facilities will be made.

That discussion shows what the real operations today are. Twenty-five people in Exxon's operation, essentially all existing Alaskans. Yet under this bill, before we could have begun, we would have been required to obtain permits for the rental warehouses, property leases, railroad dock usage, helicopter contracts, and communications facilities; essentially everything and pretty ridiculous.

The point was made that no revenues accrue to local or state entities from this current operation. Even in view of the non-existence of impacts on state or local public services, let us talk about the revenue being received:

In Seward, we pay 3% sales and use taxes. We pay wharfage fees and property taxes on land improvements. Add to this the benefit to local employment and economy. Other municipalities also receive property taxes and use taxes. The state receives income taxes from the individuals employed. Franchise and business licensee taxes for all businesses utilized are increased as their gross proceeds increase. The state gets 2¢ to 4¢ per gallon on the 10,000 gallons per day of fuel that the rig operations use. At the state number of $7000 per capita for public services, this alone would pay for public service costs of all of the people involved in Exxon's operation even if they were new additions to Alaska.

Furthermore the state income tax on companies such as Exxon is based on a three factor formula of revenue, people, and property. As these three factors go up, so does the state income tax take from Exxon. These revenues, of course, will be even more true and increase in the future if development takes place.

There are also currently existing federal programs that grant monies for OCS impacts that negate the need for new state permit fees/taxes. The 1976 amendments to the 1972 CZMA Act placed $1.6 billion for use by states. $800 million are in various grant forms and $800 million are in assistance, loans, and partial grants. The Senate-House Conference Committee estimated Alaska would be eligible for 25% of the funds.

In summary, our position is that the need for the bill is non-existent. No major demands have been realized. There are no immediate problems nor is there evidence there will ever be a problem. Current facility and service demands are fully paid for in existing revenues plus additional funds are available from federal CZMA program grants.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 28, 1977

Mr. Keith Arnold
Assistant Manager
Alaska Oil and Gas Association
308 G Street, Suite 217
Anchorage, Alaska 99501

Dear Mr. Arnold:

The enclosed paper describes the approach used to derive the direct employment estimates for Alaskan OCS development underlying the figures cited in the Coastal Zone Management Newsletter enclosed in your letter of January 21.

We do not consider the figures quoted in the Newsletter to be valid estimates of the expected impacts in Alaska of OCS development. Those figures were prepared in an analysis done in May of 1975. The purpose was to determine the rough order of magnitude of OCS development impacts based upon deliberately pessimistic assumptions. It would then be possible, despite the great uncertainties, to credibly say that the likelihood of even more severe impacts would be negligible.

The estimates, therefore, were deliberately biased upwards at several stages in the analysis in order to produce an "upper limit" or "worst case" estimate. Some of the major sources of bias are:

- The leasing scenario used was the OCS planning schedule which was later published in June of 1975. It was recognized as a very ambitious and optimistic schedule for Alaska. Actual leasing in Alaska is likely to be spread over a substantially longer period than that schedule had anticipated. The impacts will also be spread over a longer period, reducing the infrastructure needs toward a level based on the "permanent" direct employment.

- The development scenario following each lease sale assumed very rapid exploration and development.

- It was assumed that all direct employment in every affected Alaskan region will be of people new to that region. This is clearly unrealistic.

The paper calculated a peak direct employment of 19,200 and a permanent direct employment of 8,100 resulting from the OCS development scenario examined. In order to arrive at a total population increase figure and a total infrastructure cost figure, the following steps were taken:

- The peak and permanent direct employment were averaged, giving 13,650. It was assumed that public infrastructure needs would be based on this volume of direct employment.

- It was assumed that all direct employment was by people new to the Alaskan areas in question.

- This direct employment of new residents was multiplied by a direct to total employment multiplier of 2.75 and a total employment to population multiplier of 2.5, giving a total additional population of 94,185.

- The total infrastructure cost was derived from this population figure by using $7,250 per capita.

It is unfortunate that these figures are receiving a wide circulation which characterizes them as OMB projections of future OCS impacts in Alaska. Their purpose was not to project the most likely future, but rather to show that, even when unrealistically pessimistic assumptions are used in the analysis, the calculated impacts are manageable.

I believe that the paper and the further steps described above are self-explanatory. However, if you have any further questions about the analysis, we will be glad to address them.

Sincerely yours,

Donald E. Crabill
Deputy Associate Director
for Natural Resources

Enclosure

May 24, 1977

Options for CRA Input on HB 219

A. Justification for bill.

Document the actual potential for onshore impacts , and the inability of local governments to plan for, control, and pay for these impacts.

In a narrative, describe how HB 219 provides a mechanism for control.

B. Local concerns.

Examine and address anticipated local concerns and objections to HB 219. For example, discuss the bill's effect on local property tax, on local regulatory powers and autonomy, on the localities' ability to attract development, and on the development of facilities not included within the bill's coverage.

C. Legal issues.

Explore legal issues which could be used by onshore developers to challenge the bill. Federal issues are interstate commerce, preemption, conflict and equal protection. State issues are local legislation, double taxation, ~~delegation~~, and preemption by the feds of taxing powers .

D. Planning issues.

Does the Act accomplish its pupose? What powers are given to local units? Are regional needs addressed? Is the role of CRA appropriate for it? How does the not addressed

p. 3 - possible reference to regional concerns & perhaps move the it in = CM
- where is the within 10 mile - just state makes the approval ?? leave it ss muni when there is someone there.
- cut out section that pays back

Coastal Management bill (HB 342) affect HB 219, especially in terms of local actors and pertinent issues? Does the proposed severance tax potentially alter the role of HB 219?

E. Drafting.

Suggestions for improvement in drafting HB 219 either to reflect the same substantive/procedural goals at present or to add to those goals.

F. Alternative means under existing law.

What techniques presently exist for local and state authorities to plan and pay for onshore developments related to OCS energy development. For example, are special assessment bonds (AS 29.63.085) or special tax rates (AS 29.63.010) or special tax zones (AS 29.53.405) useful in passing the additional costs of development to the developer? Will loans under the Coastal Energy Impact Program be useful to local units.

Role of local zoning powers, especially contraband use.

2. We have been economically depressed for 17 years. We are hesitant to support legislation that could adversely affect a company's decision to locate here.

3. We are reluctant to comment even though we like the concept. We will take it up with the council Monday night.

Draft - 2/25/77

H.B. 219

The Anchorage Times of February 16 reports Senator Ted Stevens as saying that Congress has directed the Interior Department to accelerate off-shore oil and gas leasing. Although Alaska has been successful in delaying the leasing of the Outer Continental Shelf off it shores, it appears that the honeymoon may be over and we may soon see an accelerated program of leasing going on.

The Supreme Court has decided that all of the lands beyond the 3-mile limit belong to the Federal Government. This means that any revenues--severance taxes, royalties or other--will go to the Federal Government. There is no provision for the State to collect any revenue from this activity. The state will, however, have impact on its shores because of the on-shore facilities necessary to support the development.

An estimate by the President's office of Management and Budget gives the impact cost for infra-governmental infra-structure for the State of Alaska as 680 million dollars. A later estimate by the Department of Community and Regional Affairs is somewhat lower. Here the cost is estimated to be somewhat over 400 million dollars. No legislation so far passed by Congress or envisioned, will compensate the State on this order of magnitude.

It is my belief that Alaskan taxpayers should not bear the impact costs involved in OCS production so that persons in other parts of the country may continue to run their air-conditioners, drive their cars at 70 miles per hour or waste

heating oil because of inadequate insulation in their houses.

The purpose of HR 219 is to compensate for the on-shore impacts caused by the OCS development.

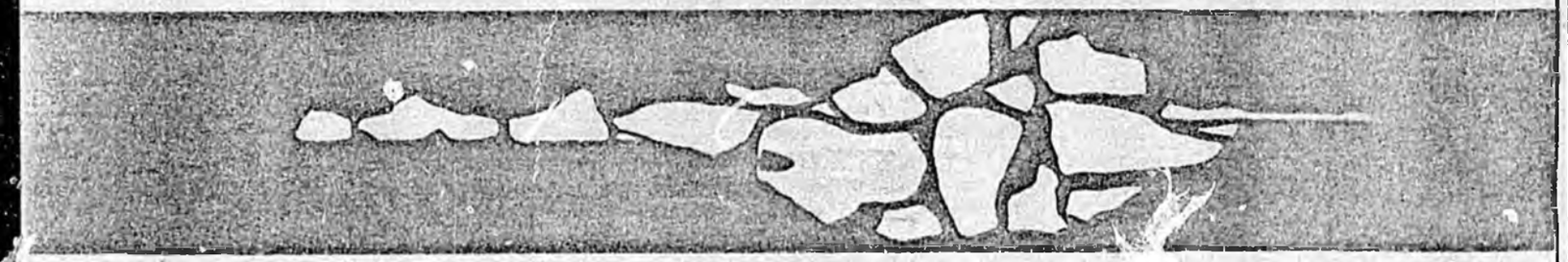
The State cannot force the Federal Government to furnish such compensation. It can, however, require the companies exploiting the OCS territory to pay for the on-shore impact costs. The bill provides that the amount of uncompensated impact is estimated and that this amount is the price of the building permit for the on-shore facilities.

UNIVERSITY OF ALASKA
A Publication of the Alaska Sea Grant Program

Vol. 4, Number 5
December 1976

ALASKA Seas and Coasts

A Newsletter for the Alaska Commercial Fishing Industry



THE ALASKA OCS - An update

By John Williams

Until recently, John Williams served as a Marine Advisory Program Agent with the University of Alaska. He was involved with seafood processing and coastal resource activities.

Because of the rapid changes in the policies and scheduling of the development of the Alaskan outer continental shelf, and the normal time lapse between completion of a story and the delivery of Alaska Seas and Coasts, *some points contained in this article may have changed. More information will be presented soon in* Citizen's Handbook — The Alaska OCS. *The publication will be presented by the Alaska Sea Grant Program with partial funding by the State of Alaska.*

OCS UPDATE

ALASKA — One down — eight to go.

In April of this year, the Department of the Interior leased the first outer continental shelf (OCS) oil development tracts off the coast. The sale, located in the northeast Gulf of Alaska from Icy Bay to Kayak Island, netted over 500 million dollars in bonus bids for the Department of the Interior, which administers the OCS program through the Bureau of Land Management (BLM). This is the first of nine scheduled sales on Alaska's OCS.

Shell Oil Company began exploratory drilling in the Icy Bay region on September 1, with Sedco 706, a semisubmersible drilling rig. In October, ARCO began exploratory drilling operations with the semisubmersible Ocean Ranger, recently transferred from the Bering Sea.

Sedco 706 is 330 feet high with its derrick upright, 245 feet wide, and 295 feet long. It provides living quarters for 96 men, and storage space sufficient to drill for several weeks without resupply. The drilling rig is held in place by anchors connected to computer controlled tension winches, which compensate for wind, waves, and current to keep the rig located over the undersea well.

Next on BLM's agenda is a sale scheduled for lower Cook Inlet, followed by a western Gulf of Alaska (Kodiak) sale. Cook Inlet could go on the auction block early next year, with the Kodiak sale following later in 1977.

OCS IMPACTS

In early 1976, the federal government estimated that OCS leasing would create 90,000 oil jobs in Alaska to be filled by trained personnel and that this would cost state and local governments in excess of $600 million to supply the necessary services and facilities to these new residents. This dollar figure did not consider families of the oilmen or the jobs created in the service industries which accompany the oil business. An additional 1.3 to 1.7 jobs will likely be created in service industries for each new oil job.

The Coastal Zone Management Act of 1972 (CZM) was amended this year to help states in planning and funding coastal energy development activities. The CZM amendments of 1976 created a $1.2 billion national impact fund. Eight hundred million dollars of the fund is in the form of loans for environmental and economic planning, schools, highways, hospitals, guaranteed bonds, etc.

The remaining $400 million is available as grants to be used as a back-up system for the loan fund. Money from this source will be distributed to states based upon a formula considering the number of offshore acres leased, the volume of oil and gas produced, population influx, etc.

The federal government's assistance to states coping with the onshore effects of OCS development is much more limited than for mineral resource development on federal lands contained within state boundaries. In this situation, the federal royalty from the resource is shared with the state from which it was extracted and can be used in any manner that state government chooses. The royalty from OCS petroleum development is not shared by the federal government with adjacent states. In the case of OCS resources, state and local governments must apply for impact monies for specific purposes and be able to prove that it is a reasonable request.

In addition to the burden of proof requirement, states receiving OCS impact monies must already have or be

(Continued on page 2)

(Continued from page 1)

making "reasonable progress" toward a coastal management plan as outlined in the CZM Act. Legislative support for development of such a plan for Alaska's coast has been minimal. The Legislature may have another look at coastal management legislation in the upcoming January session.

NEW ADMINISTRATION

Because of Jimmy Carter's election, many people in Alaska are now trying to assess the impact the new administration will make on the OCS lease schedule and procedures. To date, Carter has not been specific on the issue. He has, however, expressed some concern about the accelerated pace of lease sales and its impact on federal revenues from the leases.

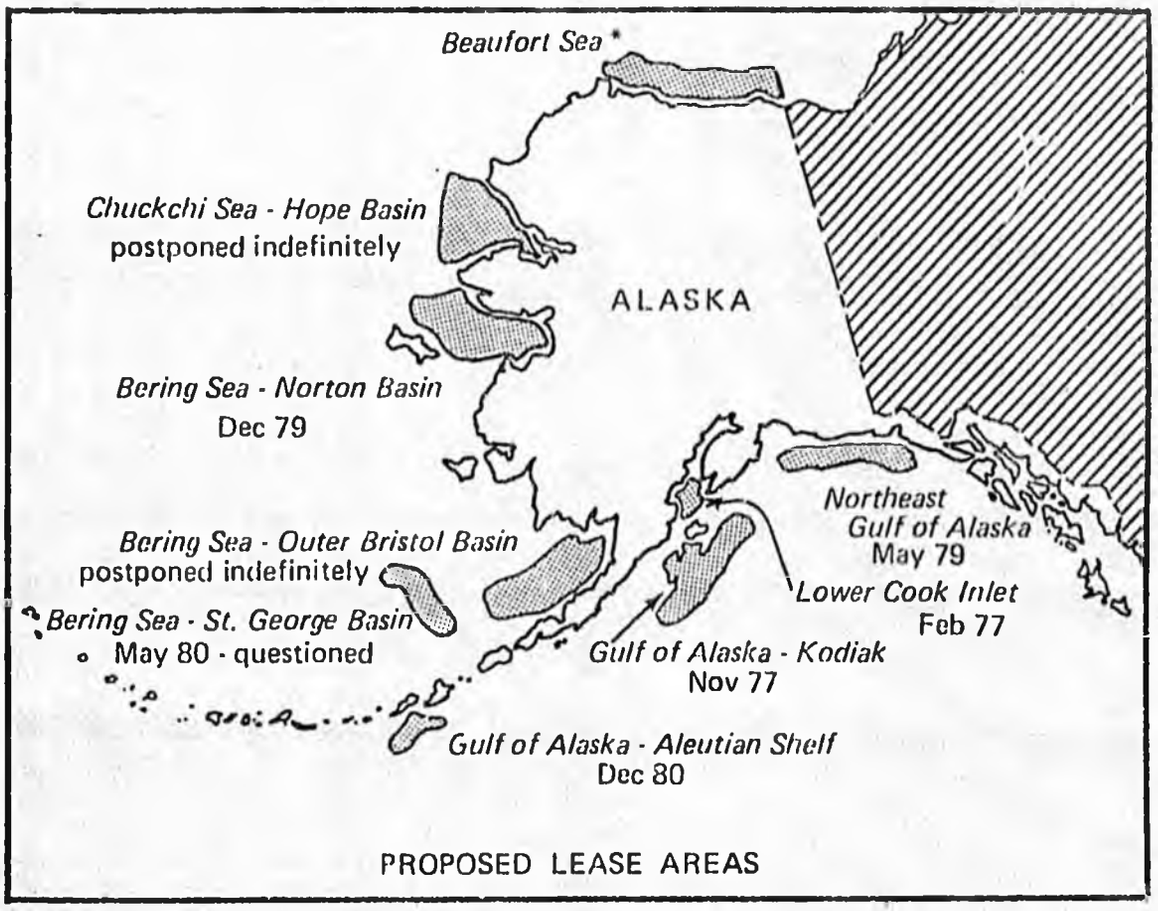
With a Democratic congress and president, chances seem better that some changes will be made in the OCS Lands Act, under which the OCS is administered. Senator Jackson (D-Washington) wants new amendments completed and signed by late spring. The amendments reportedly would consider states' interests to a much greater degree, and involve state and local governments in the process.

The State of Alaska has conducted an ongoing battle with the Department of the Interior over the presently proposed lease schedule and procedures. In a letter dated August 4, 1976, Governor Hammond submitted the State's proposal for an OCS lease schedule to Secretary of the Interior Thomas Kleppe. The Secretary had promised to reassess the Alaska OCS sale schedule, which presently calls for nine sales in three years. What actions the lame duck Ford Administration may take on this matter prior to January 20 are uncertain, although at press time negotiations were ongoing to dramatically revamp the present BLM schedule.

Hammond bases his schedule on a number of factors of importance to the people and environment of Alaska. His reasons for slowing down the sale pace include the cumulative effects which would result from the present accelerated lease schedule and the impact on communities and people unprepared for the rapid influx of large development. Hammond also wanted time for further study of the physical hazards and potential environmental risks, especially in the ice covered western and northern waters, and time to prepare the management sectors of state and local government to deal with the many implications of petroleum development on the frontier Alaska OCS.

Hammond's proposal, substantiated by considerable research by state agencies, would extend the schedule to six years, and would not include scheduled sales in the federal areas of the Beaufort Sea, Bristol Bay, or St. George Basin until further research and industrial technology are achieved. The state would agree to hold a joint state/federal lease sale in the shallow, inshore Beaufort Sea area in the fall of 1977 in place of a federal Beaufort Sea sale in the deeper, shear ice zone.

Many of the changes resulted from recommendations by Governor Hammond in his August letter to Interior Secretary Kleppe. The new sale dates reflect a compromise between the rapid schedule and Hammond's proposed delays. The Department of the Interior and the state disagreed on the need to complete environmental studies before scheduling a lease sale.



PROPOSED LEASE AREAS

Included in Interior's proposed new OCS lease schedule are changes brought about because of the state's insistence on a slower, more cautious pace in Alaska.

**The Beaufort Sea lease area is subdivided into at least three zones generally characterized by distance from shore, water depth, type of ice and anticipated ice motion. The leases for this area in the current schedule are: near shore, Mar. 78; less than 60 ft. water depth, Feb. 79; greater than 60 ft. water depth, not scheduled.*

OCS sale

OCS Impact

Anch News Jan 31, 1976

95,000 people due in oil migration

JUNEAU (AP) — Gov. Jay Hammond said Friday a new federal study indicated Alaska would carry a vast share of the population increase expected from accelerated development of oil resources on the outer continental shelf.

A report compiled by the Office of Management and Budget (OMB), Hammond said, showed that of the more than 147,000 persons who would be attracted by development off all states, nearly 95,000 would come to Alaska by 1985.

Such a migration of new residents would bulge Alaska's current population by more than 25 per cent.

Other figures from the OMB report, disclosed by Hammond at a news conference, projected rapid development of offshore oil and gas tracts nationwide would generate $951 million in additional government "infrastructure" in the next 10 years.

Of that total, $683 million was allocated to Alaska, more than seven times the cost of government services expected in any other region.

"This is just a working paper," Hammond said of the report. "Whether or not the figures are firm is debatable, but it is what the federal government is keying into their assessment of impact upon the state of Alaska.

"And, I think it is very dramatic in its revelation."

Bob Palmer, chief of staff to Hammond, said he had obtained the figures during a trip to Washington Monday. They are part of a report to be distributed to coastal states soon, he said.

A copy of the full report was not available.

Hammond has been an outspoken critic of Interior Department plans for conducting nine major lease sales off Alaska during the next three years, including one in the northeast Gulf of Alaska early this year.

A study conducted by the state last year concluded that costs associated with the leasing program would mean an additional $300 tax burden for each Alaska resident annually.

Interior Secretary Thomas Kleppe has delayed the gulf sale while he considers criticism by the Environmental Protection Agency and the President's Council on Environmental Quality leveled at an environmental impact statement on the sale.

Other figures from a portion of the report released by Hammond predicted peak employment in Alaska during the 10-year period would be 19,200 workers, with permanent employment set at 8,100.

Net additional new employment was projected to be 13,650 persons.

TABLE A

CAPITAL NEEDS FOR EXISTING AND NEW OIL AND GAS FIELDS
1975 THROUGH 1985
(Billions of Dollars)

	Area	Capital Outlays
1	Alaska - Onshore	$ 41.9
1-A	Alaska - Offshore	22.1
2	Pacific Coast States	15.5
2-A	Pacific Ocean, Except Alaska	20.2
3	Western Rocky Mountain States	8.8
4	Eastern Rocky Mountain States	13.0
5	West Texas and Eastern New Mexico	37.5
6	Western Gulf Basin	57.8
6-A	Gulf of Mexico	75.7
7	Mid-Continent	21.0
8	Michigan Basin	)
9	Eastern Interior	) 11.7
10	Appalachia	)
11	Eastern Gulf and Atlantic Coastal Plain	1.6
11-A	Atlantic Ocean	13.1
	Area Unidentified[a/]	5.7
	Total	$345.6

Source: The backup data for the figures used is cited in a study entitled "Domestic Petroleum Industry Capital Needs and Availability, 1975 - 1985" published by The Standard Oil Company of Ohio on April 14, 1975. The $345.6 billion shown above is the oil and gas exploration and development portion of the $411 billion of petroleum industry needs for all purposes on Table I of the Appendix of that report.

a/ Includes certain naval lands and military reservations and lands with heavy hydrocarbons in California and certain other locations.

Richard M. Donaldson, Standard Oil Co of Ohio,
Resource Comm hearings March 23-30, 1976

OCS Impact Aid

By Sen. Ted Stevens

President Ford recently signed the Coastal Zone Management Act Amendments of 1976 into law. This new government program will provide a $1,200,000,000 impact assistance fund for states and municipalities affected by outer continental shelf oil and natural gas development.

The Office of Coastal Zone Management, which is part of the National Oceanic and Atmospheric Administration, will be administering the impact assistance program. That office is presently drafting regulations which will serve as guidelines for the disbursement of funds. Draft regulations have been published in the Federal Register so that they may be viewed by the public, and the Office of Coastal Zone Management is soliciting comments from interested citizens and public groups in the formul ion of final regulations.

The Office of Coastal Zone Manage ent is particularly interested in Alaska problems. During the month of August the Coastal Zone Management Advisory Committee, the Citizens Advisory Committee to the Office of Coastal Zone Management, was in Alaska for a tour of areas of the state which potentially could be impacted by outer continental shelf oil and gas development. The members of the Advisory Committee went to Juneau, Yakutat, Anchorage, and Kenai. All of the members found the trip to be informative and they learned a great deal about Alaskan problems.

The Coastal Energy Impact Assistance program has an authorization level of $800 million in loans and $400 million in grants. The grants are to be used for planning, to meet the needs created by unavoidable ecological losses, and any other projects which are necessary and cannot be funded under the loan program. The $800 million loan program is for public facilities and services.

Under a series of amendments which I sponsored, the loans issued by the federal government can go either to the state or to the municipalities. The full faith and credit of the United States is pledged to these loans — not the credit of the state or municipality. Therefore, the complex system of referendums required for normal state or municipal indebtedness is unnecessary.

In order for a state or municipality to receive a loan, it must first set out a revenue schedule to the Secretary of Commerce in which the state or municipality assures the Secretary that income which the state or municipality would receive from the oil and natural gas development over a 20-year period would be sufficient to pay off the loan. Should that income fail to accrue for any reason, the Secretary must automatically forgive the balance of the loan indebtedness.

Many Alaskan communities will be interested in receiving planning grants from the Office of Coastal Zone Management. The Act provides for $50 million in planning grants, to be awarded to states and municipalities impacted by outer continental shelf oil and gas development. These are non-matching grants in which the federal government puts up 100% of the money. These monies can be used for any planning activities to meet the on-shore impa of outer continental shelf oil and natural gas activities. The Offi of Coastal Zone Management informs me that they are working as expeditiously as possible to see that planning grants are awarded to Alaskan communities at the earliest possible date. Since the Office of Coastal Zone Management is presently drafting regulations to implement the Act, it has not yet begun receiving grant applications.

The Coastal Zone Management Act Amendments of 1976 will be of substantial benefit to the Alaska fishing industry. In areas of the state which are impacted by outer continental shelf oil and natural gas development, impact assistance funds may be used to build harbor and dock facilities, breakwaters, aids to navigation, and other facilities of general benefit to the entire maritime community. I also expect that impact assistance funds may be used to build aquaculture facilities. In the unlikely event that a major oil spill occurs, an aquaculture facility could be used to offset any damage which was incurred to fish stocks. It is therefore essential that these facilities be built prior to the production of oil and natural gas. I have strongly urged the Office of Coastal Zone Management to include aquaculture facilities in its funding program.

In addition to impacts resulting from outer continental shelf oil and natural gas development, the coast energy impact fund can be used to meet the impacts resulting from the transportation of energy resources through the coastal zone. This means that state municipalities located in the coastal zone, such as Valdez, which are the transportation centers for oil, natural gas, or coal would also be eligible to receive funding. The city of Valdez is potentially eligible to receive funding as a result of the trans-Alaska pipeline project. Looking ahead a few years, in the event that Alaska ships coal to the southern 48 states, port facilities for the operati would also be eligible to receive impact assistance funds.

The Office of Coastal Zone Management expects to be finished drafting its regulations by April of 1977. Dr. Robert Knecht, Associate Administrator for Coastal Zone Management of the National Oceanic and Atmospheric Administration, has advised me that he expects the first funds from the impact assistance program to be available for states and municipalities sometime in April or May of 1977.

On May 17, 1971, Cornell University ornithologists announced what they said was the first successful rearing of a wild bird of prey hatched from an artificially inseminated egg.

In the bloody battle of Jutland, the German navy slugged it out with the British navy in the North Sea in 1916. It was the only major sea battle of World War I.

Anchorage Times
May 12, 1976

Young Raps Impact Aid

By BETTY MILLS
Times Washington Bureau

WASHINGTON — A bill to compensate coastal states for the adverse impact of offshore oil drilling would not provide adequate funds, Rep. Don Young, R-Alaska, says.

The House will consider legislation Friday which would provide $50 million in automatic state grants to meet the onshore impact of development on the outer continental shelf in the next two fiscal years. It also would authorize $125 million in discretionary funds administered by the secretary of commerce in the next five years.

In minority views submitted with the report on the bill, Young said the funding "is not sufficient to cover the costs that the local and state government will have to bear as a result of the federal development.

"This will leave the states in serious economic straits, especially in the more heavily impacted areas, from overcrowded schools and services, insufficient sewage systems, poor roads and higher state and local taxes," the congressman said.

Young said the per capita cost of offshore development from increased population, based on growth figures from the Alaska pipeline, would be $1,630 to the state government and $351 to the local government. The projected population growth directly attributable to oil development is 94,000 by 1985, according to estimates of the Office of Management and Budget. The total cost to state and local governments from offshore oil development would be $186,214,000 per year, Young said.

"While the revenue received from the Alaska pipeline was sufficient to meet much of the cost of impact funding, this is presently impossible to meet since no revenue is coming into the state as a result of OCS development," Young said.

The congressman said the authorization to coastal states must be increased.

"The state deserves the money for investment for other worthy projects, instead of underwriting the cost of a federal project," Young said. "The OCS is a federal project and should be a federal responsibility."

Next Three Years Hold Plans For Other Areas

Today's lease sale of tracts in the northeastern Gulf of Alaska is the first of nine federal outer continental shelf oil and gas lease sales planned off Alaska's shores during the next three years.

The accelerated leasing program is aimed at making the United States more energy self-sufficient, says Edward Hoffman, manager of the Alaska Outer Continental Shelf Office.

The tentative schedule calls for two more sales this year. Tracts in Lower Cook Inlet are to be leased this fall, possibly by October, and tracts in the western Gulf of Alaska, in the Kodiak area, are scheduled to be leased in December.

Other sale areas on the federal schedule include Bering Sea (St. George area), March 1977; Beauford Sea, October 1977; Outer Bristol Basin, December 1977; Bering Sea (Norton Basin), August 1978; Gulf of Alaska, Aleutian Shelf October 1978, and Chukchi Sea (Hope Basin), December 1978.

Offshore Alaska has an estimated petroleum potential of 60 billion barrels of oil and 340 trillion cubic feet of gas, according to the Alaska Outer Continental Shelf Office.

An estimated 40 per cent of the nation's "frontier areas" which are untouched by the drill lie off Alaska's shores. Another 40 per cent lie onshore, said Dr. V. E. McKelvey, director of the U.S. Geological Survey. But both are subject "to some of the worst operating conditions known on our planet," he said.

Offshore, drifting sea ice, 50- to 75-knot winds, 25-foot waves, protracted periods of darkness and occasional major earthquakes all present potential hazards, McKelvey pointed out in a Dallas speech in September.

"Onshore, temperatures reach well below zero and logistic problems are staggering. In addition, the entire area is 1,000 to 2,000 miles away from a major energy market. One does not have to look far to understand why this area has been left alone until now."

Anch. Times, Apr 13, 1976

13, 1976

N-M Dec 13, 76

Nome should prepare for sales

NOME (AP)—The president of the Northwest Alaska Chamber of Commerce says it is time this Bering Sea community began preparing for upcoming oil and gas lease sales on the outer continental shelf.

Jack Carpenter announced formation of the chamber's OCS Planning Committee at a chamber meeting in Nome Friday.

He said OCS leasing will begin in the Nome area in about two years and its impact "should be dynamic."

Carpenter told the chamber that he spoke in Kotzebue last week with Patrick Dobey, manager of Alaska's Petroleum Department and head of the state's OCS leasing program.

He said Dobey quoted him some figures which indicate how significant that impact will be. For example, he said, "a dredge out there will cost $1,000 a minute, and they will have five such dredges going."

Carpenter said there is a possibility local businesses will be bought out by persons involved in oil exploration and development.

"These are the kinds of things we have to start looking at—the impact of these funds being spent in Nome," he said, adding he believes Nome can learn from the experiences of other communities.

Guest speaker at the meeting was Frank Murkowski, state chamber president and president of Alaska National Bank, who said the impact of the Alaska Native Claims Settlement Act on the state's business community has been significant. He noted most Alaska Natives are staying here and using the settlement funds to develop the state.

And he said while some Natives have made mistakes in their dealings with the business community, "by the same token, they are developing, and every time you make a mistake you look at your own life and you learn by it. And how many opportunities are you afforded because of that knowledge?"

N-M Dec 13 76

Kenai mayor testifies on Coastal Act

ANCHORAGE (AP)—The mayor of the Kenai Peninsula Borough has testified in Washington before a U.S. House subcommittee looking into regulations proposed for implementation of 1976 amendments to the Coastal Zone Management Act.

The Anchorage Times Washington Bureau reports Mayor Don Gilman told the House oceanography subcommittee Friday that Alaska needs money immediately to plan for offshore oil exploration and development.

Grants are available for such planning under the amendments passed by Congress this year. The office of coastal-zone management of the U.S. Department of Commerce has prepared draft regulations for implementation.

Gilman told the subcommittee the Borough is a microcosm of the issues and problems the nation faces in preparing for impact of drilling on the outer continental shelf (OCS).

He said the borough's population is expected to increase 50 per cent in the next seven years during preparation for lease sales in the northern Gulf of Alaska, lower Cook Inlet and the western gulf.

Gilman told the subcommittee, "Our present community facilities and services are either at or beyond their planned capacity."

He said increased population, whether temporary or permanent, cannot occur without severe impact unless funds are accessible for planning and providing needed services.

Some subcommittee members were critical of the draft regulations. Rep. Pierre Dupont, RDel., told assistant administrator for coastal zone management Robert Knecht he had "misconstrued the intent of Congress."

"I don't know how you think you have the authority to add things in your regulations that Congress did not provide," said Dupont, who will leave the House next month to become governor of Delaware. "Congress has once again been frustrated by the fourth branch of government—the bureaucracy."

this company expects added industry spending of $25-30 million for detail work.

The company says the most heavily mapped regions for reconnaissance are the mid-Atlantic, North Atlantic, off southern California, and in the eastern Gulf of Alaska and Lower Cook Inlet. More reconnaissance remains to be done in the South Atlantic, off northern California, in the Western Gulf of Alaska, Bering Sea, and Beaufort Sea.

Another company says the industry's spending to date for geophysical work amounts to about $35 million along the East Coast and $45 million off Alaska, with more multimillion-dollar programs required.

The company estimates about 70,000 line-miles of seismic data costing $25 million has been gathered off the East Coast since 1968 in programs involving group shoots and nonexclusive work by several contractors. This doesn't include spending by individual companies. Gravity, magnetic, and refraction-type surveys to date could add another $10 million to the total geophysical costs.

And future investments in frontier geophysical operations could pile still another $15-20 million on total costs, the company says.

It places industry's total outlay at $45 million for 150,000 miles of marine seismic off Alaska, with another 100,000 miles required at a cost of $50 million.

Several operators report difficulty in shooting off Alaska, particularly in the Gulf of Alaska and the Beaufort Sea.

Seismic-acquisition programs in the stormy gulf are subject to frequent and lengthy interruptions due to heavy seas and high winds. What's more, seismic data generally isn't of highest quality, because a thick layer of glacial till and large boulders obscures the Tertiary and Cretaceous objectives.

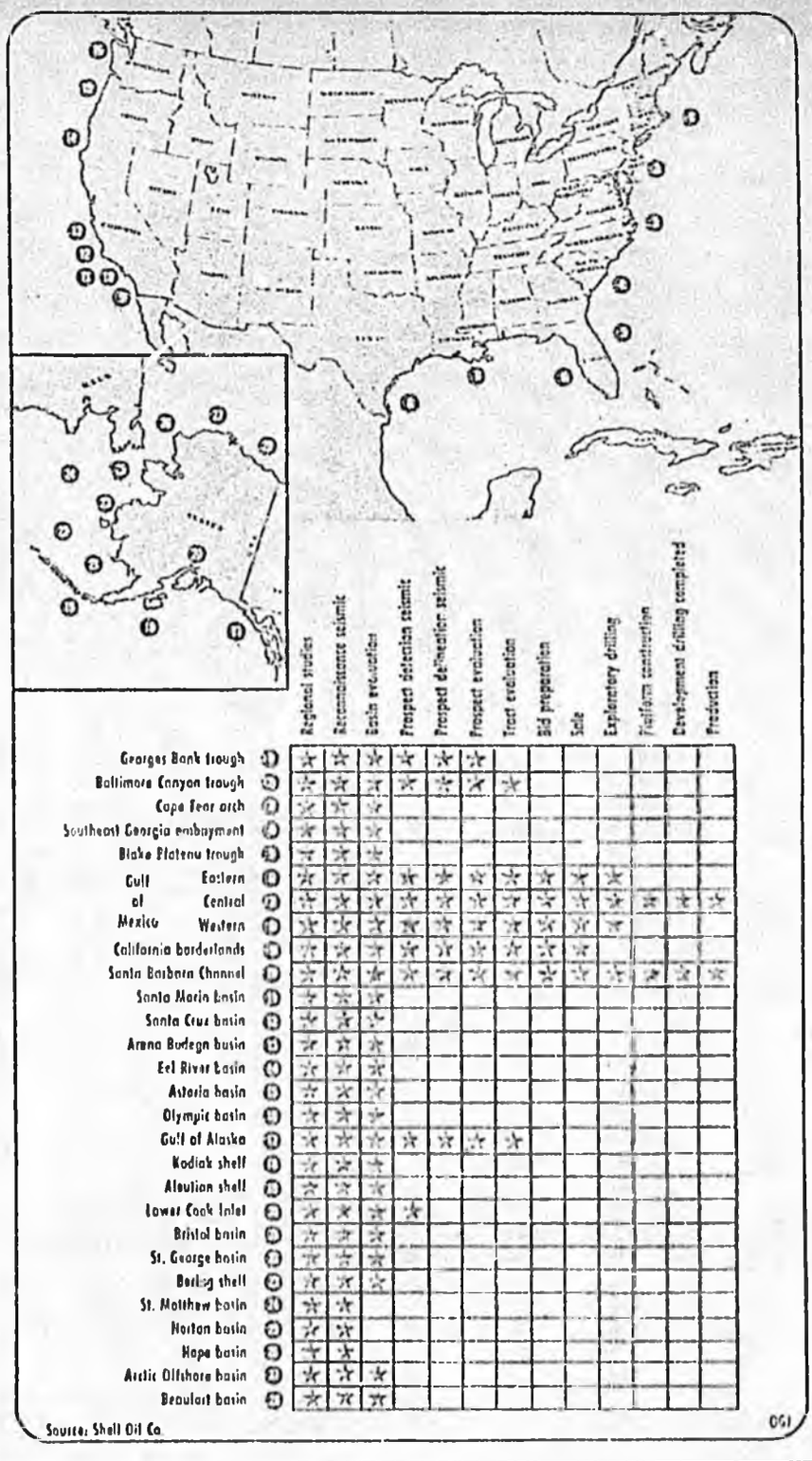
In the Beaufort Sea, shooting depends on pack ice moving out in the summer. And the ice hasn't cleared enough to permit seismic acquisition for a number of years. As a result, the federal portion of the Beaufort Sea shelf isn't well covered by seismic lines.

A major company says its offshore-frontier program has run into "no unusual shooting problems" except those related to Arctic ice, permit restrictions, currents which make it hard to keep cables aligned, and logistical problems in certain areas.

Action by areas. Structures involved in the first proposed sale of Gulf of Alaska tracts and in the Baltimore Canyon off the East Coast have been well delineated by numerous seismic surveys in the past several years, says Exxon's Jones. In fact, Jones says, these proposed-sale tracts are well explored up to the point of drilling.

He sees little if any additional seismic work being done in the Gulf of Alaska sale area and the Baltimore Canyon prior to sales. However, additional acquisition of in-fill data is likely after sales.

What's happening in Offshore U.S. basins



OIL & GAS JOURNAL JAN 19 '76

Jones believes companies will wait until they obtain leases before investing in more data. The first wells in each area, he predicts, will have considerable impact on subsequent seismic activity.

Esso Seismic Inc.'s Kirsten Bravo shot about 1,000 miles of seismic line last September in the Baltimore Canyon and Georges Bank for Exxon.

The Georges Bank area isn't far behind the Baltimore Canyon in the amount of seismic data available to companies, Jones tells the Journal. There may be a last-minute flurry of proprietary shooting in Georges Bank in the coming months if it appears the sale will come off in August as proposed.

Jones predicts considerable seismic activity in the South Atlantic next spring and summer. Not much seismic data have been gathered on the Southeast Georgia Embayment or the broad, deepwater Blake Plateau.

Jones expects a rapid buildup of group, speculative, and proprietary shooting within 600 ft of water on the Southeast Georgia Embayment. A gradual increase is predicted for the Blake Plateau, which isn't scheduled for a sale until mid-1978.

Because basins off northern California, Washington, and Oregon are believed by industry to be very poor petroleum prospects, Jones doubts there will be any rush to acquire new data there.

Very little seismic data are available in Offshore Alaska basins, other than in the Gulf of Alaska.

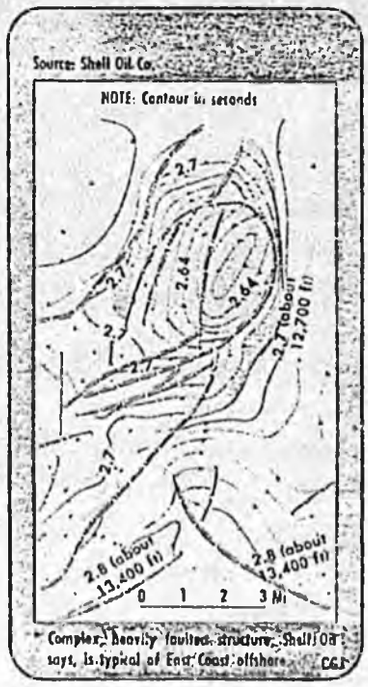
Industry is in the midst of an active exploratory effort in the Lower Cook Inlet, although acquisition programs there currently are shut down for the winter. Jones expects a spurt of shooting and possibly core or deep-stratigraphic drilling this summer.

The Kodiak shelf also should be an active area in the coming months, if it appears the proposed December sale will materialize. A very coarse grid of seismic data is available on Kodiak.

Although exploration on this shelf is still in an early stage, Jones believes industry can generate and interpret enough data in the coming months to be fully prepared for a December sale.

Seismic data in the Bering Sea consist of a very coarse grid over only a portion of the area, in the Bristol basin. Most of the current data was acquired beginning in the summer of 1973. Activity speeded up in the summer of 1974, and Jones predicts considerable shooting and possibly core drilling will take place in the next few summers.

Atlantic prospect*



Complex, heavily faulted structure, Shell Oil says, is typical of East Coast offshore. OGJ

USGS reconnaissance surveys indicate six or seven distinct basins in the Bering Sea, Jones reports.

The Exxon explorationist also foresees increased seismic activity in the unexplored Aleutian shelf, Norton basin, and Hope basin. The latter, he says, has been the scene of proprietary shooting by one or two companies.

Stratigraphic tests. The Sedco J semisubmersible is drilling the first of two Offshore East Coast stratigraphic tests (see cover photo) for a 31-company group led by Ocean Production Co. And more tests are planned in other regions as part of industry's program to collect the first subsurface information in offshore frontiers.

Spudded last Dec. 14, the initial East Coast test is projected to 16,000 ft. Site for the B-2 test is 73.6 miles off the New Jersey coast in the Baltimore Canyon (see map, OGJ, Oct. 20, 1975, p. 39).

The Ocean Production group also will use Sedco J to drill its second 16,000-ft test, designated G-1, more than 100 miles off the Massachusetts coast in the Georges Bank area.

Combined cost of the two operations is a little less than $18 million to determine porosity and permeability in Jurassic and younger sediments.

Among future work, Exploration Services Co. Inc., Ventura, Calif., proposes to drill a 12,000-ft stratigraphic test in Lower Cook Inlet beginning in March. Estimated cost is $5.5 million at a site in 19-14s-22w.

Exploration Services also is trying to generate 3,000-5,000-ft tests on the Kodiak shelf, Exxon's Jones reports.

West Coast sources say a second attempt may be made this summer to drill a stratigraphic test in the Gulf of Alaska, where mechanical problems halted a similar test last October. Last year's hole reached the 5,100-ft level — far short of its 16,500-ft goal — at a reported cost of $12 million.

Earlier deep stratigraphic drilling included two holes on the Outer Continental Shelf off South Texas. Drilled by two 32-company groups, the tests revealed poor characteristics in potential reservoirs. This poor showing was reflected in low bonuses offered in Feb. 4 and May 28, 1975, sales of federal leases.

Discouraging results from another stratigraphic test, this one drilled off southern California, drew part of the blame for the generally low level of bonuses offered at last December's federal lease sale off California (OGJ, Dec. 22, 1975, p. 15).

On-structure drilling has yet to take place in the frontiers. And only this can determine if known structures hold oil and gas.

Gulf's Carter believes results of on-structure drilling in the Gulf of Alaska will have a strong influence on predrilling evaluation of the Kodiak shelf, Bristol basin, and Bering shelf. Likewise, Baltimore Canyon drilling will determine to a great degree how much leasing and exploration Georges Bank, Southeast Georgia Embayment, and Blake Plateau will attract.

Drilling problems. Several companies surveyed by the Journal declare the Gulf of Alaska presents some of the frontier regions' thorniest problems in exploration, drilling, and production. Lesser problems are foreseen in most other areas of the offshore frontier.

"To be economic, a structure in the Gulf of Alaska will have to contain several hundred million barrels of reserves," Gulf's Carter says. He doesn't see gas as a viable exploration target because of enormous development costs.

Severe storms, strong currents, and

though its presence is widely known to the industry because of seismic work in the area.

It resembles a huge oval about 25 miles long and 10 miles wide, starting near the 3-mile line offshore and extending southwest into the center of the Icy Bay sale area.

"There is room here for another Prudhoe Bay field," says one company geologist. "But no one suggests that it will turn out to be another Prudhoe Bay. It's extremely rare to find a big structure filled with oil. What I am saying is that there is room here for another Prudhoe Bay. We just hope that it contains several billion barrels of oil.

"But if it's going to have anything big, it must have pay sections which are tremendously thick, and it certainly must have better porosity than the same formations onshore.

"Just because it is offshore, or downdip, doesn't mean it would have more porosity. That would not be a valid geological supposition. But we can reasonably expect some porosity. If we have that, we must also have the source beds to contribute the oil. Everything has to come together just right."

Operating costs. Companies preparing to bid on Gulf of Alaska leases have tempered their enthusiasm for the area in the past 2 years because of the great surge in offshore drilling and production costs.

The semisubmersible rigs which will be used for most of the drilling, plus other supporting services, will cost an estimated $100,000/day. This would mean that a well which took 100 days to drill would cost $10 million.

A shallow test may cost only $7 million, but if there is any trouble with the hole, the price tag of an exploratory well could rise to $15 million.

And finding oil is just the first step. Constructing platforms which meet the weather, ocean-bottom, and earthquake specifications will start at $100 million. Laying pipelines to a shore base, or constructing an offshore loading terminal, will add to the mounting costs.

Because of such prospective costs, companies are counting on reasonable crude prices to recoup their investments and make a profit.

"We couldn't go into the Gulf of Alaska for oil priced at $3 to $4/bbl," says one oil-company executive. "If we found a 5-billion-bbl field, we could make it on $5 to $6 oil. But if it's just a 1-billion-bbl field, we would need $10. We couldn't develop a 500-million-bbl field at today's oil prices."

Economics such as this will have a dampening effect on bids at the sale.

The rigs. Two semisubmersible rigs are being built by the Kaiser Shipyards near San Francisco specifically for use in the Gulf of Alaska. Others will be available from shipyards in Japan and other yards of Southeast Asia.

SUN OIL CO. estimates development of 100,000 b/d of production in the Gulf of Alaska would cost $500 million to $1.1 billion, depending on water depth.

That is based on estimated development costs ranging from $5,000 to $11,000 per daily barrel of production, depending on water depth, M. D. (Zeke) Noble says.

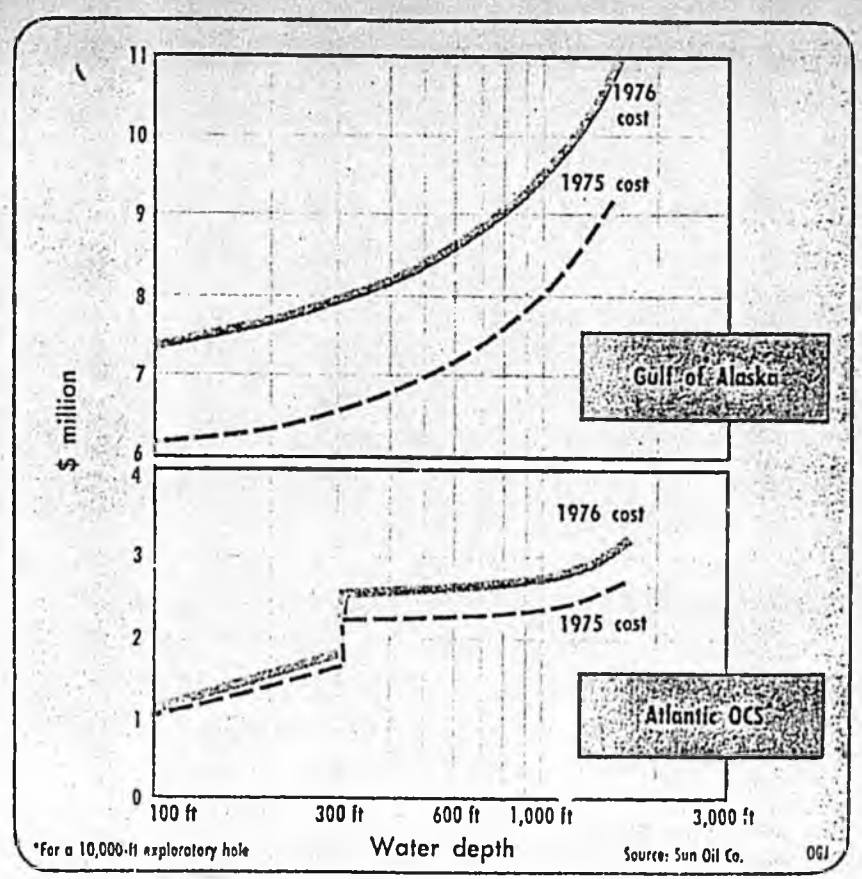
Noble, president of Sun's newly formed Sunmark Exploration Co., and J. Dwayne Taylor, an executive vice-president of Sun, spoke to the Houston Society of Financial Analysts on Mar. 17. Taylor described the purpose of Sun's recent reorganization.

Gulf of Alaska. In the face of such ferocious costs, how high must the price of oil be to support development.

Taylor says the price should be in the range of $14-16/bbl. And Noble says "a great deal of Gulf of Alaska potential would not be developed at today's prices." If the Gulf of Alaska sale occurs as scheduled on Apr. 13, Noble says, first production probably could not take place until 1981.

Sun also has revised upward its cost estimates for exploratory drilling in the Gulf of Alaska (see graph). A year ago, Sun estimated a 10,000-ft exploratory hole in 300 ft of water would cost about $6.5 million. Noble now estimates the same well would cost $8 million. He estimates a well on some of the known structures in deeper waters of the Gulf of Alaska would cost $9 million.

Gulf of Alaska, Atlantic wildcat costs*



*For a 10,000-ft exploratory hole

Source: Sun Oil Co. OGJ

N-M Dec 17, 76

Federal report says

Pipeline construction has sped deterioration of state's highways

ANCHORAGE (AP)—The federal Department of Transportation reports that trans-Alaska pipeline construction has speeded the deterioration of Alaska state highways—and says the federal government has no responsibility for repairs.

Alaska's Gov. Jay Hammond has fired off telegrams protesting that conclusion to Vice President Nelson Rockefeller, House Speaker Carl Albert, Transportation Secretary William Coleman and Federal Highway Administrator Norbert Tiemann.

Hammond noted the trans-Alaska pipeline was mandated by the U.S. Congress. This year's federal highways appropriations bill includes a section directing the Federal Highway Administration to study the need for special federal aid in building or repairing roads necessary for energy-related projects.

"This is another Catch-22," the governor stated. "Why should the study go forth if precedent has been established that there is no federal responsibility for impacts to highways used for the nation's energy needs?"

Coleman stated in his report to Vice President Nelson Rockefeller, president of the Senate, "This report of initial finding documents the fact that pipeline construction has accelerated deterioration of several state highways at a more rapid rate than highways not subjected to such traffic.

"The report further establishes that repair and restoration of the damaged highways is not a federal responsibility."

The report estimates some $300 million would be needed for reconstruction made necessary by pipeline construction.

The state sought $70 million from Congress for emergency repairs during the last session. That bill passed the Senate but was downed by the House.

In August, Sen. Ted Stevens, R-Alaska, said he believed the DOT study would indicate damage exceeded the $70-million figure, adding, "There is no question it is a federal responsibility."

Coleman said the department report is an interim study and makes no recommendation for a final solution to the problem.

MEMORANDUM

FROM: Mike Davis, Administrative Assistant

RE: Phone Conversation with Larry Powell, Major of Yakutat. - OCS IMPACT.

DATE: March 10, 1977

"We have had a direct impact since Sept. last year. The construction of the service base took place during the year preceding that."

We have five service boats servicing two rigs with service base.

Presently, some of the city services are impacted.

a. Water supplies
b. All the people working on the rigs move thru the airport. (There is an attempt to not have people in town. But, we are experiencing bad weather, so we can have anywhere from 15-25 people (or more) stuck in town.)

These demands should remain constant for the next two years (from Shell and Arco).

Exxon and Gulf will begin supplying their rigs with five service boats. Some of these will be based in Yakutat (which means a greater movement of people thru town).

We are looking for things to escalate...traffic thru the airport, the service base will need to be enlarged to handle the increased activity.

"Fact: We are faced with increasing our fire protection capability both onshore and offshore (due to the increased industrial activity). We will need to have a full time policeman (currently we have a trooper and a part-time policeman)."

"I would very much like a copy of the bill and background material." (sent 3-10-77).

MED:ab

City of Kenai
BOX 580
KENAI, ALASKA 99611
telephone: 283-7535

copies for committee members

March 9, 1977

Honorable Lisa Rudd
State of Alaska
House of Representatives
Pouch V
Juneau, Alaska 99811

RE: House Bill #219

Dear Representative Rudd:

House Bill 219, as proposed, clearly makes the developer of OCS resources liable for costs relative to the impacts generated from construction of shore-related facilities.

The principle of this proposed legislation has been long established in American municipalities, though normally called "off-site improvements", required as a result of significant development; commercial, industrial and housing.

The legislation, as proposed, is long overdue. The boroughs ought to be the agencies to establish such legislation, through their planning and zoning mandates; however, in the absence of borough action, then the State is obviously compelled to act.

The City of Kenai has been victimized by the absences of such legislation and, therefore, we are obliged to support this legislation, not only for our own protection, but for the greater good of the State.

If there are any problems in this proposed legislation, it is in Section 41.45.030 "Fees". The language is unclear and needs clarifying.

Our congratulations on the introduction and grateful support for the legislation.

For the Mayor and Council of the City of Kenai, Alaska, I am

Sincerely,

John E. Wise,
City Manager

JW:dd

February 24, 1977

TO: LISA
FROM: JUDITH

RE: HB 219

Sec. 41.45.030. FEE FOR SHORE FACILITIES PERMIT.

In arriving at the permit fee, gross impact cost and development revenue are the two factors being estimated as follows:

Step 1.

anticipated population increase
x
per capita costs of state and local government

= gross impact cost

Step 2.

estimated pertroleum taxes

general property taxes for onshore facilities

income taxes from residents in affected area

+ OCS and gas grants summed and discounted

= development revenue

Definition:

"discounted on a cash flow basis"

Money has a "time value", in the sense that it can be reinvested and earn future profits, a dollar of profit today is worth more to a corporation than a dollar of profit ten years from now. It is this truism which underlies the widespread corporate use of the discounted cash flow, or DCF, method of analysis for computing the rate of profit on different investments. As is implied by the name of the method, discounted cash flow analysis involves two basic elements: a cash flow of costs and profits over time, and discounting these flows by some factor to take into account the greater value of near money as compared to far money.

Step 3.

gross impact cost

- development revenue

= the fee for a shore facilities construction permit

1. Mike Davis should have some back-up information for us by Frieday which apparently includes a statement attesting to the constitutionality of this concept.

2. On advice from Jim Rhode of House Finace, I contacted Gregg Erickson from the Division of Research Services to let him know of the hearing on HB 219 for Monday. Mr. Erickson is an economist and he and his staff are apparently well versed regarding this bill; either himself or one of his staff will be on hand for the meeting.

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM March 14, 1977

SUBJECT: HB 219 Coastal Zone Development Permits (W.O. 3562)

TO: The Honorable Lisa Rudd
Chairman
House Committee on Community and Regional Affairs

FROM: Gregg K. Erickson
Director of Research

Jack Chenoweth
Staff Attorney

Introduction

As you requested, we have consulted with the sponsor of this legislation in an attempt to deal with some of the practical and legal problems that have been raised with it in testimony before your committee. In doing so we have developed an alternative approach for meeting the needs which we understand prompted the introduction of this legislation. After consultation with the sponsor, and as a practical matter related to the limited amount of time available, we have devoted most of our efforts towards developing this concept (which we might for shorthand call the "monopoly franchise approach") rather than the "permit approach" embodied in HB 219. If the committee wishes to proceed with the concept we have outlined here, we could draft legislation and have it before you for initial mark up by Wednesday morning. You may, of course, elect to stick with the "permit approach", and in this event we would shift our efforts towards resolving, insofar as we can, the technical problems that have been noted.

The legislative findings and declaration of purpose contained on page 1 of the bill delineate the needs that have prompted its introduction. As we understand them, these are the need for a mechanism which will insure that companies developing outer continental shelf (OCS) resources pay the net costs to the communities impacted by that development. In addition, it has been emphasized to us that the payment of these net costs should be at an early stage of the development when the community impact is at its most severe, and that there should be an equitable mechanism for sharing the payments among the state and local communities.

The Permit Approach

When one of us (Erickson) testified before you last week, some of the practical problems involved in implementing the bill as it is currently written were discussed. These are summarized as follows:

1. The *Estimation Problem.* In order to determine the fee to be charged for a permit, it would be necessary to look many years into the future and estimate both the costs and benefits derived from OCS development. These are obviously very difficult to determine. The biggest factor in the input is, of course, whether or not the exploration phase is successful. The possibility of future federal assistance adds additional uncertainty. Even if one could predict the unfolding of events with certainty, there would remain a great deal of room for subjective differences in the evaluation of the cost of those events. For example, a city with a high level of unemployment and substantially under-utilized coastal infrastructure (such as docks and staging areas) might evaluate the cost of OCS development as close to zero, whereas another community with stable employment and little room for physical expansion of facilities might find the same type of development very costly.

2. The *Allocation Problem.* In the initial phase of OCS development, at the time when these permit fees would be assessed, there would undoubtly be many companies involved in the exploration process. However, the most serious impact on the community will occur during the development phase. It is conceivable that one company could be responsible for all such development. It would probably be inappropriate to allocate all the OCS development costs imposed on a given community against the many companies involved in the exploration phase, when only one of them would derive the benefits from it.

3. The *Incidence Problem.* If and when one has been able to determine the net costs of OCS development, and who should pay them, a problem remains in fashioning a mechanism whereby that payment is extracted. Under the language currently contained in HB 219 it is possible that certain types of business organizations would be able to escape entirely the payment of the fees that this legislation is designed to assess. For example, the wharf run by a third party, financed only by wharfage charges would not appear to be covered. There would seem to be a strong incentive for this type of institutional arrangement to develop if this legislation were to be adopted in current form.

In addition to the practical difficulties adherent in this legislation, it also raises some major and serious legal issues. During the past week you have had the opportunity of hearing representatives of the oil

industry do this--at length. While we do not accept at face value all the legal arguments raised in this discussion, we do believe that legislation of this sort would be vulnerable to legal challenge on a number of points, including, among those summarized by Mr. Gene Wiles, the constitutional arguments touching upon equal protection and interference with interstate commerce.

Government Monopoly Franchise Approach

Because of the practical and legal problems associated with the bill as currently written, we examined other possible methods of fullfilling the purposes of this legislation as we understand them. In the course of this examination and our review of the surprisingly extensive literature that has accumulated recently on the coastal impact of OCS development, we have been struck by the fact that those areas that have been at least partly successful in dealing with OCS impact have been so by virtue of their ability to gain control over some vital component of the onshore infrastructure necessary to support offshore development. Probably the most distinct example where this mechanism has been used is in the Shetland Islands, where legislation was adopted which gave the county ownership in and effective control over the port and staging facilities necessary for the North Sea development. [1] In both Kodiak and Yakutat, similar though perhaps less successful efforts, based on patterns of land tenure, have been made to extract from OCS developers some of the onshore costs of their activities.

We would suggest that you consider creating by legislation a class of activities related to the onshore aspects of OCS development, the conduct of which would be reserved to and monopolized by the state. There are certain precedents for this approach. The legislation enacted by the British Parliament confirming broad authority in the Zetland County Council, (supra, note 1) serves as one model, though significant differences in the structures, functions, and powers of levels of government, and the differing constitutional bases between the British and American legal systems limit the comparison.

In the context of past American practice, the pre-eminent precedent may well be the Port of New York Authority, established in 1921 in a compact between the states of New York and New Jersey as a corporate and political body to serve as the means to "better [co-ordinate] the terminal, transportation, and other facilities of commerce in, about, and through the Port of New York" with broad powers to construct and maintain, directly or by lease, terminal and transportation facilities within the port district, but without necessarily impairing the authority of the respective states and their local governments to develop and improve transportation facilities and services. [2]

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[1] *Zetland County Council Act, Elizabeth II, 1974 (chapter viii). See also Sagalkin, "Comparative Analysis of Planning Laws of Scotland and Alaska", Memorandum to Jessie Dodson, January, 1977.*

[2] *N.J.S.A. 32:1-1 et seq.*

Similar arrangements addressing coordination of marine, land, and air transportation within port areas have been adopted throughout the country. We suggest that a like approach initiated by the state in response to ever-increasing demands upon the transportation, ports, and other public facilities of the coastal areas--allowing for inclusion of affected local governments as partners with the state--would serve the dual purpose of improving coordination and development of facilities necessary for outer continental shelf petroleum activity while providing the means to assure that the net public costs of development are borne by the principal users of the affected facilities.

If you accept this approach, its implementation could be vested in a "Outer Continental Shelf Service Authority". Firms about to engage in outer continental development in an area, requiring new or increased onshore facilities, would provide the Authority with as detailed as possible specification of the sites and facilities they would like to have to supply those operations. In reponse to this initiative and after payment of a modest "earnest money charge" the Authority would form a "Regional OCS Facilities Corporation". If the proposed facilities are to be within the boundaries of any existing local government, the local government will automatically be a 50% partner in the regional facilities corporation. The corporation would then negotiate with the offshore developers concerning the terms and conditions under which the facility is to be built. The entire cost of the facility would be borne by the offshore developers, and, in addition, they would be required to pay a franchise fee. This fee would be a matter of free negotiation between the regional facilities corporation and the offshore developers, but it could not be higher than the present value of the net costs expected to be incurred in the community as a result of the OCS development over some reasonable span of time. By setting this upper limit on the franchise charge, one would hopefully avoid a successful legal challenge of the arrangement on the grounds that the fee was an arbitrary and undue burden on interstate commerce.

Although involving a lump sum component, the franchise fee could also contain within it specific mechanisms to provide for cost adjustments or continuing payments; clauses triggering such payments could be written into the franchise agreement. For example, if exploration is successful and development begins, such as a clause could require a second lump sum payment be negotiated.

The franchise payment receipts would be shared between the state and local government on a basis to be established in the legislation, perhaps in an arbitrary allocation, such as 50-50, or perhaps (with more difficulty) on the basis of some formula related to impact. In areas where no local government exists, the state would be the sole owner of the regional facilities corporation, but might share the fee with any local government subsequently obtaining jurisdiction over the facility site.

The legislation and the monopoly authority would not apply to existing facilities, but would apply to any significant expansion of those facilities. "Expansion" could be defined in terms of the amount of cargo or goods passing through them, or with respect to additional investment in them. Any such increase or additional investment would require the creation of a regional facilities corporation and the negotiation of a franchise fee.

All profits from the facility would go to the OCS operators to be shared among them in accordance with whatever arrangement they determined to be equitable. They, rather than the corporation itself, could be given the responsibility of operating and managing the facility.

In order to insure that the OCS supply facilities are sited in the most logical locations, corporation would have power of eminent domain, but this could only be exerised with the approval of both the state and local government co-owners.

Since the franchise fees would be a matter for negotiation between the developers and the governments, each individual community would have the opportunity to assess for itself, subject to the maximum limitations established in general terms in the legislation, the "franchise fee" necessary to compensate it for the expected onshore development costs. Thus, if a community wishes to encourage such development, it would be able to do so by setting relatively lower franchise fees.

Governance of the Authority would be by directors appointed by the governor subject to confirmation by the legislature. The chief executive officer of the authority would be the Commissioner of Community and Regional Affairs. The regional facilities corporations would be governed by boards appointed in equal numbers by the Commissioner of Community and Regional Affairs and the local government. The state members would be drawn from the authority's governing board. A majority of a corporation's directors would be required to approve establishment of or change in franchise fees or arrangements.

GKE:JC:mo

cc: The Honorable Charles Parr

HB 219

Statement, Parr, March 16, 1977

I am sorry that conflicting committee meetings did not permit me to be here during oil company testimony on HB 219. Over the weekend, however, I have listened to the tapes of that testimony and would like to offer a few comments.

Mr. Mathews of Exxon made quite a point of the fact that the North Sea was a case of rushed development whereas only 5% of the U.S. OCS had been developed over a number of years. Against his statement should be read the attached pages from the Baldwins' book: Onshore Planning for Offshore Oil: Lessons from Scotland. (Appendix 1)

The Exxon representative further indicated that very few jobs would be made available for Alaskans, that the bulk of the work force would be brought in to the rigs or platforms by air from the Lower 48, spend two weeks at work (beyond the three-mile limit) and fly home again. Two points: They don't intend to train and hire Alaskans-which would benefit our economy-and it seems unlekely that the state will collect any income tax from those workers who neither live nor work within the three-mile limit.

Also, the Committee should compare the above statements with that by Mr.Showalter of SOHIO, that the OCS development will help unemployment following completion of pipeline construction, hiring skilled workers who live in Anchorage.

Mr. Matthews and Mr. Wiles (Shell Oil) stated that the number of people will be small. It is up to the Committee to decide whether to accept their figures or those prepared by Mr. Waring and Mr. Trimble. My own preference is to assume the higher figures, require the companies to submit payrolls and other data, and give them a rebate if they have indeed been overcharged.

The Committee might also note that expansion of a water, wewer, electric power, or school systems does not happen overnight. The community simply cannot wait until the development phase hits to begin construction of needed facilities.

References were made to $1.6 billion (sic). A column by Senator Ted Stevens, which I furnished the Committee at its first hearing on HB 219, indicates

(1) a total of $1.2 billion, of which

(2) $800 million is for loans and

(3) $400 million is for grants, of which

(4) $50 million is for planning, the rest for unavoidable

ecological losses (fish?) and necessary projects which cannot be funded under the loan program.

It is hardly likely that Alaska will get the lion's share of the grant funds... .

Mr. Larry Vavra of Union Oil furnished information on the Collier plant in Kenai and its happy tax status. I should point out that the Collier plant has been paying only about 1/3 of what it should have paid in the North Kenai Fire Service Area. There has also been heavy (and uncompensated) impact on Keani and Soldotna, as Representative Malone can verify.

Mr. Wiles quoted the preparer of the Mathematerial Sciences Northwest study, "who spent more than three weeks in Scotland, Shetlands," to the effect that the "local authorities in Scotland, with the active cooperation of the oil companies and contractors had been able to effectively plan for on-shore development..." Some idea of the active cooperation may be gleaned from Appendix 2. (Baldwin, ibid).

A final point. Mr. Wiles discussed possible constitutional problems. Although not a lawyer, I'll venture the opinion that there are two sides to the case. See, for example, K & L Distributors, Inc. v. Murkowski, 486 P.2d 351(1971).

DRAFT
DCRA-3/76

Table 2 Total ~~Export~~ Employment Direct and Indirect - Northern Gulf

onshore storage loading from offshore buoy 5 bil. bbl.

Year	No Find			Moderate Find 2a Pipeline			Moderate Find 2b S.B.M			High Find 3			Bonanza 4			
	On	Off	Tot	On	Off	Tot	On	Off	Tot	On	Off	Tot	On	Off	Tot	
76	84	156	240	84	156	240	84	156	240	84	156	240	84	156	240	
77	204	466	670	285	621	906	285	621	906	346	777	1123	484	777	1261	
78	285	621	906	548	1242	1790	548	1242	1790	658	1242	1900	884	1271	2155	
79	166	311	477	405	961	1366	405	961	1366	1081	1762	2843	1346	2331	3677	
80	84	156	240	708	961	1669	405	961	1366	1369	2171	3540	2414	2331	4745	
81				1375	1011	2386	285	621	906	2064	2311	4375	3719	2421	6140	
82				2034	1208	3242	315	638	953	3409	2296	5705	3536	3145	6681	
83				1233	1458	2691	465	888	1353	2555	2663	5218	5105	4280	9385	
84				968	1392	2360	668	1392	2060	3515	3833	7348	6023	5359	11,382	
85				1148	1775	2923	848	1775	2623	4933	3966	8899	7910	5828	13,728	
86				1118	1621	2739	818	1621	2439	3085	3316	6401	4845	4777	9,622	
87				1065	1534	2599	765	1534	2299	2280	3069	5349	3645	4603	8,248	
88				1005	1364	2369	705	1364	2069	2160	2727	4887	3525	4278	7,803	
89				945	1193	2138	645	1193	1838	1958	2215	4173	3340	3578	6,918	
90				863	1022	1885	563	1022	1585	1815	1856	3671	2978	2862	5,840	

Figure 1

Total Employment, Direct and Indirect Northern Gulf.

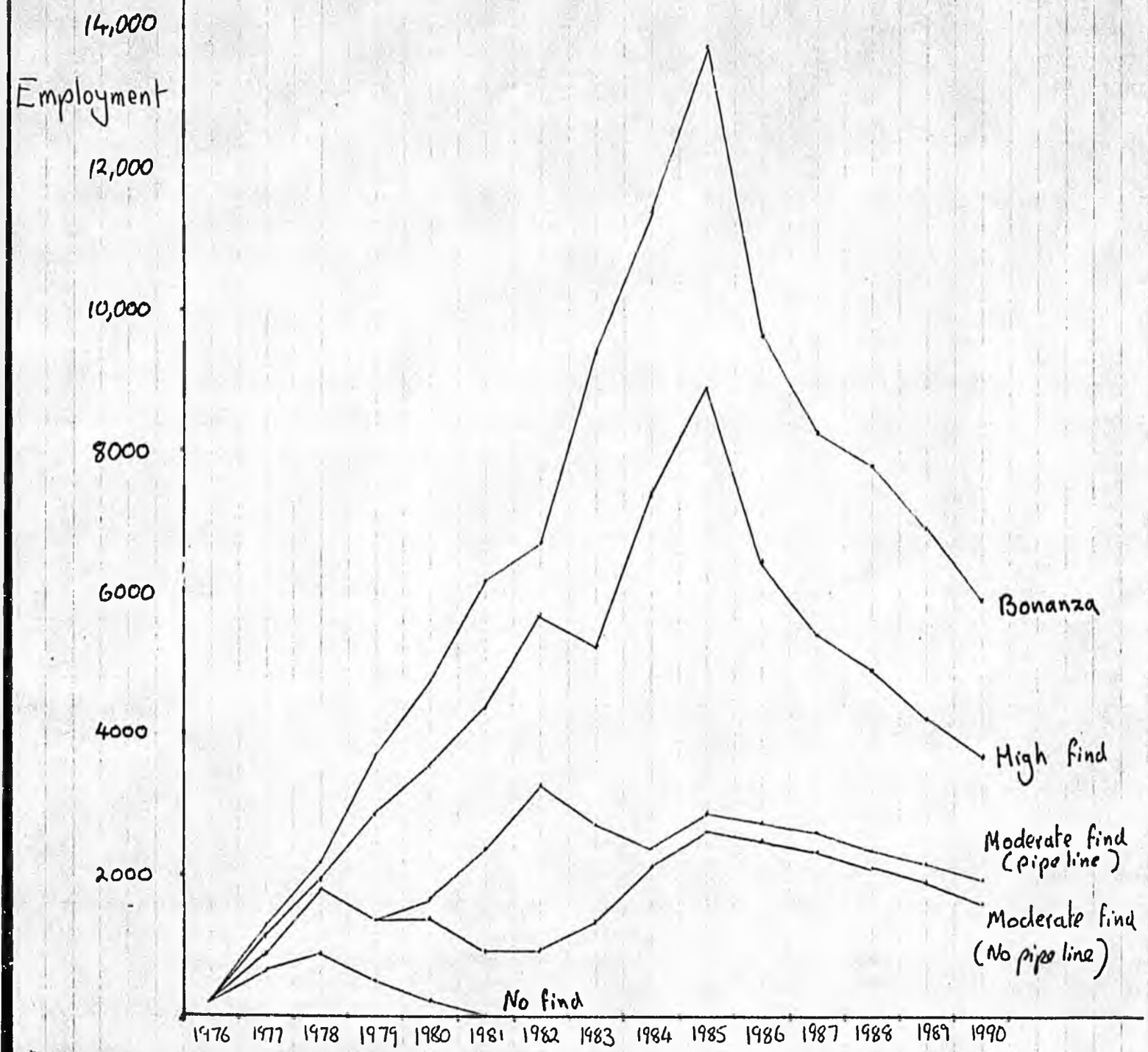

Figure 3

Additions to population from O.C.S. Activity – Northern Gulf.

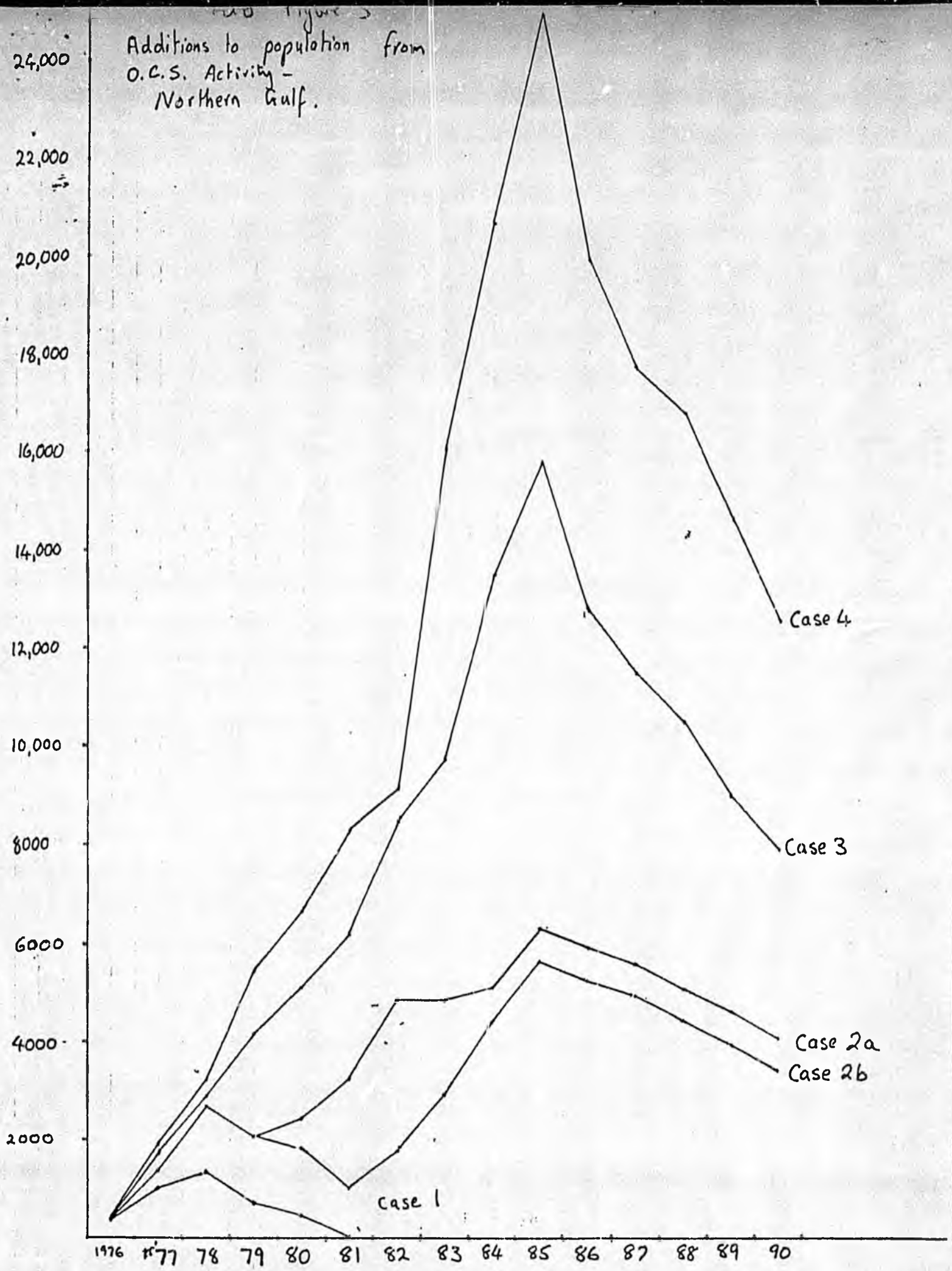

Table 4

Total Additional Population Northern Gulf

Year	No 1			2a			2b			3			4		
	On	Off	Total	On	Off	Total	On	Off	Total	On	Off	Total	On	Off	Total
1976	181	189	370	181	189	370	181	189	370	181	189	370	181	189	370
1977	439	565	1004	613	753	1366	613	753	1366	744	943	1687	910	943	1853
1978	613	753	1366	1178	1507	2685	1178	1507	2685	1298	1507	2805	1639	1569	3208
1979	357	378	738	871	1193	2064	871	1193	2064	1975	2188	4163	2450	2950	5400
1980	181	189	370	1235	1193	2428	871	940	1811	2361	2751	5112	3675	2968	6,643
1981				1964	1276	3240	613	374	987	3040	3136	6176	5148	3136	8,284
1982				2806	2008	4814	677	1099	1776	4650	3830	8480	4227	4959	9,186
1983				2128	2692	4820	1000	1909	2909	4328	5409	9737	8050	8,000	16,050
1984				2081	2993	5074	1436	2993	4429	6043	7482	13,525	10,128	10,636	20,764
1985				2468	3816	6284	1823	3816	5639	7693	8084	15,777	12,827	12,087	24,914
1986				2404	3485	5889	1759	3485	5244	5701	7003	12,704	9,163	10,270	19,433
1987				2290	3298	5588	1645	3298	4943	4902	6598	11,500	7,837	9,896	17,733
1988				2161	2933	5094	1516	2933	4439	4644	5863	10,507	7,579	9,198	16,777
1989				2032	2565	4597	1387	2565	3952	4210	4762	8,972	6,966	7,693	14,659
1990				1855	2197	4052	1210	2197	3407	3902	3990	7,892	6,403	6,153	12,556

64.5% 60.4% 50.0% 49.0%

March 15, 1977

TO: LISA
FROM: JUDITH

RE: Income Tax of OCS drilling rig employees

Transcript - Verbatim 3/7/77

Ose: "These 75 or whatever, that are being brought up then, the only revenue is through income tax?"

Matthews: "That's right, because they don't live in the state and they don't place any demand or services on the state".

Kelly: "Why are we receiving income tax on these people, I don't think we are, are we?"

Matthews: "It depends on how their residency is established with the company. If they are working for a company that is established and franchised with the State of Alaska, and they're paid out of Alaska, then essentially a portion of their income is subject to Alaskan taxation."

Kelly: "Is the Alaska Star subject to Alaska taxation?"

Matthews: "Yes sir, being it's maintained and operated by a company called North-Star Drilling Company in Anchorage."

I spoke with Mike McCormick, Chief, Audit Services, Department of Revenue and between corporate and individual taxation. The company has a legal obligation to withhold taxes on employees who are residents of the state. The state can tax individuals who are non-residents for income earned within the state. The state has no legal jurisdiction to tax income earned outside of the state.

Charles Prokop of Exxon, 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, new 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."

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.

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	507	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	70	751	873	946	947	947	155%	222%

*Services and miscellaneous aggregated
**Withheld to comply with disclosure regulations

SUGGESTION FOR LEGISLATION...

Establish, in the department of community and regional affairs, an OCS assistance fund.

Authorized appropriations could not exceed 2% of the estimate of taxes payable by industry to the state (exclusive of municipal share) under AS 43.56: for FY 78, that appears to be an authorized appropriation of $ 3.2 - $ 3.4 million. In later years, that would rise, on an annual basis, to $ 4.0 - $ 4.5 million, corresponding, through the time, with intensive development of onshore OCS support facilities.

After allowing small amount for departmental administration, the balance available would serve as a source of grants and loans.

Up to one-half of the annual appropriation could go for grants: these would be for "non-capital" costs, i.e. internal administration, local government employee hire, planning and implementation of comprehensive plan, etc. The balance would be available by way of loan to local governments for planning and construction of capital improvements and for vehicle and equipment purchase (fire trucks or whatever). Repayment of the loan portion would be predicated on the assumption that, when industry development of facilities in the town blossomed, the development would add enough to the tax base of the municipality taxable under the local government authority ($ 1500 per capita under AS 29.53 and AS 43.56) to permit repayment on reasonable terms.

Loans could be forgiven if the development of facilities in the community did not occur as anticipated and the commissioner thought that enforced repayment would work a hardship. Loan forgiveness requests would have to be submitted to the Legislature for non-disapproval.

Automatically terminate the authority to grant and loan (but not the continuing obligation to repay) in seven years; if the program worked well, the Legislature could remove that provision at a later date.

Oil companies would pay no additional front end tax. The state would extend assistance on the assumption that oil development support facilities would be covered by the 20 mill special property tax levy against the property when the facility finds its way on to the tax rolls. Repayment of loan portion would be from the increase in assessed value of taxable property located in the community by the OCS development.

Assure that no portion of the funding were withheld for internal state government use: the needs are "out there"; the Department's past practices have convinced some of the House Republicans that too much of the available federal support is being held back at the state level.

This is an update of the 1974 $ 10,000,000 "pipeline impact" program, with lesser amount of funding annually, spread over the period in which OCS development may be reasonably anticipated, with emphasis on repayment where possible (i.e. capital project support in communities having real possibility of expanded property tax base). Some additional state front end money now by way of grant should assist local governments qualify for federal grant, loan and bond guarantee support. Also, if SB 220 flies, the grants could go toward implementation of planning obligations and opportunities of local governments under it.

Original sponsor: (((must be on all CS's)))

BY _____

_____

IN THE HOUSE / SENATE _____

_____ BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act establishing in the Department of Community and Regional Affairs an Outer Continental Shelf Financial Assistance Fund; and providing for an effective date."

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

* Section 1. LEGISLATIVE FINDINGS AND PURPOSE. (a) The Legislature finds that activities which occur in the waters of the Outer Continental Shelf adjacent to the territorial waters of the state require the construction of support facilities in onshore areas of the state contiguous to the projects; that the siting, planning, construction and operation of new or expanded onshore facilities and activities associated with supply of outer continental shelf projects involve demands for public facilities and services which, initially, are beyond the ability of local governments to meet; that ~~XXXXXXXXXX~~ Congress has responded to the need to make available financial support and assistance to states and local governments affected, but that the nature of the Congressional response suggests direct assistance to Alaska communities to improve their eligibility for and capacity to use that assistance; that the contribution of revenues from industry by way of taxes and fees due local governments will occur ~~XXXXXXXXXX~~ principally through the recoupment of taxes levied

and collected from the petroleum industry under AS 43.56, but that ~~the~~ collection of the tax by units of local government will occur only after the ~~collection~~ inclusion of real and personal property on assessment rolls. ~~and/the/collected~~

(b) It is the purpose of this Act to provide a mechanism by which municipalities may be provided loans and grants to plan for and improve the delivery of public services and to determine the need for and initiate development of necessary public ~~services~~ facilities prior to the advent of significant ~~development~~ activity within the municipality attributable to the support of outer continental shelf facilities and projects.

* Sec. 2. AS 44.47 is amended by adding new sections to read:

ARTICLE . OUTER CONTINENTAL SHELF FINANCIAL ASSISTANCE.

Sec. 44.47.350. OUTER CONTINENTAL SHELF ASSISTANCE FUND. There is in the Department of Community and Regional Affairs the Outer Continental Shelf Assistance Fund to carry out the purposes of secs. 360-400 of this chapter. The fund may be used for no other purpose.

Sec. 44.47.360. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTRATION OF THE FUND. (a) The Department shall

(1) make grants to municipalities for

(A) preparation and completion of comprehensive plans;

(B) implementation of comprehensive plans, whether or not prepared utilizing grants awarded under (A) of this paragraph, including, but not limited to, the adoption and enforcement of zoning and other land use controls reasonably related to shore facilities siting;

(C) municipal administration, including the exercise of general government powers authorized under AS 29.48.

(D) the acquisition of real property, or interests in real property, reasonably necessary to assure the implementation of a comprehensive plan adopted by the municipality; grants under this subparagraph are limited to the acquisition of real property in furtherance of concentration of outer continental shelf supply facilities within areas designated by the municipality in its comprehensive plan for industrial or related development and to the acquisition of necessary open space, park lands, watershed protection areas, or outdoor recreational facilities.

(2) make loans to municipalities for

(A) planning and construction of public facilities, whether or not the facilities ~~are~~ to be constructed are financed by direct municipal appropriation, general obligation bonds, loan or grant, and whether or not the completion of the facility contemplates use of bond guarantees available from an agency or instrumentality of the federal government under the Coastal Zone Management Act amendments of 1976;

vehicles and

(B) the purchase of/equipment reasonably necessary for the municipality to improve public safety ~~and protection~~ services.

(b) The Department shall adopt regulations to implement administration of this section.

Sec. 44.47.370. LIMITATIONS. (a) Grants and loans provided under sec. 360 of this chapter may not be used to reduce current municipal tax rates or to retire existing municipal bonded indebtedness.

(b) Grants made under sec. 360(a)(1) of this chapter may not exceed, annually, one-half of the total amount appropriated by the Legislature to the fund for a fiscal year.

(c) No loan may be made under ~~this~~ sec. 360(a)(2) of this chapter unless the commissioner is satisfied that the money is not otherwise avail-

able to the municipality.

Sec. 44.47.380. LOAN INDEBTEDNESS. (a) No interest may be charged on a loan to a municipality approved by the commissioner under ~~this~~ sec. 360(a)(2) of this chapter.

(b) ~~The~~ A loan approved by the commissioner shall be repaid by the municipality within 10 years of the first inclusion of ~~property~~ outer continental shelf support facilities within the municipality /subject to levy of the tax imposed by AS 43.56 on the assessment rolls prepared by the department of revenue or within 10 years of approval of the loan by the commissioner, whichever is later.

Sec. 44.47.390. LOAN FORGIVENESS. A municipality which has received a loan under ~~this~~ sec. 360(a)(2) of this chapter may ~~also~~ apply to the commissioner for forgiveness of ~~the~~ a loan, or any portion of the balance due. The commissioner may recommend that the loan be forgiven if he reasonably believes that the development of outer continental shelf support facilities within the municipality subject to the tax levied by AS 43.56 will not occur to the degree contemplated at the time the loan was approved and that repayment of the loan, or the remaining balance of the loan, would work a hardship on residents of the municipality. ~~A loan recommended by the commissioner for forgiveness shall be presented to the legislature within the first ten days of a regular legislative session.~~ A recommendation of forgiveness by the commissioner shall be presented to the legislature within the first ten days of a regular legislative session. A loan recommended for forgiveness by the commissioner shall be forgiven if, at the end of the legislative session in which a recommendation is presented, the Legislature has not adopted a concurrent resolution disapproving of forgiveness of the loan.

Sec. 44.47.400. FUND BALANCE. The legislature is authorized to appropriate annually to the fund established in sec. 350 of this chapter an amount not to exceed 2 per cent of the estimated receipts of taxes levied under AS 43.56 and returned to the state for inclusion in the general

* Estimated for FY 78: $3.2 million

fund for the fiscal year.

* Sec. 3. [redacted] Act. This Act expires June 30, 1984.

* Sec. 4. This Act takes effect July 1, 1977.

March 15, 1977

TO: LISA
FROM: JUDITH

RE: Income Tax of OCS drilling rig employees

Transcript - Verbatim 3/7/77

Ose: "These 75 or whatever, that are being brought up then, the only revenue is through income tax?"

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B—JUNEAU 99811

March 4, 1977

Mayors of Coastal Municipalities:

Yesterday, I received a phone call from Chuck Cohen; who, as you know, is our representative in Washington D.C., with responsibility for doing research and technical analyses of the new Coastal Energy Impact Program. Chuck advised me that a supplemental appropriation for FY '77, as prepared by President Ford and amended by President Carter, and a budget for FY '78, have been presented to the Congress in the following amounts:

FY '77- $10 million - Formula Grants
$110 million - Facilities Loans
$0.00 - Planning
$0.00 - Environmental or Recreational Grants

FY '78- $13 million - Formula Grants
$143 million - Facilities Loans
$0.00 - Planning
$0.00 - Environmental or Recreational Grants

From the proposed appropriations the federal Office of Coastal Zone Management has tentatively proposed to allocate to the State of Alaska and its municipalities the following amounts:

FY '77 (Supplemental)
$700,000 - Formula Grants
$31,900,000 - Facilities Loans
$0.00 - Planning
$0.00 - Enviromental or Recreational Grants

FY '78 (Budget)
$3,200,000. - Formula Grants
$68,600,000. - Facilities Loans
$0.00 - Planning
$0.00 - Enviromental or Recreational Grants

The most obvious omission from the proposed budgetary figures, in our view point, is the lack of appropriations for planning which would ordinarily precede application for facilities loans or formula grants. In other words, it appears the federal administration is putting the "cart before the horse" by providing funding for facilities without any funding being provided for necessary planning. Therefore, this date, Kevin Waring, Director of Community Planning, is preparing a draft of a letter for Governor Hammond's signature to members of our congressional delegation in Washington strongly urging that they amend the proposed FY '77 supplemental and FY '78 budget figures to include funds for planning. By way of this letter we encourage each of you to likewise send letters or telegrams to members of the Alaska Congressional Delegation in Washington, expressing your concern for the need for funding of planning under the C.E.I.P. As in the past, we would appreciate receiving a carbon copy of any correspondence you might send to the congressional delegation. As we understand it, the supplemental appropriation bill and the FY' 78 budget are now in Congressional committees. It is imperative that, if you propose to make your wishes known to the Congressional Delegation, letters or telegrams be sent A.S.A.P.

One week ago today, the Coastal Management Policy Committee of Governor Hammond's Administration, authorized the Department of Community and Regional Affairs to take the lead in the development of the intrastate allocation formula process as provided for in the federal regulations which implement the C.E.I.P. I had earlier requested that Chuck Cohen prepare a draft intrastate allocation formula for our consideration and I expect to receive that first draft sometime next week. Also, while in Fairbanks this coming week Kevin Waring will meet with representatives of the Institute of Social and Economic Research at the University of Alaska, to see if the Institute is willing to also draft a formula for the proposed intrastate allocation. We will be contacting you in the very near future with our proposal. Any finally adopted intrastate allocation formula, as we envision it, will include municipal representation and input regarding the distribution of the federal allocation for formula grants grants and facilities loans made available to the State of Alaska.

We again urge you to contact our congressional delegation in Washington if you share our concern that money should be appropriated for Coastal Energy Impact planning. We also appreciate any comments or concerns you might have as to the manner in which our Department is proceeding in drafting a proposed intrastate allocation formula for the Coastal Energy Impact Program.

Sincerely,

Palmer

Palmer McCarter
Director

cc: City Managers
Don Berry, Alaska Municipal League

MeC/pe

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING / POUCH B – JUNEAU 99811

March 22, 1977

The Honorable Lisa Rudd
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Rudd:

As requested by the House Community and Regional Affairs Committee, this letter summarizes the amount and status of matching grants-in-aid allocated by the Division of Community Planning to local governments for OCS-related planning over the immediate past and current fiscal years.

To date, a total of $590.6 in matching grants has been awarded or reserved for local OCS planning. Grants were funded from the following federal and state program sources:

(A) Federal HUD 701 Comprehensive Planning Assistance Program;
(B) Two federal OCS Supplemental Planning grants the Division obtained through the federal office of Coastal Zone Management;
(c) Federal Economic Development Administration title IX OCS grant for economic adjustment planning; and
(d) State Oil Impact Program.

The following Table identifies the locality, grant amount and status of each local grant.

Locale	Grant Amount	Project Status
HUD 701		
1. City of Cordova	18.0	completed
2. City of Yakutat	24.0	completed
3. City of Yakutat	6.7	completed
4. North Slope Borough	9.0	completed
5. City of Sand Point	15.0	current
	$72.7	

Locale	Grant Amount	Project Status
OCZM/OCS I (Total Grant: $300.0)		
6. Kenai Peninsula Borough	60.0	completed
7. Kenai Peninsula Borough	25.0	pending
8. Kodiak Island Borough	36.0	completed
9. Kodiak Island Borough	12.0	current
10. Alaska Native Foundation	18.0	completed
	$151.0	
OCZM/OCS II (Total Grant: $250.0)		
11. North Slope Borough	40.0	pending
12. Unalaska	25.0	current
13. Kodiak Island Borough	50.0	current
	$115.0	
EDA Title IX (Total Grant: $300.0)		
14. Kodiak Island Borough	45.0	current
15. City of Seward	30.0	current
16. Cities of Kenai-Soldotna	30.0	pending
17. Cities of Homer-Seldovia	30.0	pending
18. City of Yakutat	33.0	current
19. City of Cordova	30.0	pending
	$198.0	
State Oil Impact Grant Program		
20. City of Yakutat	$53.9	completed

The OCZM/OCS Supplemental Grants and the EDA Title IX Grant represent new federal grant program funds which were obtained at the initiative of the Division of Community Planning to help local governments underwrite the cost of much-needed OCS impact planning. Of course, since all these federal programs require local matching contributions ranging from one-half to one-fourth of the grant amount, employment of these federal grant funds by local governments still means that substantial outlays of local funds are necessary. This has placed a serious financial squeeze on those local governments with small tax bases (e.g., Yakutat) or high mil rates (e.g., Seward at 25.0 mils) and has unfortunately hampered their ability to take quick advantage of matching grant funds available through the Division.

To summarize, better than half of the federal funds ($464.0 out $850.0) obtained by the Division specifically for OCS planning over these two years has been allocated to local agencies for locally sponsored projects. The bulk of the remainder has been allocated either to other State agency projects uniquely the responsibility of the State (e.g., drafting of Department of Environmental Conservation's oil tanker traffic regulations, Department of Highways' Gulf of Alaska regional transportation planning) or to special planning projects of common benefit to local and state governments alike (e.g., Marine Service Base

Study; Employment Forecast Model; OCS Bibliography; Management of OCS-Related Industrial Development Handbook). In my judgment, it is more sensible and economical to undertake this latter type of studies once under State sponsorship for universal use and reference, than to have them undertaken time and again by each separate local government.

I will be glad to provide any additional information on these matters that the Committee may request.

Sincerely,

Kevin Waring

Kevin Waring
Director

HB

219

(HRing Notes
+ clean copy)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 219
Title An Act providing for permits and fees
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected REVENUE
Program Category Affected ADMINISTRATION
Budget Request Unit(s) Affected RESEARCH, DATA PROCESSING, PETROLEUM REVENUE DIVISION

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES		1.0	1.0	1.05		
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		1.0	1.0	1.05		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		See below				
PART TIME						
TEMPORARY						

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

The Department of Revenue estimates that the preparation of the income tax data required for estimating purposes would require the effort of two man-days. The preparation of the oil property tax data is estimated to require one man-week. It is assumed that the estimated costs could be absorbed.

IV. DATE 3/3/77 PREPARED BY Baerbel R. Sorensen 328
AGENCY Department of Revenue
PHONE 465-2174

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

33 001 (Rev. 10/76)

Analysis of HB 219 as Proposed February 15, 1977

The bill proposes to establish a shore facilities construction permit system, and to charge a permit fee based on the difference between "gross impact cost" and "development revenue" to be estimated by the Department of Community and Regional Affairs.

The "gross impact costs" are determined by multiplying the per capita costs of state and local government services in the area with the maximum anticipated population increase anticipated in conjunction with the offshore development in the area. "Development revenue" is to be determined by estimating petroleum property taxes, general property taxes, estimated income tax collections, and anticipated outer continental shelf oil and gas development grants.

The bill is unclear with respect to several items:

1. It appears that the permit fee to be assessed is aimed at covering costs of governmental services which will not be funded from other sources. The bill refers to per capita state and local government cost without specifically indicating which cost items are to be included, especially state costs.

2. It is unclear whether the permit fee assessed is supposed to reflect estimated total cost for the 20-year period, or whether it is to be based on the maximum impact at one point in time. The question of the 20-year coverage occurs because of the reference to the discounting of the cash flow on the revenue side. This implies that on the revenue side, the whole period will be taken into consideration.

3. In this connection, the question occurs why the inflationary impact is to be taken into account on the revenue side while no reference to this is made on the cost side.

4. If the permit to be assessed is to reflect the otherwise unfunded portion of state and local costs, all state and local revenue sources applicable should be incorporated. This would include a local sales tax, if applicable, school taxes, all excise taxes, license fees and other revenue sources, especially at the state level. However, most of these revenues, as well as some of the expenditure items, cannot yet be traced to specific localities. Because of this, the concept incorporated in the bill appears to be unworkable, at least in its present form.

219 - fees -
equal to gross impact costs
line 14 - what do they mean by land development -

- discounted on a cash flow basis -

franchise fee - stated comm. agreement - through a Land agreement (which board) power of eminent domain - city allegedly provides direct involvement & community and the planning function

- one approach through zoning planning power - vetoed PAH
- continuing payment schedule to retire the debt

[Alaska Industrial Development Act - differential involved
is this a possible model?]

2/26 Kevin's suggestions that local governments might wish to be available

Don Gilman – major of Kenai

Larry Farnam – Dick Nevai (major - Seward) - Johnny Johnson (city manager)

Oil companies – depreciate any impact – (IRA has their own projections)

- constitutional questions / ~~tax~~ a fee? and the questions.
- pay ~~taxes~~ everywhere – (nice feature of the bill

LISA's questions – how long are we looking at for income – no way to tell which

* - Waiving – annual fee – reapply each year – fixed fee to employment – force oil companies to disclose $ plan.

idea

- change statutes to include up front tax payments now as a credit against tax paid later. muni to withhold build. permits if project will create adverse impacts – criteria for issuing build, permit $ planning regs.

(franchise?)

7/28 Mr. Pann - grants for planning & other uses not for impacts — impacts to be estimated at $4 million. There will be no significant compensation from the fed. gov't & should be furnished by those who profit — consumers — through oil companies in turn passed to consumers not aimed at punitive tax on oil companies

- estimated increase in population comes from CRA / spread over 20 year period
- estimated cost of state & local gov't per capita /
- DOR be the one to estimate revenues

Mr. Kevin Waring - AK. has 1/2 of OCS and located out 3 miles — outside of our taxing jurisdictions — The extraction variations are part of the estimation process while dealing with hypotheticals — Exploration — Appraisal — Production — /

0 - 6 yrs.

1 yr - 18 months

5 - 8 years

suff. prod. to justify costs
500 - 700 million to build platform

characteristics of the field - where to put platform

/

LNG - wholly onshore facilities

Concrete - 300,000 pds. - earthquake problems either it - liquid base or hard pack. 1,000 - 1,500 employs for concrete platform

Erickson - Problem areas - 1) estimating impact (future costs are difficult) 2) allocation — those responsible are difficult to identify - 3) incidence problem - how to make them pay -

3/7 Introduction of background materials – red – yellow

Tom Matthews – man. of engineering – Anchorage – Exxon
immediate demand from oil devel. & to tax revenues
generated to state & local gov't –

(1) – questionably if OCS <u>ever</u> will inject

(2) assuming revenue credits –
"any person engaged in anything leased or contracted"
right of private infringement –

– The "real impacts" – what is happening? 20-yr
prop & discoveries done & SIMULTANEOUSLY is not reality
– The North Sea – leased <u>all</u> desirable acreage & 100
discoveries – 50 of these were <u>major</u> – correlation of
offshore rigs – ect. just not going to happen in Alaska –
Lease-sale 39 – all supported out of Seward & impacts
are: a) 30-acre tract – supply base
b) radio commun.
c) another tract at AK railroad
d) boats out of Seward & AK. docks – "Alaska-Star"
workforce – company & contract – 4 in Seward
8 local sub-contract
13 AK resid. – other
25 AK.

219 - fees -
equal to gross impact costs
line 11 - what go they mean by land development -

- discounted on a cash flow basis -

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Exploration: 0-6 yrs.
- suff. prod. to justify costs
- 500-700 million to build platform

Appraisal: 1 1/2-18 months
- characteristics of the field - where to put platform

Production: 5-8 years

LNG - wholly onshore facilities

Concrete - 300,000 yds. - earthquake problems either it - fluid base or hand pack. 1,000 - 1,500 employees for concrete platform

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offshore rigs - ect. just not going to happen in Alaska -
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are: a) 30-acre tract -- supply base
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c) another tract at Ak rail roads
d) boats out of Seward & Ak. docks - "Alaska-Star"
workforce - company & contract - 4 in Seward
8 local sub-contract
13 ~~Ak~~ resid. - other
25 AK.

200 - total - 175 - out-of-state

limited amount of local employment, goods and services

long-term impacts - indeterminant

Santa Barbara - 1968 - now beg. to level. that lease comparable as an isolated case - Ak. situation -

5-8 yrs. to bring it on to production

Immediate major demands - non-existant

- 3% sales and use
- wharf fees (loading)
- prop. taxes (warehouse $
- benefits to employment

10,000 gal. a day of diesel fuel - 1¢ a gal. to state

1972 current rate of use that goes money to state.

1976 CZM Act - 1.6 bil. to states to counteract OCS

$ Ak. eligible to 35% of these funds

look at this and strings attached -

Pay a permit fee with no payback if nothing doesn't occur & based on data that assumes simultaneously events occur = drastic

construction phase - large build-up - modular - many people involved in construction phase

need for additional input - 3/4 mil. $ a month on goods & services

15-20 years before all lease area will be leased
9 out of 10 exploratory wells dry —
range of estimates — how to determine fee for permit —
OCS alleviate unemployment — ?? near impossibility of
determining fees & lack of data and federal impact
funds available — wide tie by would allow
for Alt. to dvel. its CZM plan —
- O don't think there is much ~~decision~~ incentive to
bring things (industry) in
- K petro-chemical & other dvel. in Cook Inlet
that would need to be segregated

#3 Mr. Wiles — Chevron U.S.A.
Gulf of Alaska's operators committee study — impacts —
— synopsis of economic report —
completed May 1975 & briefed officials
able to effectively plan after social & economic
impacts — recoverable reserves & rate of recovery
are unknowns — production stage employment will
go down — estimated impacts from various communities
[impact would not be great but benefits would be]
$30 mil. & 24 employees in Kenai

no figures the tr 3/4 mil. - with ad as to how those breakdown - Matthews didn't know
Question: California law that mandated impact -

3/8 Initial phase - no immediate demand - Matthew
-R 1977 development phase - a good time period other than 20 years - average in the 30yr period
Gulf of Alaska - 39 -
bulk of monies -
why CZM Act provide grants and loans
Permit fee system is CZM in California / none related to impacts - NOAA grant on OCS impacts
-O what construction are we about - 35 currently
demand for water - limited existing water supplies
No drink problem at dock water - additional
three bases -

Mr. Shewalter -
North Sea - California - how many people employed in Cook Inlet - how many employed then - now - services required - local sentiment of Kenai peninsula. How many Alaskans could receive full-time employment projections based on phase leasing schedules

3/9 Wiles continues — possible constitutionality question —

.030 — fee

Skelley, Mobil — case study - YAKATAT -
Mobil request water use

3/10 20 mil - right of way leasing bill — normal taxing level
Snider — look into % of amount of lease sale —

3/14 Larry Powell - Mayor of YAKATAT — community survey — 1975 - found that people were not interested in large scale build-up but some developments with restrictions & not destroying the quality of life
1976 — budget expenditures approaching 3X what happened in '73 & '74 — considerable costs
capital improvements — were not as great as anticipated for a comm. which encouraged development.
The community plan was integral to a good working relationship w YAKATAT community. More specifically what needs of community are —

Police facilities
Water facilities at capacity
Sewer facilities at capacity
Dock facilities need upgrading
Revenues not available until FY 1977

Airport has had considerable impact
Property values increase to private citizens & had a definite impact — 21 mills 1977 / 12 mills 1974
Attempts to get EDA Title IX and Title X for cap. improvements
13 billion assessed valuation
10,000 per capita income — now 13, - 15,
status in acres of village corporations
75% Native pop.
1,500 acres of Yakutat boundaries
$225,000 - FY 77 300 - 350, - FY 78 = $10,000
contribution to schools —
CETA grants for zoning — $10,000 + $40,000
Pipeline Grant — $53,000
control land situation to not allow for speculation from outside

3/15 Erickson – Chenoweth –

permit approach –

looked at the areas of OCS / guidging approval to a franchise - type of approach –

substantial precedence for franchise approach

negotiating a fee for the ~~negotiation~~ franchise between the community / area and the oil companies. Approach that stands reasonably good chance of success.

the ability of the authority to hold the monopoly

is it not possible for the local gov't to create it's own authority? Yes – accord. to JACK under AS 29 – away for marg. areas

do all local areas have control of tidelands like YAKATAT? – yes, if it is owned by locality.

no departure or local level from establishment

SB 224/CZM – coastal area but not immediate area of OCS

authority could: retain ownership – not necessary that land is in control (owned) by state or locality – right to exercise "eminent domain" –

"impact proport. to the value of the prop. ashore" — not intent of the sponsor

legislative research — planning & zoning

PAAA - "immediate impact" - in anticipation of demand
see Ted Stevens column -
there is no guarantee that Congress will appropriate the funds for OCS -

State had taxing capability in Valdez & for OCS
there is no taxing jurisdiction outside the 3-mile limit.

Lethin - municipality makes bargain w oil company - bases outside munic may not legally be
(Error - implied that they were paying more tax -
Is that true?)

Testimony that experts on risk & onshore development are Alaskan residents

No problem with statute system
the amt. of money will be ascertained by what the companies are planning are doing - phasing it in - (Erickson proposal)

~~Matthias~~

3/16 Hank Osbosky –
Federal Field Committee – Article 9 Comm. Law of the Sea – 44.9.719 –
Kevin Waring – Comm. & Rural Planning –
arriving at their own best estimates
Main Service Bases – done by C&RA –
Port Facility – level of exploration & development
Regional Transportation Needs for facilities – transportation infrastructure – "oil as a transportation industry"
Planning Concepts – details approaches of other states
Regional Planning Document – workforce, popul. growth
assessment of lands for industrial development.
The Mgmt of OCS related development – what demands are placed upon the local gov't – and the tools needed for
forecast model from Scotland – North Sea –
C&RA – preparation of local areas for potential impact
Kodiak Assessment Plan and Borough
Kenai Borough – assessment plan in works
→ fit together a comprehensive state plan for this areas

Kevin Waring (cont.) plan against the possibilities of development — FACTS:

The situation of grants:

no appropriations to implement CZM - 1972

31.9 million loans - loan entitlements not grants to Alaska -

Calif - N. Mexico - will be eligible for grants

No prospect of 600, mil. in grants funds -

costs of public services is 3 to 4 times higher than other states.

if uncertainty then it is far more equitable to place the risk, gambles and uncertainties upon the industry not the communities.

Rudd - where does the money come from for document publication

HUD -

CZM - funds for OCS

EDA - public facilities funds

General Fund -

50/50 funding split for state & local planning

Defined econometric model -

4 - 5 years - add'l employment growth 3,200
excluded some of the potential projects -

Berry - secure add'l revenues to support services
Menil League - franchise fee - support -
additional support to
indisputable that there will be a need for more services

Time frame from point of contact & out

- Authority - not to have legal power to sue -
- Purposes -
- Amendment to organic statute -
- Zoning option - mention this to LISA -

3/5 Mr. Weiss - mayor of Seward — Kenai
not meet the needs of sewage - schools -
Impact - hosp. - state highway - small local labor,
schools, sewers - (not an item or mini budget that will not be impacted)
able to identify all costs
and

Sinkelstein, Mark - attorney Atlantic Richfield -
- for simple ways of meeting the problem
- he recommends applying to state (local) to
get impact funds.

challenged subjective nature of the fees application
- appears to pit the state agency against the local community -
- questioned the option of the merit to elect not to put the permit -
- what happens during the repeal - Sec. 41.45.040.
- is the permit granted?
- Sec. 41.45.60 - within which time frame must the state take action to grant a permit? open discretion
- Sec. 41.45.070 - ratified to include a provision that there is opportunity to respond - with notice and not on a summary basis.
- Single request - have the locality make application

Schaefermeier, Darryl - Seward - recog. & supports the need for adequate funding -
- concern over impact as to the total magnitude of the bill
- clarification of "onshore" / definitions
- local government / defined (p. 1)
- Sec. 41.45.020. - line 17 - needs definition
- p. 3 line 5 - "adjacent community"
- stress the positive aspects of OCS impacts
- p. 4 l. 6 - how broad an area is going to be defined
- p. 4 l. 10 - when is it appropriate to notify affected parties

219 / 3/25 continued - Mr. Schaefermeyer - Seward

- p. 7 l. 5 — variance in muni & borough ordinances & this will cause additional problems / which will be the prevailing law under this bill.
- Recommendation to clarify the language regarding jurisdiction,
- Sec. 41.45.080. who should get fees involved because again the lack of definition — potentiality of adverse relationship
- p. 8 line 29 - define "community affected"
- Sec. 41.45.130. - penalties be a civil penalty can one levels this high of a fine as a misdemeanor
- front-end money — Anderson's questions
  - state receiving adequate funding by oil taxation & possibly set that aside in a separate fund to go to local community
  - difficult time in filing for grants -

Mr. Martins - Exxon attorney -
funds available through federal CZM
1/4 of a billion - alluded to -

- payment of property taxes — plus payment of permit fee — recommendation the option to recoup permit fee after p. taxes collected

- no provision for what the local gov't does with the money
- p. 8 l. 2 - standard multiplier - recommend. should be arrived at by the local communities
- Sec. 41.45.110. - DOI & Governor receive notification already by federal

idea:

- scrap - give local govt's authority to levy a fee & collect it directly
  - left to operate in the unorganized borough (state to collect - using the money (since they can't rebate it to unorganized area)
  - Scheme to have the authority to impose a special fee - & grant permit (employee)
  - strike the rebate provision
  - doesn't take care of city outside corporate limits - they would rely on state -

Charles Prokop of Exxon, 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, new 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."

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.

March 15, 1977

TO: LISA
FROM: JUDITH

RE: Income Tax of OCS drilling rig employees

Transcript - Verbatim 3/7/77

Ose: "These 75 or whatever, that are being brought up then, the only revenue is through income tax?"

Matthews: "That's right, because they don't live in the state and they don't place any demand or services on the state".

Kelly: "Why are we receiving income tax on these people, I don't think we are, are we?"

Matthews: "It depends on how their residency is established with the company. If they are working for a company that is established and franchised with the State of Alaska, and they're paid out of Alaska, then essentially a portion of their income is subject to Alaskan taxation."

Kelly: "Is the Alaska Star subject to Alaska taxation?"

Matthews: "Yes sir, being it's maintained and operated by a company called North-Star Drilling Company in Anchorage."

I spoke with Mike McCormick, Chief, Audit Services, Department of Revenue and between corporate and individual taxation. The company has a legal obligation to withhold taxes on employees who are residents of the state. The state can tax individuals who are non-residents for income earned within the state. The state has no legal jurisdiction to tax income earned outside of the state.

EXHIBIT

COMPARATIVE EMPLOYMENT DATA
1961-1974
KENAI-COOK INLET LABOR AREA

200 barrel/day (relatively small)

	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	507	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	973	946	947	947	155%	222%

*Services and miscellaneous aggregated
**Withheld to comply with disclosure regulations

Hold Indefinitely

Sec. 41.45. . FEDERAL GRANT ASSISTANCE OFFSET. (a) Formula grants appropriated under sec. 308(c) of the Coastal Energy Impact Program (16 U.S.C. 1456a(c)) and received by the state for the purpose of reallocation to municipalities and communities in accordance with the provisions of that Act shall be applied to offset fees due under this chapter.

(b) If the department determines an allocation prior to payment of a fee by an applicant under this chapter, there shall be allowed as a credit against a fee payable by the applicant an amount determined by applying to the allocation for a municipality or community the ratio which the fee payable by the applicant bears to the estimated fees payabale by all applicants for facilities to be located in the municipality or community or within 10 miles of the municipality or community during the fiscal year.

(c) If the department determines an allocation subsequent to payment of a fee by a permit holder under this chapter, there shall be allowed, as a credit or refund, an amount determined by applying to the allocation for the municipality or community the ratio which the fee paid by the permit holder bears to the total of fees paid and the estimate of fees payable by all permit holders and applicants for facilities to be located in the municipality or community or within 10 miles of the municipality or community during the fiscal year. The permit holder may claim the amount computed in this subsection

(1) as a credit against any additional fee payable for the benefit of the municipality or community under this chapter; or

(2) if the permit holder reasonably anticipates no further activity in conjunction with a shore facility within the municipality or community or within 10 miles of the municipality or community which would require a subsequent permit or amendment of a permit for an existing facility, as a refund of the amount.

(d) Amounts refunded to a holder of a permit under (c)(2) of this section shall be withheld by the commissioner from payments due the municipality or community.

(e) In this section, "allocation" means the intrastate determination and allocation required to be made by the department under AS 44.47.050(19).

*Sec. . AS 44.47.050 is amended by adding a new paragraph to read:

(19) by regulation adopted in accordance with the Administrative Procedures Act (AS 44.62), provide for an intrastate allocation process for the determination and equitable allocation of financial assistance payable to municipalities and communities under sec. 308(g)(2) of the Coastal Energy Impact Program (16 U.S.C. 1456a(g)(2)).

EXAMPLE 1: Determination of allocation prior to payment of fees ...

The Department determines that, of the federal grant money available, the City of X is entitled to $ 100,000.

It is estimated that there will be five applications for permits to be issued in X during the same fiscal year, the applications and fees payable set out below:

A	$ 20,000	
B	$ 40,000	
C	$ 75,000	
D	$ 15,000	
E	$ 50,000	
	$ 200,000	Total permit fees payable

A may claim as a credit against the $ 20,000 fee payable the sum of $ 10,000:

$\frac{\$\ 20,000}{\$\ 200,000}$ = 10% x 100,000	= $ 10,000	and pays	$ 10,000
B may claim as a credit	20,000	and pays	20,000
C may claim as a credit	37,500	and pays	37,500
D may claim as a credit	7,500	and pays	7,500
E may claim as a credit	25,000	and pays	25,000
	$100,000		$ 100,000

In summary, the municipality receives $ 200,000

$ 100,000 from the allocation made by the Department

$ 100,000 from the payments by the applicants

EXAMPLE 2. Determination of allocation subsequent to payment of fee by one or more applicants; claim for credit or refund

The department determines that, of federal grant money available, the City of Y is entitled to $ 200,000.

Two permits have been issued, and two permit fees paid in full by the permit holders, amounting to total payments of $ 400,000:

A has paid $ 100,000

B has paid $ 300,000

During the fiscal year, the department determines, from advance reports which it receives, that 3 more permits will likely be issued:

C: estimated permit fee of $ 50,000

D: estimated permit fee of $ 35,000

E: estimated permit fee of $ 15,000

and that the total of all fees which will fall due during the fiscal year for the City of Y will be $ 500,000.

A may claim as a credit (against future fee payments) or a refund the sum of $ 40,000:

$$\frac{\$\ 100,000}{\$\ 500,000} = 20\% \times \$\ 200,000 = \$\ 40,000$$

B may claim as a credit (against future fee payments) or a refund the sum of $ 120,000:

$$\frac{\$\ 300,000}{\$\ 500,000} = 60\% \times \$\ 200,000 = \$\ 120,000$$

C, when it pays its fee, pays $ 30,000:

$$\frac{\$\ 50,000}{\$\ 500,000} = 10\% \times \$\ 200,000 = \$\ 20,000$$ credit against $ 50,000 or an actual payment of $ 30,000

D, when it pays its fee, pays $ 21,000:

$$\frac{\$\ 35,000}{\$\ 500,000} = 7\% \times \$\ 200,000 = \$\ 14,000$$ credit against $ 35,000 or an actual payment of $ 21,000

E, when it pays its fee, pays $ 9,000:

$$\frac{\$\ 15,000}{\$\ 500,000} = 3\% \times \$\ 200,000 = \$\ 6,000$$ credit against $ 15,000 or an actual payment of $ 9,000.

In summary:

The department provides, by way of credit or refund, $ 160,000 to the benefit of A and B:

to A	$ 40,000
to B	$ 120,000

It withholds this amount ($ 160,000) from the $ 200,000 allocation due the City of Y, and pays the City the difference ($ 40,000)

The City of Y

has received	$ 400,000	from A and B
will receive	30,000	from C
	21,000	from D
	9,000	from E
	40,000	of federal funds from the State
	$ 500,000	

The permittees have each paid (net after allowing for credits and refunds) 60% of the fee which they should have paid:

A	60% x $ 100,000	=	$ 60,000
B	60% x $ 300,000	=	180,000
C	60% x $ 50,000	=	30,000
D	60% x $ 35,000	=	21,000
E	60% x $ 15,000	=	9,000
			$300,000

which, together with the $ 200,000 of federal assistance, equals the $ 500,000 which the City of Y was entitled to under the permit fee formula.

RESPONSE TO COMMENTS RECEIVED DURING TESTIMONY ON FRIDAY, MARCH 25, WITH REFERENCE TO PROPOSED CSHB 219 --

Page 3, line 5: reference to "adjacent community or on the region" --

The term has no clearly understood reference unless one is provided in the bill. The committee may want to phrase a definition in terms of distance or mileage or, in keeping with the spirit of the bill, suggest or require that the department define the term by regulation. This could be done by incorporating the latter as a mandatory requirement in the section entitled "Administration, " AS 41.45.100(b) of the draft. [The term also appears, obliquely, at page 4, lines 2 and 3 and 6.]

Page 3, lines 21 and 22: reference to "health, welfare, and safety" --

The purpose of inclusion of the phrase was to allow the department to require evaluation of impact in the broadest possible terms with reference to any governmental function which an affected local government might perform under AS 29.

Page 3, line 28: correct to read :

(8) a resolution <u>of approval</u> of the governing body...

Page 4, line 10: Subsection (e) may be deleted; because applications are available for public inspection [subsection (c)], the department may provide copies to any interested party.

Page 4, lines 23 and 24: The formula could be made "tighter" by having it read:

(2) the estimate of the maximum anticipated population increase <u>within the municipality</u> attributable to employment...

Page 5: Sec. 40 of the draft.

With respect to the observation of Mr. Singletary, it was my intent that the issuance of a permit not be held up while the parties engage in hearings over whether the fee determined and tendered by the applicant was properly computed, but only if a fee, however determined, was not "promptly paid" [see sec. 60(1), following page].

Page 6, line 19:

estimated value of the facility <u>determined under sec. 30(a)(1) of this chapter</u> by more than 10 per cent;

Impact on <u>the</u> municipality or the region within a 10-mile radius

Page 6, line 23: Objection was made that there was no time frame within which the department would be required to rele e a permit. The provision could be amended to read:

Sec. 41.45.060. ISSUANCE OF PERMIT. The department shall issue a permit within 30 days of receipt of a complete application. The department may refuse to issue a permit...

Page 7, lines 1 - 11: Request that no permit be revoked or suspended without opportunity for a public hearing. Revise the section to read:

Sec. 41.45.070. REVOCATION OR SUSPENSION OF PERMIT. The department may revoke or suspend a permit issued under the provisions of this chapter if, after notice and hearing to all parties, the commissioner determines that

(1) the facility does not conform, in location, construction or operation, to applicable municipal ordinance or regulation; or

(2) an additional fee is due and payable under sec. 40(b) of this chapter or an additional fee and penalty are due and payable under sec. 50(b) of this chapter, and the holder of the permit has failed to pay the additional fee, together with penalty due, if any, within the time prescribed by law.

Page 7, line 15 and 16: Revise to read:

...to defray the costs of administration and enforcement of the provisions of this chapter.

Page 7, lines 25 - 27: Amend to read:

... for which a permit has been issued under this chapter <u>for compliance with the provisions of this chapter and the provisions of the permit application</u>.

[The purpose of the section is to require that some entity having the technical capacity to do so oversee operations of permittees in order to assure that the statements made by the applicant for permit reflect the later circumstances. If activity exceeds predictions, a supplementary permit fee may be levied.]

Page 8, line 2: One witness mentioned that "standard multiplier factors" vary among communities. I don't know whether this is true but, assuming it is, the paragraph could be amended to read:

(1) standard multiplier factors <u>determined by region and appli-</u>

cable to all communities within a region relating the number...

Page 8, lines 13 and following: In light of the fact that some of the information required under long-range reports must be provided to the Department of the Interior under the provisions of an OCS lease, the committee might want to consider a further subsection in sec. 110 authorizing return of this information in satisfaction of the requirements imposed in this section.

Page 9, lines 7 - 12: This is a CRIMINAL penalty intended for application to a party required to have a permit under this chapter and conducting operations without that permit. The CIVIL penalties in the bill are to be found in two places: the 10% penalty of sec. 50(c) [page 6, line 10] and the "double payment" provision of sec. 120 [page 9, lines 1 - 6].

Page 9: Add, to the definitions section, a standard definition of the term "municipality."

***

Page 2, line 16 and following: You have asked for clarification of the parties which would be required to apply for a permit. As section 20(a) is now written, the applicant would be a party "engaged in exploration, development or production under terms of a lease... in the offshore waters adjacent to the state," thus placing the burden squarely on the companies holding the leases. Should you want to require that actual contractors and/or operators (rather than the industry directly) bear the responsibility and attendant costs, it would be sufficient to rewrite sec. 20(a) to read:

(a) No person may construct a shore facility without first applying for and securing from the department a shore facilities construction permit and paying the fee provided in sec. 30 of this chapter.

You would, of course, rely on the definition of "shore facility" set out in the definitions section to distinguish between facilities for which a prior permit is required and those which would not. Using the language set out above, however, it would appear clearer that the contractor would carry the burden.

Sec. 41.45.060. ISSUANCE OF PERMIT. (a) The department shall issue a permit within 30 days of receipt of a completed application and payment of the permit fee. The department may refuse to issue a permit only if it finds that

(1) a fee due and payable by the applicant on an original application or an amended application has not been promptly paid; or

(2) the application does not contain, or is not supported by, written approval of the governing body of the municipality required by sec. 20(b)(8) of this chapter.

(b) If the area affected by construction of a shore facility is within one municipality and the municipality unreasonably withholds approval of an application for permit required by sec. 20(b)(8) of this chapter, the commissioner may waive the approval requirement and issue the permit.

Judith - Lisa didn't want this in committee members files - I caught it in time

D

Sec. 41.45.060. ISSUANCE OF PERMIT. (a) The department shall issue a permit within 30 days of receipt of a completed application and payment of the permit fee. The department may refuse to issue a permit only if it finds that

(1) a fee due and payable by the applicant on an original application or an amended application has not been promptly paid; or

(2) the application does not contain, or is not supported by, written approval of the governing body of the municipality required by sec. 20(b)(8) of this chapter.

(b) If the area affected by construction of a shore facility is within one municipality and the municipality unreasonably withholds approval of an application for permit required by sec. 20(b)(8) of this chapter, the commissioner may waive the approval requirement and issue the permit.

LISA,

JACK handed me this this morning to handle the North Slope Borough situation. Shall we duplicate and attach to his package of propose language changes for tomorow?

Also attached is the fiscal note - FYI.

J.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 219

Title An Act Providing for Permits...for Offshore Oil & Gas Exploration, Development & Productio

Requested by House Community & Regional Affairs Committee Date 03/28/77

II. FISCAL DETAIL

Agency Affected Division of Community Planning, Dept. of Community & Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Community Planning Assistance

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL		4.0	4.5	5.0		
300 CONTRACTUAL		3.0	3.5	4.0		
400 COMMODITIES		1.0	1.0	1.0		
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		8.0	9.0	10.0		

FUNDING (Thousands of Dollars)

GENERAL FUND		8.0	9.0	10.0		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		-0-	-0-	-0-		
PART TIME						
TEMPORARY						

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

CS HB 219 sets up a permit requirement for persons providing shore facilities in support of oil and gas exploration, development and production offshore Alaska and requires the Department of Community and Regional Affairs to receive and act upon permit applications according to standards set out in law and regulation. We anticipate that the actual number of permit applications to be processed will be limited at first (5-20 annually) and do not justify a full-time position. The limited staff time needed to administer the permits and fees can best be provided by adjusting staff priorities. However, administration of CS HB 219 also requires adoption of regulations, public distribution of data, and may require extensive public hearings. The Fiscal Note does allow for travel, public notices, distribution of data and other incidental costs as may prove necessary.

IV. DATE 03/29/77 PREPARED BY Kevin Waring

AGENCY Community Planning Division

PHONE 465-4706

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33--001 (Rev. 10/76)

HB
219
(#1 + #2 WORK-
ING DRAFTS)

3-28-77

TO: JACK
FROM: Judith
RE: Further clarification on the question of the North Slope Borough

Given that to single out the North Slope Borough is not feasible per se, how about language to the effect that:

If all local communities impacted are in one municipality and the municipality and the oil companies can not agree on onshore facility site and permit fee then the Department of C&RA would make the final site selection and ~~determine the fee~~ issue the permit.

LISA feels that the deal between the municipality and oil companies is cut well in advance of ~~permit~~ application for a permit and it is at this earliest stage of negotiation that a municipality such as N. Slope might really hold things up. Thanks. Judith

DRAFT OUTLINE 3/18/77 CSHB.219

CONTINENTAL SHELF SERVICE FACILITIES ACT

*Section 1. Legislative Findings and Purpose. Taken from page 1 of HB 219 with whatever changes are necessary to enhance chance of favorable judicial review.

*Section 2. Amend AS 44.47.050 to beef up "purposes" section of C & RA organic statute.

*Section 3. Adds new chapter (44.48)

Sec. 010. Creates Alaska Continental Shelf Services Authority in C & RA for the purposes of coordinating on-shore development related to outer continental shelf petroleum and mineral exploration activities, for purposes of assisting communities impacted by such development, and for the administration of the franchise requirements of this chapter.

narrowness of representation could prove to be a point of contention.

Sec. 020. The authority is to be governed by a committee composed of the commissioner (C & RA), the director of the Division of Community Planning (in C & RA), and the director of the Division of Local Government Assistance.

where is community authority

Sec. 030. No person may operate an "on-shore service facility" for continental shelf development without a franchise from the authority except as provided in sec. 100 of this chapter.

Sec. 040. The authority shall monitor the activities of the federal government and state government with respect to continental shelf exploration and leasing, prepare a quarterly report to the legislature and the governor on the potential need for continental shelf on-shore service facilities. When the board determines that service facilities are likely to be required in the near future, but in no case later than 90 days prior to the date at which the Department of Interior or other leasing authority proposes to receive bids on outer continental shelf tracts, the authority shall give notice of a hearing for the purpose of selecting a site or sites to serve the proposed continental shelf development. The purpose of the hearing shall be to solicit nominations of appropriate sites from interested communities and from continental shelf developers, operators of existing on-shore facilities, and other interested parties. The nominations shall contain 1) location of the proposed site, 2) the types of supply services expected to be required at this site, 3) the ownership of the land at and surrounding the site, 4) the capacity of the site to grow to meet the expected demands and an estimation of that expected demand and 5) such other information as the board may consider pertinent. In the case of facilities already in operation the board shall additionally solicit information concerning the current use of the facility and its ownership.

Sec. 050. The committee shall hold site selection hearings not less than 90 days nor more than 120 days after notice of those hearings have been distributed to all interested parties. Input shall be solicited from local communities in the area of the continental shelf development, prospective

users of the port facility including but not limited to holders of outer continental shelf leases, firms supplying the operations on those leases, local governments in the area of the proposed sites, representatives of fishing or other commercial activities who may be adversely impacted economically from the choice of a particular site or sites, and federal and state governmental experts on civil engineering, environmental science, or other technical matters which may relate to the port development.

Sec. 060. The committee shall determine, o the basis of the public hearing record, and any other relevant information available to it, the preferred site or sites for a continental shelf development facility or facilities. The criteria to be used by the committee in making this selection, in descending order of importance, are 1) minimize adverse economic and social impact on any community that may be adjacent to or coincident with the site, 2) minimize adverse environmental impact, 3) minimize the costs of facility development, minimize the expense of servicing OCS activities, and make the best use of existing port facilities, 4) maximize the likelihood that facilities will be useful for other purposes if and when OCS development tapers off.

Sec. 070. If the chosen site is in a borough, the borough may appeal the site decision to the governor who shall have 30 days to 1) affirm the decision, or 2) direct the board to give the issue further study, in which case the governor shall provide specific instructions as to what areas of concern should be looked into further. (If the site is in a city which is not itself included in a borough, the city has the same appeal right.) This appeal must be exercised within 30 days of the date of the initial site

choice decision. Other parties with a major interest in the siting decision including the prospective companies developing the OCS resource, land owners in the vicinity of the site, or others with similar interests may, within the 30 day period subsequent to the initial decision, request a rehearing by the board stating in that request the reasons why they believe an additional hearing is necessary.

Sec. 080. Once a final site selection decision is made a regional continental shelf facilities board shall be formed composed of the committee members or their designees (who must be on the C & RA staff) plus three members elected by the borough assembly (or the city council if there is no borough. If the city later becomes a part of a borough the new assembly elects new board members. The regional board is empowered to select a franchisee and negotiate the franchise fee.

If requested by a majority of the board members the Department of C & RA shall provide staff support to the board in its selection of the franchisee, and in the setting of the franchise fee. Four members of the board constitute a quorum, and actions of the board require an affirmative vote of four members.

Sec. 090. The franchise shall be awarded to firms actually engaged in continental shelf development unless the board determines that other ownership is in the best interests of the state and community; however, in the case where an approved site is an existing facility the franchise shall be awarded to the operator of the existing facility unless it is the board's decision that the operator does not have the technical or financial capability to promptly and efficiently meet the expected requirements for continental shelf supply services. In this case the board shall encourage the existing facility operator and prospective continental shelf developers to establish some form of joint venture to which the franchise then shall be awarded.

Sec. 109. Where a port exists at the approved continental shelf supply facility site the franchise and franchise fee shall not be required unless cargo directly destined for outer continental shelf development crossing the facility exceeds 25 per cent of all other cargo either in value or in tonnage over the period of one month. The facility operator shall periodically report to the board on the tonnage crossing its facility and shall not exceed the 25 per cent figure without first obtaining the franchise from the regional facilities board.

Sec. 110. The franchise fee shall be a matter of free negotiation between the board and the franchisee. The fee may be paid on the basis of any or all of the following: 1) an initial lump sum payment, 2) periodic payments of fixed amounts, 3) periodic payments based on the value of material moved across the franchise facility, 4) initial lump sum payment to be followed by a subsequent lump sum payment if and when activity reaches a specified level, or 5) any other method that reasonably relates fee payments to impact costs expected to be imposed upon the community by OCS development.

Sec. 120. The franchise fee shall be subject to reneogtiation each five years, and shall not exceed the cost to the community and state that have a reasonable probability of occurring during the five year period. These costs shall be net of any payments expected to be received for property taxes on the facility, and if the franchise fee includes a periodic payment, shall be net of the expected value of those periodic payments. After the initial five year period has lapsed the maximum permissible franchise fee during the second five year period shall be calculated in the same manner as was the maximum fee for the first five year period, except that the maximum

shall be increased by the net community costs incurred over the previous five year period in excess of those collected or defrayed by the franchise fee paid during that period, or alternatively, decreased by the amount that the actual monies paid were in excess of actual net costs incurred on the community. However, in no case shall a community be required to reimburse the franchisee for any "excess payments" except by means of credits against future franchise payments.

Sec. 130. The franchisee or prospective franchisee who believes that the fee proposed by the board is higher than permitted under sec. 120 may pay the fee under protest and appeal to the superior court, and such payment shall not prejudice the franchisee's rights in any way. No franchise shall be awarded, however, without payment of the fee, and a prospective franchisee who appeals an offer of the board to the court acquires no rights in the franchise, which the board may then award to another applicant on the same terms and conditions as were turned down by the initial prospective franchisee. Acceptance by a second applicant of the terms rejected by the initial prospective franchisee shall be prima facie evidence of the reasonableness of the proposed fee under the criteria established in sec. 120. The attorney general shall defend the board and the committee in any actions brought against it.

Sec. 140. If on renegotiation the board and the franchisee cannot agree the franchisee may pay the franchise fee proposed by the board under protest and appeal as provided under sec. 130 above. If the franchisee does not wish to make payment under protest then the local government may acquire by eminent domain the facilities of the franchisee at the approved site, or if the local government is not interested the state may so acquire them.

Sec. 150. Franchise payment shall be shared between the state and local government (if one exists) on the basis of 30 percent to the state and 70 per cent to the local government. If a local government should be formed or should expand to encompass an approved site subsequent to the collection of a franchise fee the local government shall receive 1.167 per cent of the previously collected fee for each month of the five year franchise period yet to run, counting from the effective date of the annexation or formation of the local government.

Sec. 160. The board shall have power of eminent domain, but this may be exercised only through unanimous vote of the board and only to acquire an approved site. Nothing herein requires the use of this power by the board.

Sec. 170. A franchise may not be sold or otherwise alienated to a non OCS operator without local government having right of first refusal, and the state the right of second refusal.

Sec. 180. Non discrimination in operation of the facility with respect to rates, terms and conditions charged to other users shall be a condition of the franchise.

Sec. 190. Nothing herein shall exempt a franchise facility from payment of property taxes or compliance with lawful zoning requirements. Neither shall a facility be entitled to any local services or special treatment by virtue of its franchise. The franchise is not necessary exclusive.

Sec. 200. Civil penalities shall be assessed for operation of an OCS service facility without a franchise. Penalties shall be based on the value of the cargo moved across the facility during any period when the facility did not possess but should have possessed a franchise. Owner of the cargo and the owner and/or operator of the facility shall be jointly liable for the civil penality.

Sec. 300. Definitions.

SECTIONAL OUTLINE

* SECTION 1 - LEGISLATIVE FINDINGS AND PURPOSE
PAGE 1 of HB 219 WITH WHATEVER
CHANGES ARE NECESSARY TO ENSURE
CLEAR OF FAVORABLE JUDICIAL REVIEW

* SECTION 2 - AMEND AS 44.47.050 TO
BEEF UP "PURPOSES" SECTION OF C&R.A.
ORGANIC STATUTE

* SECTION 3 NEW CHAPTER (4.54.48)
SEC 010. CREATES A ALASKA OCS SERVICES
AUTHORITY IN C&RA; ~~BOARD~~
~~HAVE AUTHORITY TO~~ FOR THE PURPOSE OF
CO-ORDINATING ONSHORE DEV. AND ASSISTING COMMUNITIES IMPACTED, AND ADMINISTERING
THE FRANCHISE REQUIREMENTS OF THIS CHAPTER
SEC 020 - AUTHORITY GOVERNED BY
COMMITTEE COMPOSED OF COMMISSIONER
OF C&R.A. + DIRECTOR OF DIVISION
OF COMMUNITY PLANNING + DIRECTOR OF
DIV OF LOCAL GOV ASSIST.

SEC 030 - NO PERSON MAY OPERATE
AN "ONSHORE SERVICE FACILITY" FOR
~~OUTER CONTINENTAL~~ OCS DEVELOPMENT
WITHOUT A FRANCHISE FROM THE
AUTHORITY (EXCEPT AS PROVIDED IN →

(2)

ADDITION of

SEC 040, FRANCHISE TO BE INITIATED ~~OBTAINED~~

By APPLICATION TO COMMITTEE STATING

A) IN THE CASE of FACILITIES OPERATING ON THE EFFECTIVE DATE of THIS ACT

1) LOCATION

2) TYPES of OCS SERVED

3) OWNER SHIP of LAND

4) OWNERSHIP of OPERATION

5) EXPECTED GROWTH, PHYSICAL EXPANSION ACCOMMODATED BY FACILITIES FROM EXPECTED USERS

6) OTHER INFORMATION REQUIRED BY REGULATION

B) IN CASE of FACILITIES NOT YET OPERATING

1) PROPOSED SITE

2) OWNERSHIP of PROPOSED SITE

3) EXPECTED QUANTITY of CARGO

4) ETC

M) OTHER INFORMATION REQUIRED BY REGULATION

ALSO REQUEST MONEY PAYMENT

SEC 050 COMMITTEE TO HOLD PUBLIC HEARING ON APPLICATION(S) 90 DAY NOTICE REQUIRED. OTHERS MAY APPLY FOR SAME SITE OR OTHER SITES TO SERVE SAME AREA - PURPOSE of HEARING TO DETERMINE ~~SITE~~ SUITABILITY FOR SITE IN RELATION TO EXPECTED USE, ENVIRONMENTAL AND COMMUNITY IMPACT.

INPUT FROM COMMUNITY LOCAL PROTECTIVE GOVERNMENTS of PORT FACILITY

Mr. Ziegman - power of state to tax extra territorial activities - Buck Act - federally owned lands outside state has power to tax economic activities (income or severance tax)
OCS Lands Act (fed) - not extended state's taxing pwr
Ziegman - impose a tax on onshore facilities (clear right)
franchise tax precedent for use in this way -
50% chance that S.C. will invalidate

adv. of franchise tax is that you
- owner
- operator

right to operate a dock - supply base,

license to use the land / license to

(tax is on the franchise that legislature created)
↳ tax imposed on the privilege

→ not a franchise fee (
limited ≈ annual recurring % of gross
cut them losses ≈ dry wells

Rudd
also franchise fee within the 3 mile limit — way of getting at OCS activities

taxes ded to discriminate foreign vessels, foreign commerce —

AK. neck position if applied

(1) onshore fac. to service OCS
explore other alternatives
on AK. production
and on OCS
} equal taxation

draft: exclusion on onshore activity is what you are reasoning the fee by:
don't put OCS into the measure of the tax

* tax creditable against a severance tax
AK & OCS production serviced at same onshore base (how do you determine credit in this situation & when it is dry (drill holes)
(drill holes) — 3x base rate

Initial fee —
D & P — incremental fee — rate for based on production

not dealing ⊂ Admin - DOR no right structure

Defense of legality — offshore instead of OCS - Cook Inlet — current tax & reconciliation or within 3-mile limit credit against severance tax or

Rudd requiring reg. by computing estimated impact even though facilities has dual usage. (ie measuring increased use)

* [different fee computed based on different areas] JACK's motion in part

IcyBay - authorization for imposing tax:
- state called upon to provide services

Possibility be license fees: (ie fee to operate & simplest graduation)

PROPOSAL - Apply permit - file ⊂ state economic & EIP
- based on submit to DOR & makes a study - increased pop - & come up ⊂ build, permit fee
- oil companies don't know & we counter

production at OCS is basis of tax
if brings on shore then
measure tax at 1st use - when it comes on shore
state (Louisiana) has right (severance tax in disguise)
Mississippi case - validated a fiscise tax
on interstate commerce / legitimized U.S.
Supreme Court

(Check supones power) regarding request for information of oil companies.

impact cost related to production } not in favor
impose a tax on Off-shore production is weak position
tax tied to development on shore
find A device to measure the tax.

leaves a great deal of discretion of the departments to what they determine is
establish — admin. procedure that is somewhat formal — direct COR to a certain time (annual or whatever) to promulgate prop. reg. for making this kind of thing —
how computation is made & then
submit to legislature — veto if no action

by DOR - assess ~~fees~~ measured by the anticipated impact ~~but~~ is ascertainable at that time - qualification & exclusion for exclusion as well as any further expansion require a reassessment by DOR.

— Can you require

~~[illegible]~~

~~"Within 3 miles limit~~

Broad Act — including offshore within 3 mile limit for all facilities after the following date

Impact measured by both direct & indirect ~~and~~ or loss multiplied by any factor

[more complicated Adm. structure for discretion at Administrative level weakens the position with the oil company -]

Memorandum

C&RA employment formula — change or increase

base that one takes

— Digit — Wednesday

— Thursday 11/6 86

Schedule — DOR mechanics

note — explanation Friday —

assessed value — net effect of info —
estimate of prop. to be built

index based upon employment

— LISA — does not really answer the problem of
down the line development —

Anchorage Literacy Project

219 - Oil Company Handouts - Cecil Barnes
- next = JACK
- answer - couple of letters
-

fee for zoning / can't we ask them to PAY a fee -

(above taxable base) collect if in litigation)

forget franchise approach - CSD Authority

JACK - Charlie PAR -
Mr. ZIEGMAN -

HB
219

(NEW MATERIAL
1978)

Hearing on HB 219 oil spills
Municipal Lg. Conf.
11/2/77 - Juneau

Valdez -

basically a "no-growth" bill

→ bonding situation in Valdez?

→ Money for state - ?

state provided $5 mil. to Valdez for impact - what prog?

still waiting for pipeline if this bill was in effect -

→ ~~ways to~~ make own decisions

→ planning & zoning - do they?

Where in bill does it say growth not good?

Where does it say they can't make own decisions?

Where does it say state is telling munics. what they want?

Where shd. state impact $ come from? ($160 mil. in hole)

Happy w/ 20 mil tax diversy?

Moffatt - Petersburg

~~$~~ difficulty w big brother & no growth -

opposition by Mayor - no formal action by Mayor -

Betty Wallin - Kodiak -
supports bill

John Carlson -
Ind. Interior - (looking towards refinery)

Value of facility changes -
Reaction to frustrations of being able to get info from Alyeska.
"explaining need for facility"
"evaluate other locations"

CITY OF PETERSBURG

P. O. Box 329 • Petersburg, Alaska 99833

March 30, 1977

Representative E.J. Haugen
Pouch V
Juneau, Alaska
99811

Dear Representative Haugen:

HB 219, if passed, would be detrimental to all Alaskan Communities in their development, planning and zoning, and economics.

HB 219 could and would retard development of any facilities in Alaskan communities and makes decisions by local authorities impossible.

Petersburg is vehemently opposed to this Bill in any form.

I am personally totally opposed to this Bill.

Sincerely,

Theodore M. Smith
Mayor, City of Petersburg

TMS/plc

CITY OF PETERSBURG IN THE STATE OF ALASKA CORPORATE SEAL APRIL 20, 1910

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B — JUNEAU 99811

October 20, 1977

Dear State Legislator:

Enclosed is the department's new regulation implementing the Coastal Energy Impact Program (CEIP). The CEIP is a federal grant and loan program designed to help coastal states and communities deal with the impacts of energy development.

Under the CEIP the state is given the primary responsibility for administration with the federal CEIP office providing technical assistance and funding. On April 4, 1977, Governor Hammond designated DCRA as the lead agency for the CEIP. Accordingly, DCRA has assumed the responsibility of preparing the federally mandated intrastate allocation process required to implement and administer this program. Local government officials and interested state agency personnel helped draft the guidelines that implement this process and we expect these parties to continue to be active in guiding this program.

This allocation process and the criteria used to rank applications has undergone a great deal of public scrutiny and will be subject to periodic revision. We feel that much will be learned in the initial year of operation and therefore we need the flexibility to go back and revise the CEIP application process to make it a more workable and useful program. Public input on any proposed changes will be encouraged and in some cases changes will probably be initiated by eligible CEIP applicants or other interested parties. The adoption of this regulation will afford us the flexibility to make needed changes to insure the maximum benefit from this program.

Sincerely,

Palmer McCarter
Director

DEPARTMENT OF COMMUNITY AND
REGIONAL AFFAIRS

Notice of Proposed Changes in the Regulations of the Department of Community and Regional Affairs

Notice is hereby given that the Department of Community and Regional Affairs, under authority vested by AS 44.47.160, proposes to adopt regulations in Title 19 of the Alaska Administrative Code to implement AS 44.47.050(14), as follows:

(1) Chapter 17 is created by adding new provisions as follows:

Section 10 - Coastal Energy Impact Program

19 AAC 17.010. Loans and grants shall be made in accordance with the provisions of this Department's "Coastal Energy Impact Program Policy Guidelines". Copies of the "Coastal Energy Impact Program Policy Guidelines" are available from the Department of Community & Regional Affairs, without cost.

Authority: AS 44.47.050 (14)
AS 44.47.100

Notice is also given that any person interested may present written statements or arguments relevant to the action proposed at Room 209, Community Building, Juneau, Alaska, before 4 o'clock p.m. on November 18, 1977.

Copies of the proposed regulation may be obtained by writing to: CEIP Coordinator, LGAD, Pouch B, Juneau, Alaska 99811.

The Department, upon its own motion or at the instance of any interested person may thereafter adopt the proposals substantially as described above without further notice or may decide to take no action on them.

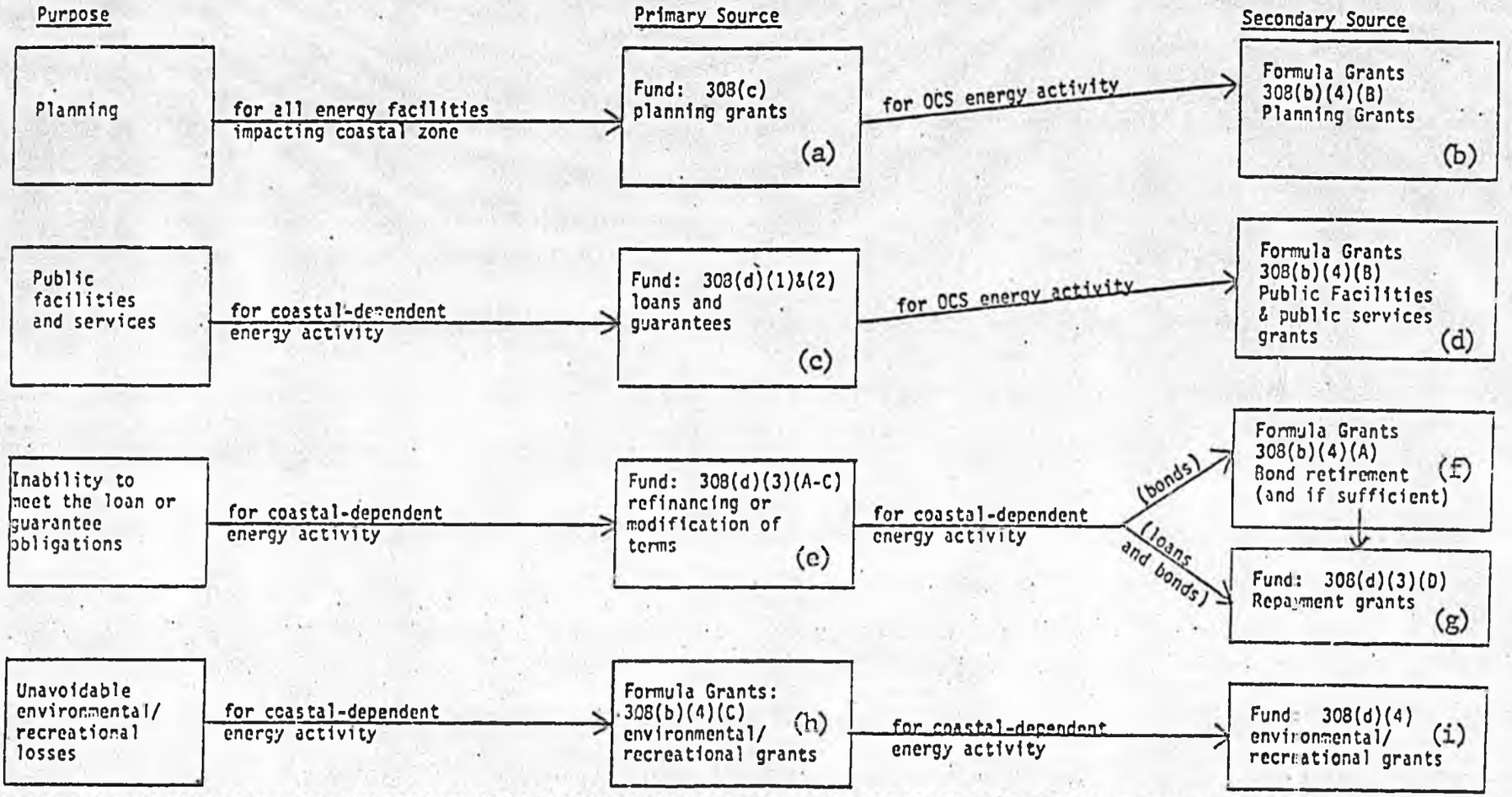
DATE: October 14, 1977

/s/ Lee McAnerney
Commissioner

CEIP FEDERAL ALLOTMENTS TO ALASKA FOR FY'77

Figure 1

PL 94-370 Coastal Energy Impact Program: Primary and Fund 308(c) Planning Grants



Square (a) Fund Planning Grants -- 308(c) 80% Fed./ 20% Local/State	Alaska Allotment	$ 365,456
Squares (b)(d)(f)(h) Formula Grants -- 308(b) 100% Fed.	Alaska Allotment	1,178,643
Squares (c)(e)(g) Credit Assistance ("Fund") 308(d)(1),(2),(3) 100% Fed.	Alaska Allotment	48,612,973
Square (i) Environmental/Recreation Grants 308(d)(4) 100% Fed.	Alaska Allotment	662,904

Senate Bill on Drilling

S.F. Chronicle #/15/77

New Offshore Oil Rules OKd

Washington

The Senate yesterday voted for a sweeping overhaul of the rules for tapping offshore oil and gas resources and gave Presidemt Carter the power to order exploratory drilling both in the seabed and on land.

A bill making major amendments in a 1953 law allowing the leasing of petroleum resources on the outer continental shelf was passed 59 to 18. The bill, setting new guidelines for offshore drilling, would:

• Direct the President to make an inventory of the nation's oil and gas resources and give him the power to order federal exploratory drilling on offshore and onshore land—either public or private. Federal agencies would do the exploratory drilling only if it was not being done by oil companies.

• Give the secretary of Interio- an almost unlimited number of bidding systems to choose from in awarding offshore oil and gas leases. An amendment by Senator John Glenn (Dem.-Ohio) would let the secretary use a bidding system not in the bill if it were not vetoed by either the House or Senate within 30 days.

• Reduce the number of leases that could be sold under "cash bonus" bids from two-thirds to one-half.

• Guarantee independent refiners access to offshore crude at world prices, and would require that pipelines carrying oil from the outer shelf be open to all producers on a nondiscriminatory basis.

• Give states more say in offshore matters, create a fund to pay for damage caused by oil spills and provide compensation for fishermen whose vessels or gear are damaged by offshore oil operations.

Senator J. Bennett Johnston (Dem-La.) called the Durkin amendment — which would give the President power to order exploratory drilling — "absolutely insane." Senator Clifford Hansen (Rep-Wyo.) called it a "ripoff" of the taxpayer and probably unconstitutional. The amendment was authored by Senator John Durkin (Dem-N.H.).

"I happen to think that it represents a clear invasion of the rights of the private property owner," Hansen said. "There would be lawsuits filed from one end of the country to the other."

Johnston said the amendment would result in a "multibillion dollar" program of exploration by a government oil company replacing independent drillers who now who "do 95 per cent of the exploratory drilling."

Senate Democratic Leader Robert Byrd of West Virginia told his colleagues the bill might do more to improve the nation's oil and gas supply than any other energy bill now pending in congress.

The bill, Byrd said, would increase the number of companies that could drill on the outer continental shelf while also increasing the government's ability to assess the nation's oil recsources.

The legislation now goes to the House, where similar legislation is pending before a special committee. The controversial senate amendments could run into trouble in the House. *United Press*

Daily News photo by Roo Stapleton

totem spotlight Anch. News 8/23/77 219

Early morning sun highlights this totem pole in the Sitka National Monument administered by the National Parks Service in the Southeast community. The monument commemorates the 1804 battle between Tlingit Indians and the Russians for possession of the area. A nearby visitors' center houses a facility for Indian craftsmen.

New offshore oil leasing plan

By ROSEMARY SHINOHARA
Daily News Staff Writer

Interior Secretary Cecil Andrus has announced a new offshore oil and gas leasing schedule through 1981 with six sales planned off Alaska, including a second sale in Cook Inlet.

The schedule, made public today, excludes two areas which Alaska officials suggested should be considered as marine sanctuaries, and three of four areas where the state said sales should be held off until Arctic ice experience and technology were developed.

Andrus said in announcing the schedule that it was prepared "in close consultation" with the affected coastal states. States were asked to respond to detailed questions about sales in their areas by July 15, and Alaska did so at great length.

The secretary had earlier announced a sale in Lower Cook Inlet in October of this year. That sale, supported by the administration of Gov. Jay S. Hammond, was originally scheduled for February of this year. But when Andrus became Interior secretary, he ordered it postponed.

Other sales on the latest planning schedule include:

—A federal-state near-shore

(Continued on page 2)

(over)

New oil leasing schedule

(Continued from Page 1)

Beaufort Sea sale in December of 1979.

—A Gulf of Alaska sale in June of 1980, and a Kodiak area sale in October of 1980.

—A second sale in Cook Inlet in March of 1981, and a sale in the Norton Sound area of the Bering Sea in December of 1981.

Two federal sales which had been proposed under prior Republican administrations, one at St. George Basin on the Bering Sea shelf and one in Bristol Bay, were not on the Andrus planning schedule.

Commissioner of Natural Resources Robert LeResche said Monday, "We're pleased with the schedule. . . . it was very responsive to our suggestions. Especially since they listed second sales in the North Gulf of Alaska and Cook Inlet. Our only disappointment is that the Beaufort Sea sale is not happening until late '79. We had asked that it be held in early 1979 in conjunction with a state sale."

The State of Alaska, in its comments to Interior last month, recommended that both the Bering Sea and Bristol Bay areas be considered as marine sanctuaries, and lease sales in them be postponed indefinitely.

The state also had recommended that sales in the Chuckchi Sea, the Norton Basin in the Bering Sea, in the ice shear zone and ice pack zone of the Beaufort Sea, all be delayed until adequate technology and experience is developed to ensure safe operations in Arctic ice conditions.

Particularly, the state recommended that in those four areas, sales should be put off until development in the near-shore region of the Beaufort Sea proved that exploration and development would be technologically successful.

Of the four areas, Andrus scheduled only the Norton Basin sale, and that one is the longest range sale on the planning schedule.

As for the second sale in Cook Inlet in 1981, the secretary said the three-year interval was intended to prove for "an orderly level of activity."

Senate Committee Favors Onshore Impact Funds

Arch. Times June '77

Times Washington Bureau

WASHINGTON — The Senate Energy Committee voted yesterday to give Alaska and other coastal states a greater share of the revenue from offshore oil and gas to help cope with onshore impacts of drilling.

The revenue sharing amendment was added to a broad outer continental shelf reform bill which passed the committee by a 12-4 vote.

According to a spokesman for Sen. J. Bennett Johnston, D-La., author of the amendment, Alaska probably will not benefit from the revenue sha ring plan until actual oil production starts in several years.

He said the amendment is aimed for the time being at compensating s tates where oil production is already under way — primarily in Louisiana and Texas.

Under the amendment, a $100 million fund would be set up and distributed each year to coastal states according to the amount of oil and gas produced or landed off their shores.

The money could be used in acco rdance with the state's approved coastzone management plan to help cope with the numerous onshore impactassociated with offshore drilling.

Meanwhile, House authors of the outer continental shelf bill are working on a completely different revenuesharing amendment which would give Alaska a far greater share of the oil profits and start the payments immediately.

Under the House version, which i s being drafted by Reps. William J. Hughes, D-N.J., and John Breaux, D-La., states would not have to wait foroil production to begin before qualifying for the impact assistance.

Rather, they could begin drawing money as soon as the first acreage of f their shores is leased to the oil companies — a step which has already be en taken in Alaska.

Instead of limiting the total impact fund to $100 million a year, the House version would set aside as much as $2 billion a year for the coastal sta tes, depending on the total amount of money received by the national treas ury from outer continental shelf oper ations.

Hughes, who met briefly with Pre sident Carter yesterday, reported th at the President does not favor the H ouse approach since it would funnel millions of dollars to coastal states merely because drilling is taking pla ce off their shores and not really because they need it.

Hughes conceded that he may ha ve to decrease the total amount of m oney which would be provided to coa stal states in order to avoid the app earance of a windfall which might causthe whole program to be defeated.

But he said the Johnston amendment as passed by the Senate committee is also unacceptable because it would not give Alaska the money it needs at this time to prepare for offshore drilling.

In addition to adopting the revenue sharing proposal, the Senate comsmittee also acted on two other important amendments to thebill.

First, the panel defeated an amen dment which would have authorized the secretary of Interior to engage in government-sponsored oil drilling.

The secretary already has that au thority under the law, and Secretary Cecil Andrus has announced that the government will begin an exploration program as earlyas next year.

By defeating the amendment, the committee did not take away the sec retary's authority to drill, but simpl yserved notice that it does not look favon government drilling, a committee spokesman explained.

In addition, the committee adopte d an amendment strongly opposed b y the oil industry which would require the use of bidding systems other than bonus bidding on one-third of all offshore acreage.

The oil industry has lobbied fierce ly against changing the bidding system and in favor of the status quo.

The House Outer Continental Shel f Committee is scheduled to begin vo ting on its version of the bill June 29, and it is obvious that there will be dif ferences which will have to be resolved in conference.

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
DIVISION OF COMMUNITY PLANNING
JAY S. HAMMOND, GOVERNOR
POUCH B — JUNEAU 99811

October 6, 1977

The Honorable Lisa Rudd
2827 Lore Road
Anchorage, Alaska 99507

Dear Lisa:

Enclosed are the materials on House Bill 219 which Rob Shoaf and I presented to the Community and Regional Affairs Committee in August. The materials are marked as Exhibits 1 through 8 and do not at this time represent departmental policy on this bill. The exhibits are summarized in the following paragraphs.

Exhibit 1. This exhibit shows the onshore and offshore employment assumptions used by this Department to forecast total OCS-related employment in the Northern and Western Gulf of Alaska. Also included are current population estimates for those coastal cities likely to be affected by exploration and commercial development of offshore petroleum resources. Please note that while none of the individual activities employ large numbers of people, the numbers of new jobs assumed would significantly contribute to the population of small cities which might be affected.

Exhibit 2. Exhibit 2 indicates the planning capabilities of those cities and boroughs which may be affected by leasing and development of offshore areas near their jurisdiction. While most of the muncipalities have a planning and zoning commission, very few actually have a professional planning staff.

Exhibit 3. Exhibit 3 lists the loans and grants available through the Coastal Energy Impact Program (CEIP). Available are planning grants, formula grants and credit assistance. All planning grant money must be used before formula grants become available. Planning grant requires a 20 percent match by local communities. The twenty percent match required could be financed through OCS permit fees.

Exhibit 4. Exhibit 4 lists the types of planning activities which can be funded through the CEIP program. Please note that CEIP funds are not currently available to finance the cost of negotiating with a potential developer or handling increased administrative costs resulting from rapid growth.

Exhibit 5. Exhibit 5 is a summary of the most recent version of House Bill 219. It contains a table which estimates the hypothetical revenues that would be generated from the proposed fee schedule.

Exhibit 6. Exhibit 6 is a brief outline of the merits of House Bill 219, its shortcommings as it is currently written, and suggested improvements which might be considered by the Committee.

Exhibit 7. Exhibit 7 is Rob's critical examination of two areas in the bill which he thinks may need further revision: local approval power and prior planning by the developer.

Exhibit 8. Exhibit 8 suggests examples of statutory language which might minimize problems raised in Exhibit 7.

I hope this information is useful to you and the Committee members. As I told you during our last meeting, I will be available to discuss the bill at the November Municipal League Meeting, or at another time if more convenient.

Looking forward to speaking to you soon.

Sincerely yours,

Lois

Lois Kramer
Planning Supervisor

LK/sv

Enclosures

ONSHORE EMPLOYMENT ASSUMPTIONS

Category		Employment
Rig Service		25 per rig
Platform Service:	Installation	100 per platform
	Drilling	80 per platform
	Production	40 per platform
Administration		15 per rig 40 per platform
Service Bases		15 per berth
Oil Terminals:	250,000 b/d	150 per terminal
	350,000 b/d	200 per terminal
	450,000 b/d	250 per terminal
	600,000 b/d	300 per terminal
LNG Plants:	1 billion cu.ft./d	200 per terminal
	1.6 billion cu.ft./d	300 per terminal

Offshore Employment Assumptions

Operation		Number of Jobs/Activity
Rig		115
Platform:	Installation and Hook-up	300
	Drilling	250
	Production	140
Lay-barge		250
Bury-barge		100

Construction Employment Assumptions

ONSHORE FACILITY	NUMBER OF JOBS	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Service Base	2 berth	75	150		
	3-4 berth	100	200		
	4 berth	125	250		
Oil Terminal	250,000 b/d	150	600	1,200	300
	350,000 b/d	200	800	1,500	500
	450,000 b/d	200	1,000	1,900	600
	600,000 b/d	300	1,200	2,300	700
LNG Plant	1 billion cu.ft./d	300	1,300	2,500	800
	1.6 billion cu.ft./d	500	2,000	4,000	1,200

POPULATION OF CITIES

Yakutat	442
Cordova	2,406
Seward	1,823
Homer	1,538
Seldovia	612
Kodiak	4,960
Unalaska	510
Dillingham	1,176
City of St. Paul	456
Nome	2,585
Kotzebue	2,431
Barrow	2,307

Do these apply also to Cook Inlet?

TOTAL DIRECT AND INDIRECT EMPLOYMENT: NORTHERN GULF

YEAR	NO FIND	MODERATE FIND: NO PIPELINE	MODERATE FIND: PIPELINE	HIGH FIND	BONANZA
1976	240	240	240	240	240
1977	670	906	906	1123	1251
1978	905	1790	1790	1900	2155
1979	477	1366	1356	2843	3677
1980	240	1366	1669	3540	4745
1981		906	2336	4375	6140
1982		953	3242	5705	6681
1983		1353	2691	5218	9305
1984		2060	2360	7348	11,392
1985		2623	2923	8899	13728
1986		2439	2739	6401	9622
1987		2299	2599	5349	8248
1988		2069	2369	4887	7803
1989		1838	2138	4173	6918
1990		1585	1895	3671	5840

TOTAL DIRECT AND INDIRECT EMPLOYMENT: WESTERN GULF

YEAR AFTER LEASE SALE	YEAR	NO FIND	MODERATE FIND: NO PIPELINE	MODERATE FIND: PIPELINE	HIGH FIND
1st	1980	239	321	322	322
2nd	1981	454	834	834	1181
3rd	1982	669	1337	1447	2227
4th	1983	244	925	1145	2049
5th	1984		751	1160	2535
6th	1985		530	1265	3360
7th	1986		1021	2251	4791
8th	1987		1421	3311	3791
9th	1988		1179	1622	2885
10th	1989		1920	2145	3584
11th	1990		1853	2078	3378
12th	1991		1735	1961	3261
13th	1992		1505	1730	3030

	LEASE SALE AREA									CLASSIFICATION	ORGANIZATION			PLANNING TOOLS					POPULATION (1976)
	Lower Cook Inlet (11)	Gulf of Alaska (12)	Kodiak Basin (13)	Aleutian Shelf (14)	Bristol Bay (15)	Bering Sea - St. George	Bering Sea - Norton Basin	Chukchi Sea (17)	Beaufort Sea (18)		Planning and Zoning Commission	Professional Planning Staff	Coastal Resource District (7/77)	Coastal Management Program (anticipated date of adoption)	OCS Planning Study (including EDA Title IX)	Comprehensive Plan (date of publication)	Capital Improvements Program (date of publication)	Zoning Ordinance	
MUNICIPALITY OF ANCHORAGE	■	■	■	■	■	■	■	■	■	Unified home rule boro.	■	■	■	1979		1961(b)	1963	■	175,603
Yakutat		■								First class city	■		■	1980(a)	■	1976		■	442
Cordova		■								Home rule city	■		■	1980(a)		1976		■	2,406
KENAI PENINSULA BOROUGH	■	■	■							Second class borough	■	■	■	1979	■	1970	1967	■	19,407
KODIAK ISLAND BOROUGH			■							Second class borough	■	■	■	1980	■	1968(c)		■	7,901
Unalaska				■	■	■				First class city			■	1978(a)		1977			510
Dillingham					■					First class city	■		■	1980(a)		1970			1,176
BRISTOL BAY BOROUGH					■					Second class borough	■		■	1980		1966	1966	■	1,147
City of St. Paul						■				Second class city				(a)					456
Nome							■			First class city	■		■	1980(a)		1968	1968		2,585
Kotzebue								■		Second class city	■		■	1980(a)		1971(d)	1975		2,431
NORTH SLOPE BOROUGH								■	■	Home rule borough	■	■	■	1979		1973	1974		12,614

(a) Cities within the unorganized borough. Nearby areas in the unorganized borough may be affected by OCS development and may eventually be organized into coastal resource service areas. Coastal management plans for service areas may be adopted later than 1980.

(b) Comprehensive plan for the Municipality of Anchorage is being updated.

(c) Comprehensive plan updated for Port Lions in 1975 and for Near Island in 1974.

(d) Land use element of comprehensive plan for Kotzebue updated in 1976.

Figure 1

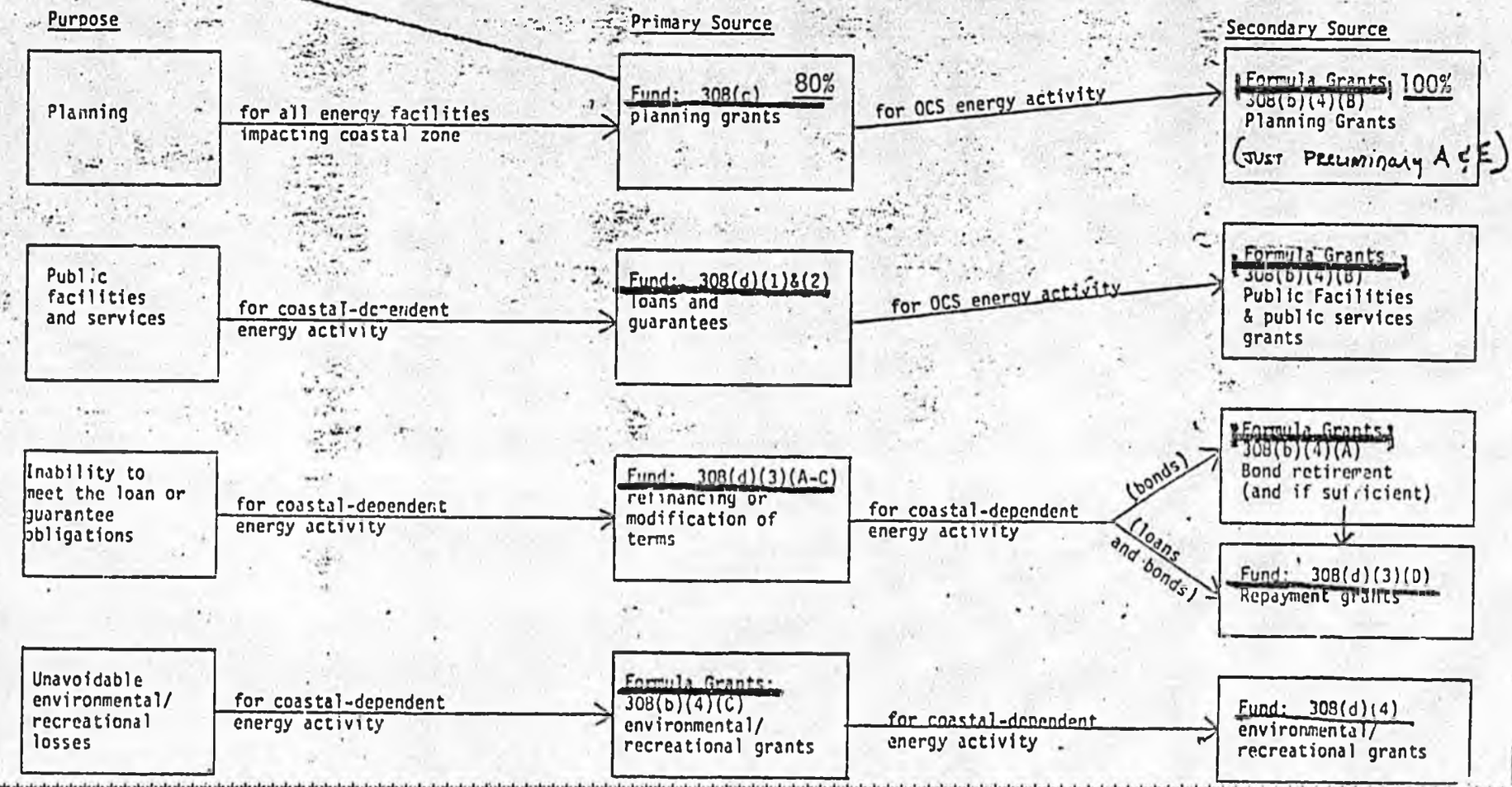
PLANNING CAPABILITIES

15% of $3.5 million divided equally among 34 coastal states = approximately $15,000

85% of $3.5 million alloted on basis of need

Figure 1

PL 94-370 Coastal Energy Impact Program: Primary and Fund 308(c) Planning Grants



Formula Grants	308 (b)	U.S.	$ 10 million	AK: $ 1,178,643
Credit Assistance ("Fund")	308 (d)(1), (2), (3)		110 "	48,612,973
Planning Grants	308 (c)		3.5 "	365,466
Environmental/Recreational Grants	308 (d)(4)		1.5 "	662,904

Exhibit 3

July 5, 1977

I. Summary of HB 219

The onshore facilities construction permit bill was proposed in the Tenth legislature - First session by representative Parr and eighteen others. It is designed to provide municipalities affected by offshore energy development with a means of exercising control over the location and public costs of OCS related onshore development.

Under the bill, each facility must obtain a permit prior to beginning construction. Permits cannot be issued without local approval from the municipality where the facility will be located. Thus, local units are given a bargaining tool which can be used to negotiate over the location and types of OCS related facilities. If negotiation fails to satisfy local needs, municipal denial of project approval will bar issuance of the permit and prevent construction of the facility in that municipality.

Permit fees generated under the bill are to be used to plan for and minimize the public costs of the OCS related onshore development. Fee amounts are proportionate to the projected impacts of the facility. (see table 1) At least 50% of the fees will go directly to the municipality where the facility is being built. An additional 45% of the fees will benefit the municipality in the form of state assistance.

This 45% of the fees will be allocated among state agencies and the municipality by DCRA according to their relative responsibilities for the provision of public facilities and services necessitated by the development. State assistance will be in forms of planning, legal expertise, and the direct provision of services such as education, transportation, and health care.

HB 219 proposes two alternative fee schedules. One measure of fees is based on population growth and the cost of government. The alternative measure is based solely on the value of the proposed development. For each facility, the formula producing the highest fee is used.

Using the valuation measure of fees, the amount of revenues produced by a development is related to the size of the proposed facility. Facility value is roughly predictable by the stages of the oil extraction process. During exploration, support facilities on shore will be valued at $10 million or less. Based on a value percentage fee calculation, a $10 million facility would pay $250,000 in fees. (see table 1) If oil is discovered, shore processing facilities will have a much higher value. The very large processing facility at Valdez is valued at $1.2 billion dollars. Fees for a facility that size would be $6 million dollars. Although the scale of the terminal at Valdez represents the largest type of terminal which may be built to service offshore oil, it is obvious that processing facilities will generate large fees. Table 1 gives examples of fees produced by different sized production facilities.

(1) Preliminary planning for the consequences of new or expanded significantly affecting the coastal zone, including energy facilities

(i) analysis of government or private industry siting policies;

(ii) devising strategies for the public purchase of land or the establishment of other enforceable land-use controls for lands upon or near which energy development is to take place;

(iii) devising methods of protecting environmental resources, as defined in §931.72, threatened by the siting, construction, operation, or expansion of new or expanded energy facilities; or

(iv) conducting risk management studies, hazard analyses, emergency contingency planning and coordination studies, and assessment of mitigating measures for maintaining or improving public safety threatened by the siting, construction, expansion, or operation of new or expanded energy facilities.

(2) Planning for the consequences of a specific new or expanded energy significantly affecting the coastal zone, including facility

(i) study of and planning for economic, social, or environmental consequences of the siting, construction, expansion, or operation of a new or expanded energy facility such as

(A) increased population;

(B) changes in employment patterns, including those in fishing and tourism;

(C) changes in demand for public facilities, public services, and housing;

(D) local price inflation;

(E) changes in patterns of tax and user fee revenues or inter-governmental transfers;

(F) effects on fishing and tourism resources;

(G) effects on beaches, sand dunes, air quality, water quality, or other environmental or recreational resources;

(H) shoreline erosion;

(I) ecological effects; and

(J) effects on public safety.

(ii) conducting analyses required for state or local regulatory decisions related to energy facilities, including licenses, leases, permits, and zoning ordinances;

(iii) performing cost/benefit analyses or otherwise comparing the consequences of alternate energy facility sites or types;

(iv) devising strategies for recovering compensation from appropriate parties for any adverse effects caused by the energy facility involved;

(v) forecasting employment, population, public facility and public service needs and costs, and tax or user-fee revenues;

(vi) planning for the public facilities eligible for financing under Subpart E of this part;

(vii) study of and planning for the secondary consequences, including environmental and economic consequences, of alternative types and sites of public facilities eligible for financing under Subpart E of this part; and

(viii) study of and planning for the consequences of the phasing out of energy facilities.

(3) Carrying out projects necessary to administer assistance under Section 308, including;

(i) collecting data and analyzing information required in §§931.48 (a)(5) and 931.78(c)(4) for environmental impact assessment;

(ii) designing and carrying out an intrastate allocation process as described in Subpart J of this part; and

(iii) paying other reasonable costs of administering assistance under Section 308

July 5, 1977

House bill 219 provides an important boost to local preparation for OCS - onshore facilities. Developers are required to submit plans to the state three years in advance. This advance notice allows time for local assessment of the project and definition of a local policy in regard to the project. Advance reporting also requires the developer to disclose information which will assist municipal decision making.

Municipalities may use fees paid to cover planning and capital improvements costs. Independent legal assistance, land use and financial planners, and administrative assistance may be paid for out of the fees. Localities can use the planning process to control growth and establish a pattern for evaluating subsequent land use demands.

Status of the bill: HB 219 was not reported out of committee in the first session. Public hearings are being held to explain the bill and provide a channel for local input into the legislative process.

July 5, 1977

TABLE 1

REVENUES THAT THE FEES WILL GENERATE

EXPLORATORY STAGE

IF the facility is valued at $5 million fee = $100,000

IF the facility is valued at $20 million fee = $250,000

Most of the facilities built to service OCS exploration will cost $10 million or less. The assessed value of the service base at Yakutat is $5.5 million as of the first of 1977.

DEVELOPMENT AND PRODUCTION STAGE

IF the facility is valued at $500 million fee* = $2.5 million

IF the facility is valued at $750 million fee = $3.75 million

IF the facility is valued at $1 billion fee = $5.0 million

IF the facility is valued at $1.2 billion fee = $6.0 million

The oil terminal at Valdez will process 1.2 million barrels of oil per day and is valued at 1.2 billion dollars. If the largest possible find is made in the Northern Gulf, shore terminal capacity will need to be 650,000 barrels per day at a value of approximately $800 million. Also a larger discovery in the NOrthern Gulf would require a Liquified Natural Gas terminal with one billion cubic feet per day capacity at a value of approximately one billion dollars.

*These fees for the production stage are calculated at a straight one half percent. If the developer failed to provide three year advance information, the fees would double.

MERITS OF HB 219

1. Places municipalities in the driver's seat for any OCS-related shoreside development.

2. Creates a land management tool which is applied statewide and thus is not a disincentive to development.

3. Provides money to finance costs of local planning not presently covered by CEIP or other grants.

SHORTCOMINGS OF BILL AS CURRENTLY WRITTEN

1. Local approval or veto of a proposed facility need not be consistent with existing local or State plans.

2. Standards for permit evaluation are not specified. No procedural or substantive rights of developers are enumerated or protected.

3. HB 219 is not tied to the Coastal Management Act and its requirements.

4. Three years advance notice of construction plans may not be feasible in all cases.

SUGGESTED IMPROVEMENTS

1. To limit potential arbitrary uses of local approval or veto of a proposed facility by:

a. Requiring municipal decisions to be consistent with existing and emerging plans and policies under the Coastal Management Act;

or b. Establishing decision guidelines in the bill to ensure that a municipal approval or veto is to protect the public welfare and is consistent with Coastal Management policies;

or c. Grant municipalities the power to suspend a permit application for one year while a Coastal Management program is written.

Each alternative should clarify the procedural rights of the developer.

2. Make the advance planning requirement more flexible so that developers will not be penalized by changes in their plans caused by forces beyond their control.

STATE of ALASKA

MEMORANDUM

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Exhibit 7

The views of this memo do not reflect Departmental Policy

TO: Members of House Committee
Community and Regional Affairs

DATE: August 9, 1977

FILE NO:

TELEPHONE NO:

FROM: Robert Shoaf
Summer Intern

SUBJECT: HB 219

Our critical examination of HB 219 focuses on two major topics:

A. Local approval power
B. Prior planning by developers

A. Local approval power

Local approval power and permit fees are the two major features of the onshore facilities construction permit. A permit will not be issued without local approval. Municipalities are not required to have planning and zoning in place to make this local decision. Areas that do exercise land use controls do not have to make their decision inconsistent with existing municipal plans and ordinances.

Regardless of how the permit is classified, the local approval power is regulatory in nature and should be designed to protect private property rights. Private property uses cannot be abridged by government unless the public intervention is reasonably related to public welfare. Traditionally, to prevent arbitrary public intervention in private land use, police power controls established standards for intervention (by planning and zoning) in advance.

The Division of Community Planning feels that local approval power in HB 219 is an essential tool which will enable municipalities to manage OCS onshore development. However, municipal decisions must be directed to protect the public welfare. Furthermore, HB 219 should be coordinated with coastal planning under the Coastal Management Act.

Three alternatives are available to remove the arbitrary nature of local approval.

1. Prior planning

OCS onshore facilities siting decisions will be made in the context of coastal planning under Alaska's Coastal Management Act. Local decisions under HB 219 should adhere to approval District Coastal Management Programs. In municipalities where no management programs have been written, local decisions should be in accordance with any existing land use controls and with the principles and emerging plans of the Coastal Management Act.

It is not certain that District Programs under CMA will produce the type of specific standards needed to guide local development decisions. Additionally, not every municipality may be able to afford adequate, on going planning.

2. Guidelines in HB 219
To guide local decisons and to prevent arbitrariness the legislature can incorporate guidelines for municipal decision making in HB 219. Because of the comprehensive mandate for coastal planning in the Coastal Management Act, these guidelines should mirror the policies of CMA.

Guidelines could require that municipal evaluation of a onshore facility construction proposal consider the environmental, social and economic impacts of the project. Approval of a project could issue when a City Council or Municipal Borough found that these impacts were manageable. For example, a municipality could base its decision in part, on whether or not the necessary supportive public facilities and services will be available when the development is completed.

Evaluation of a proposal will require detailed assessment of the proposal and its effects on a municipality. A third alternative is to structure a municipality's use of this assessment period so that local land use plans are produced to serve as a guide for the municipal decision.

3. Interim Planning
This alternative grants municipalities the power to suspend construction of an onshore facility for a reasonalble time while District Coastal Management Programs are written and implemented. These programs would place the municipal decision in a more comprehensive framework than would the reliance on guidelines. Additionally, the municipal programs would serve as a guide for future management of OCS impacts, and as a basis for ongoing planning.

If a municipality chooses to approve a proposal without suspending construction pending implementation of a District Program, local approval should be based on positive findings that the impacts of the project are manageable.

In this alternative, HB 219 would only serve municipalities who have not yet written District Management programs.

B. Prior planning by developers
The requirement of three years advance notice of construction plans by developers (section 41.45.110, May 28, 1977 version) may not be feasible. Uncertainties not controlled by developers, such as Federal OCS leasing policies, may interfere with their ability to accurately project construction plans three years in advance.

When external factors dictate a change in plans for OCS onshore activities, developers should be able to change their plans without the excessive penalty of doubling the permit fee. To allow flexibility, the advance planning requirement might be reduced to two years, with changes in plans allowed with one years notice, unless waived by a municipality. Additionally, the Department of Community and Regional Affairs should determine what advance information is feasible in terms of progress of lease sales and exploration.

Statutory Language To Structure Municipal Decisions

local comp. plans

Alternative 1: Prior planning

"Local approval or denial of a permit shall be in accord with existing or emerging Coastal Management Programs, policies and guidelines."

Alternative 2: Guidelines

"Local permit approval may be granted by a City Council or Borough Assembly if it finds:

a. That the use will not materially endanger the public health or safety if located where proposed:

1. That the municipal water supply will be of sufficient quality and quantity to meet the increased demand attributable to the facility;
2. That the proposed use will not have an unreasonable impact of the coastal environment;
3. That the necessary supportive public facilities and services will be available as the demand for them attributable to the facility increases;
4. That associated land and water transportation will minimize degradation of waterfront uses.

b. That the proposed facility is in accord with existing plans and regulations;

c. That the use will not substantially injure the value of adjoining or abutting property, or is a public necessity;

d. That the use will not unreasonably disrupt the social and economic well-being of the municipality."

Alternative 3: Interim planning

HB 219 should specify whether the decision to utilize the moratorium or proceed immediately will be an administrative or legislative one.

Language to implement alternative three should be placed in a new section of the bill. The new section could state:

"Local Approval of an Onshore Facilities Construction Permit.

"When a developer of an OCS onshore facility requests local approval of its proposal, the municipal assembly or council shall meet to make one of two possible decisions.

"If the assembly finds that the project will be consistent with state and local plans then existing under Alaska's CMA [or consistent with enumerated standards], then local approval may be given.

"If the assembly finds that the proposal is not consistent with these guidelines [or will have a significant impact on coastal resources which is not adequately managed by present planning] or is not consistent with the local health, safety and welfare, then the assembly, by a majority vote, may choose to impose a two year moratorium on the proposal, during which time the municipality shall prepare a district coastal management program (See A.S. 46.35.030) to guide subsequent local decisions.

"If a municipality already has implemented a coastal management program, this section does not apply and the local permit decision shall be made in accordance with the policies and procedures of that plan.

"Once a moratorium is imposed, the municipality should contact the Department of Community and Regional Affairs to make arrangements to locate any funds needed for planning."

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF COMMUNITY PLANNING / POUCH B – JUNEAU 99811

January 19, 1978

Where is attachment?

The Honorable Lisa Rudd
Representative
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

This evaluation of oil terminal and service base sites in Kodiak Island Borough represents a major step in the preparation for offshore oil development which may occur in the Western Gulf of Alaska. The Department of Interior's OCS Lease Schedule now proposes a federal sale off Kodiak Island to take place in October 1980.

The study itself embodies many "firsts" for Alaska. It is the first time the State has joined with a borough and a Native Regional Corporation to design, monitor and review a project of this type. In addition, it is the first time that petroleum company opinions concerning OCS site preferences and industrial needs were solicited and obtained in advance of a siting decision. And finally, it is the first time that the method of decision-analysis has been used to organize and integrate the viewpoints of many interest groups for the purposes of site evaluation.

What is presented here is a useful working document providing basic description of sites considered, an evaluation of their development potential--advantages and disadvantages, and a ranking of the sites. The study suggests a way of thinking about site choices. We are advocating an approach to siting decisions that is firm as to purpose but flexibly open to alternative solutions. To accomodate the unknowns inherent in offshore oil exploration, several sites should be considered for future development, pending the outcome of exploratory activity.

While no absolute decisions need to be made at this time, the Kodiak Island Borough through its land use planning powers, can reserve sites which reflect a balance of viewpoints, are capable of meeting oil company needs, suitable in terms of existing laws and policies, and available for development.

We hope that the approach taken and the findings are of interest to you.

Sincerely,

Kevin Waring

Kevin Waring
Director

City of Kenai

January 10, 1978

Honorable Randy Phillips
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Randy:

Enclosed is a draft of the ordinance you requested. As discussed, this is designed for introduction at the Borough level and should be understood that way.

Please call if we may further assist.

Sincerely,

Vincent O'Reilly, Mayor

VOR: sp

Enclosure

CC: Honorable Lisa Rudd
State of Alaska House of Representatives

"An ordinance providing for site planning and development permits and fees for the construction of major developments; industrial, commercial and resid. tial and providing for an effective date."
BE IT ENACTED BY THE BOROUGH ASSEMBLY OF THE KENAI PENINSULA:

Section 1. ASSEMBLY FINDINGS AND DECLARATION OF PURPOSE:
(a) The assembly finds that major development activities; industrial, commercial, residential impact the coastal zone of the Kenai Peninsula; that site planning is essential to prevent degradation of our coastal zone and provide for effective use of the coastal zone; that major developments involve demands for public facilities and services which, initially, are beyond the capacity of local governments to provide; that early knowledge of the location and magnitude of anticipated development will better allow the Borough and local government to plan the provision of public facilities and services before and during the period of development; that the planning and provision of public facilities and services in advance of construction generates a temporary demand for additional revenues to defray costs associated with extra ordinary municipal expenditures; and that there is a need to provide mechanism by which the local governments may receive information about projected developmental activity as a basis for sound public planning decisions and to obtain financial support in order to partially defray the costs of planning and initiating provision of necessary public facilities and services.
(b) It is the purpose of this ordinance to provide a mechanism by which to ensure that the location, construction and operation of

major development; industrial, commercial, residential, will produce minimal adverse effects upon the people of the Borough and affected local governments by providing for the exchange of information between parties involved and that the increase in demand for public services occurring as a result of development will be met by a contribution of revenue from the development responsible for the increase in demand.

Section II. SITE PLAN APPROVAL AND DEVELOPMENT PERMIT:

(a) No person shall proceed with a major development of the value, on completion, of more than one (1) million dollars without first applying for and securing from the Borough Planning Commission a site plan and development approval and paying the fee provided in Section III of this chapter.

(b) An applicant for site plan approval and development permit under this section shall file an application with the Borough Planning and Zoning department in a form which the Borough Planning and Zoning Commission and Assembly, by regulation, have prescribed. The application shall contain the following information:

(1) a description of the location and of the facility to be built at the location;

(2) an estimate of the value of the facility upon its completion;

(3) a summary of any studies or reports which have been made examining the economic impact of the construction and operation of the facility on the region; including, but not limited to, the applicant's estimate of the number of persons to be employed in the construction and operation of the facility during each year of the five-year period commencing with the submission of the application;

(4) a statement explaining the need for the facility;

(5) a description of any reasonable alternate locations for the proposed facility, a statement of the comparative merits and detriments of each location identified, and a statement of why the primary proposed location is best suited for the facility;

(6) any additional information which the department, by regulation, may require in order to fairly evaluate:

A. conformance of the proposed facility to applicable local laws and regulations;

B. the effects of the economic activity of the proposed facility on a municipality or service district within a twenty (20) mile radius of the proposed site(s);

C. the effects of the proposed facility on the public health, welfare and safety;

D. the capacity of the Borough and of municipalities affected by the proposed facility to provide necessary public facilities and services;

(7) any additional information which the applicant considers relevant.

(c) An application filed with the department shall be available for public inspection.

(d) An application shall be accompanied by proof of service of a copy of the application to the mayor or approved administrative official of each City or service district within a twenty (20) mile radius of a site at which any portion of the facility is to be located, both as primarily and alternatively proposed.

(e) The department may, by order entered after filing, require the applicant to serve notice of the application, and file proof of notice, on other persons as the department considers appropriate.

(f) The Borough Planning and Zoning Commission shall approve or deny the permit within 180 days of full and complete filing of permit application, including fees, except that on request of applicant, period of review may be extended up to an additional 360 days.

(g) The department shall require cities or service districts served with copies of permit application to recommend approval or disapproval of the permit within 120 days of service. No response shall be accepted as an approval of the application as it relates to that municipality or service district.

Section III. PERMIT FEE:

(a) At the time of filing an application for a permit under Section II of this chapter, the applicant shall pay a permit fee to the Borough Department of Finance.

(b) The fee payable under this section will be based upon the valuation of the proposed facility upon completion, with payment of two per cent (2%) of the estimated value up to $5,000,000; plus one per cent (1%) of the estimated value over $5,000,000 and up to $20,000,000; plus one-half of one per cent (.5%) of the estimated value over $20,000,000;

Section IV. APPEAL OF FEE:

(a) A city or service district which is within a twenty (20) mile radius of the development site may be entitled to receive a

portion of a site plan and development fee paid by an applicant under this chapter may appeal the determination of the amount of the fee. The governing body of the City or service district shall, within 30 days of receipt of written notice that an application has been submitted and a fee paid, file an appeal with the department setting out the reasons why it believes the fee paid has not been correctly computed.

(b) If a City or service district appeals the determination of the fee paid under (a) of this section, the director of the department shall, within 45 days after giving written notice to all parties, conduct a hearing on the matter. If, after the hearing, the director determines that the fee payable by the applicant has been incorrectly computed, he shall provide the applicant a written statement describing the error in computation and indicating the amount of the fee due. The applicant shall pay the additional amount of the fee within 30 days of receipt of the decision of the department director.

Section V. AMENDMENT OF PERMIT:

(a) A permit issued by the department under Section III of this Ordinance may be amended. An application for an amended permit shall be submitted in the manner provided for new applications in Section II of this Ordinance. If an amendment to an approved permit would result in a substantial change of an original permit, the amendment shall be treated as a new application and a supplemental permit fee shall be paid.

(b) If it appears to the director or to officials of a city or service district within a twenty (20) mile radius of the development site which may be entitled to receive a portion of a permit fee under this chapter that there will occur substantial change in the use of the facility from the activity described in the original application or an amended application for a permit, the director may call for a public hearing on the question. The director shall, within 45 days after giving written notice to all parties, conduct a hearing on the matter. If, after the hearing, the director determines that there has been substantial change in the use of the facility from the activity described in the original or amended application for an amended permit, he shall require the applicant to submit an application for an amended permit.

(c) An amended permit submitted by an applicant under an order of the director entered under (b) of this section shall be accompanied by payment of the increment in the fee due, together with a penalty payment of 10 per cent (10%) of the total amount of permit fees due for the facility.

(d) For purposes of this section, a change in the use of the facility for which a permit has been issued is "substantial" if the applicant or the director determines that the value of any changes or improvements in the facility would increase the estimated value of the facility by more than ten per cent (10%).

Section VI. REFUSAL OF PERMIT:

(a) The Borough Planning Commission, after public hearing, may refuse to issue a permit and approve the site plan, as presented or modified if it finds that:

(1) The proposed site and development plan is not consistent with the approved Coastal Zone Management Plan.

(2) A fee due and payable by the applicant on an original application or amended application has not been paid.

(3) A city or service district with a twenty (20) mile radius can demonstrate that the development will adversely affect the quality of life or is in violation of local law.

(4) The concept of development is inconsistent with other established development in the immediate area.

(5) The concept of development is inconsistent with or detrimental to publ health, safety and welfare.

(b) On denial of permit, fees paid shall be refunded to applicant less five per cent (5%) for administrative costs without interest.

Section VII. REVOCATION OR SUSPENSION OF PERMIT:

(a) The department may revoke or suspend a permit issued under the provisions of this chapter if:

(1) The facility does not conform, in location, construction or operation, to the details of the approved site plan; or

(2) after notice and hearing to all parties, the Director determines that an additional fee is due and payable under Section IV(b) of this chapter or an additional fee and penalty are due and payable under Section V(b) of this chapter, and

the holder of the permit has failed to pay the additional fee, together with penalty due, if any, within the time prescribed by law.

Section VII. DISPOSITION OF FEES AND PENALTIES:

(a) The Borough Department of Finance shall retain five per cent (5%) of the fees and penalties co-lected under this Ordinance to defray the costs of receipt, review of applications for permits and for the enforcement of the provisions of this chapter. Not more than thirty per cent (30%) of the fee shall be apportioned to a city or service district or combination thereof in which the proposed development is to be located or which are in a twenty (20) mile radius for operational expenses. The remaining sixty-five per cent (65%) or more shall be apportioned to a City or service district or combination thereof in which the proposed development is to be located or which are in a twenty (20) mile radius for capital improvements. Such capital improvement apportionments will be specific and funds so apportioned will be so dedicated. Determination of the amount(s) transmitted to a municipality or service district shall be subject to negotiation between the Department of Planning and Zoning and any affected cities or service districts relative to services provided and anticipated impact.

Section IX. MONITORING OF DEVELOPMENT:

(a) The department shall review and monitor the operation of all development for which a permit has been issued under this chapter.

Section X. PENALTIES FOR VIOLATION OF PROVISIONS OF THIS CHAPTER:

(a) A person who wilfully violates a provision of Sections I through IX of this chapter or any regulation adopted by the department under this chapter is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than $1,000.00 for each violation. Each day of a continuing violation constitutes a separate offense.

(b) At the request of the director, the Borough attorney shall enforce this chapter and institute legal actions to accomplish its enforcement.

Section XI. DEFINITIONS:

In this chapter, unless the context otherwise requires:

(1) "Director" means the Director of the Department of Planning and Zoning.

(2) "Department" means the Department of Planning and Zoning.

Section XII.

This ordinance shall take effect on passage in accordance with law.

STATE OF ALASKA / JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B — JUNEAU 99811

October 20, 1977

Dear State Legislator:

Enclosed is the department's new regulation implementing the Coastal Energy Impact Program (CEIP). The CEIP is a federal grant and loan program designed to help coastal states and communities deal with the impacts of energy development.

Under the CEIP the state is given the primary responsibility for administration with the federal CEIP office providing technical assistance and funding. On April 4, 1977, Governor Hammond designated DCRA as the lead agency for the CEIP. Accordingly, DCRA has assumed the responsibility of preparing the federally mandated intrastate allocation process required to implement and administer this program. Local government officials and interested state agency personnel helped draft the guidelines that implement this process and we expect these parties to continue to be active in guiding this program.

This allocation process and the criteria used to rank applications has undergone a great deal of public scrutiny and will be subject to periodic revision. We feel that much will be learned in the initial year of operation and therefore we need the flexibility to go back and revise the CEIP application process to make it a more workable and useful program. Public input on any proposed changes will be encouraged and in some cases changes will probably be initiated by eligible CEIP applicants or other interested parties. The adoption of this regulation will afford us the flexibility to make needed changes to insure the maximum benefit from this program.

Sincerely,

Palmer McCarter
Director

DEPARTMENT OF COMMUNITY AND
REGIONAL AFFAIRS

Notice of Proposed Changes in the Regulations of the Department of Community and Regional Affairs

Notice is hereby given that the Department of Community and Regional Affairs, under authority vested by AS 44.47.160, proposes to adopt regulations in Title 19 of the Alaska Administrative Code to implement AS 44.47.050(14), as follows:

(1) Chapter 17 is created by adding new provisions as follows:

Section 10 - Coastal Energy Impact Program

19 AAC 17.010. Loans and grants shall be made in accordance with the provisions of this Department's "Coastal Energy Impact Program Policy Guidelines". Copies of the "Coastal Energy Impact Program Policy Guidelines" are available from the Department of Community & Regional Affairs, without cost.

Authority: AS 44.47.050 (14)
AS 44.47.100

Notice is also given that any person interested may present written statements or arguments relevant to the action proposed at Room 209, Community Building, Juneau, Alaska, before 4 o'clock p.m. on November 18, 1977.

Copies of the proposed regulation may be obtained by writing to: CEIP Coordinator, LGAD, Pouch B, Juneau, Alaska 99811.

The Department, upon its own motion or at the instance of any interested person, may thereafter adopt the proposals substantially as described above without further notice or may decide to take no action on them.

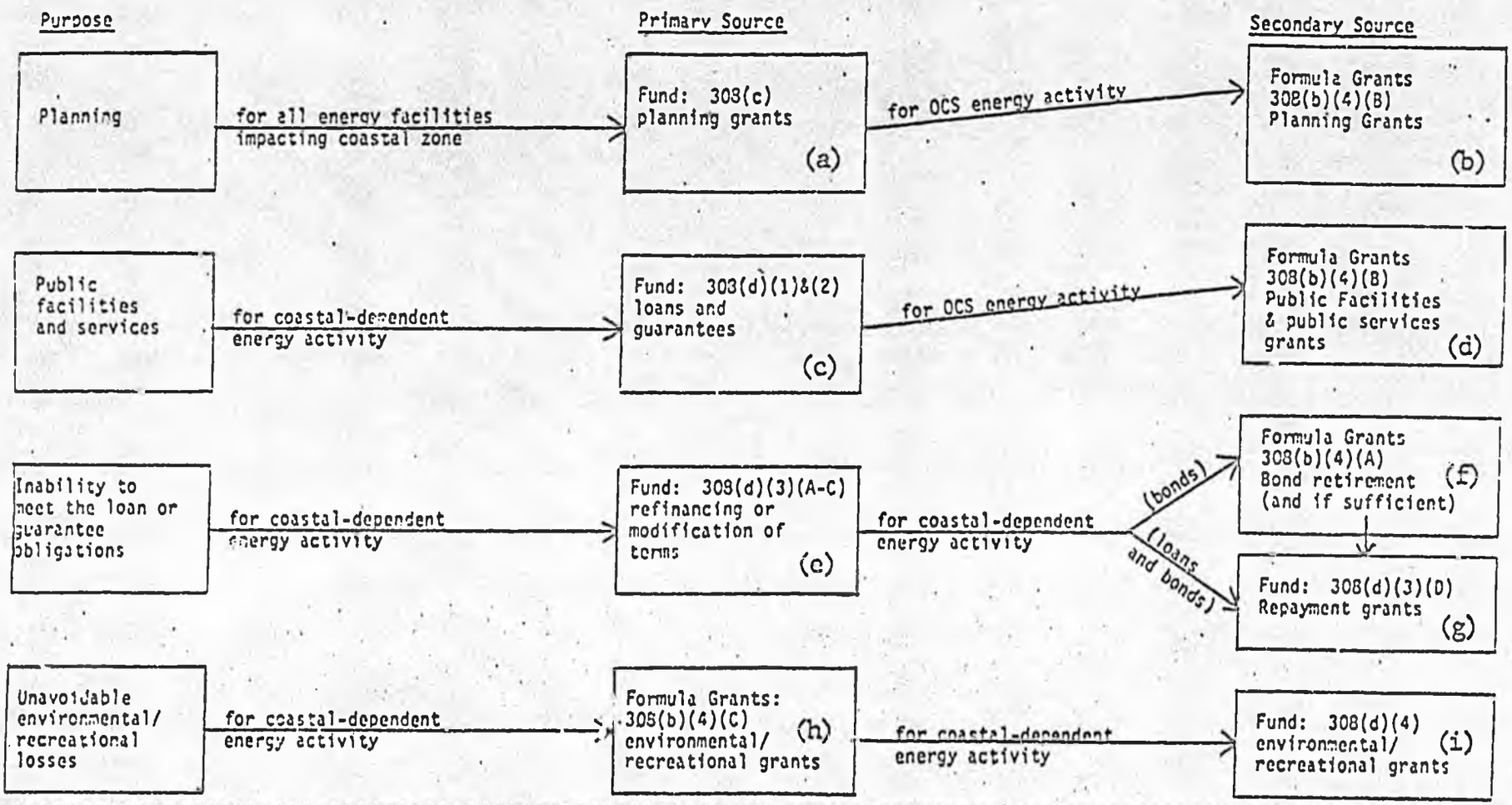
DATE: October 14, 1977

/s/ Lee McAnerney
Commissioner

CEIP FEDERAL ALLOTMENTS TO ALASKA FOR FY'77

Figure 1

PL 94-370 Coastal Energy Impact Program: Primary and Fund 308(c) Planning Grants



Square (a) Fund Planning Grants -- 308(c) 80% Fed./ 20% Local/State	Alaska Allotment	$ 365,466
Squares (b)(d)(f)(h) Formula Grants -- 308(b) 100% Fed.	Alaska Allotment	1,178,643
Squares (c)(e)(g) Credit Assistance ("Fund") 308(d)(1),(2),(3) 100% Fed.	Alaska Allotment	48,612,973
Square (i) Environmental/Recreation Grants 308(d)(4) 100% Fed.	Alaska Allotment	662,904

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 1, 1977

SUBJECT: House Bill 219, establishing a program of shore facilities building permits as a means of providing financial assistance to municipalities adversely affected by outer continental shelf activity.

TO: Representative Lisa Rudd

FROM: John B. Chenoweth
Legislative Counsel

You have asked for an interim review of state and federal action relative to financial assistance to local governments affected by continental shelf petroleum exploration and development, with a view toward considering the relationship between state and federal action and modification, revision or other action with respect to HB 219. What follows is divided into two parts to facilitate your review.

STATE ACTION

Since adjournment, Governor Hammond has signed into law the state's Coastal Management Act (Ch. 84, SLA 1977), and appointed the nine public members to serve on the coastal policy council.

Anticipating the first allocation of federal financial assistance in the form of grants and federal credit assistance under various subsections of the federal coastal energy impact program, sec. 308 of the federal Coastal Zone Management Act of 1972, the Department of Community and Regional Affairs has been active in the preparation of the necessary intrastate allocation process required by sec. 308(g)(2) of that Act.

The allocation process proposed by the department takes the form of policy guidelines for the implementation of the Coastal Energy Impact Program. With this memo is a copy of the policy guidelines in draft form together with a 20-page narrative describing the process. As I mentioned to you, I

believe, when you were in Juneau prior to Labor Day, the department has had a workshop on the draft with local government officials and had allowed until September 9th, to receive further comment. Thereafter, the department proposes to make necessary revisions in the guidelines and adopt them as the basis by which to evaluate applications for financial assistance.

I believe I also informed you that, in my opinion, the department has failed to proceed in the manner required by the state's Administrative Procedure Act in that it has not followed the process required for the adoption of administrative regulations for the program. The Department of Law has since informed Community and Regional Affairs that it should comply with the state's Administrative Procedure Act and, to that end, the Department has proposed the adoption of a one-section regulation incorporating the guidelines by reference.

The flow of financial assistance to Alaska under section 308 of the Federal Coastal Zone Management Act should commence very shortly. The Coastal Energy Impact Program provides five basic types of assistance: planning grants, environmental grants, development grants, credit assistance and repayment assistance. Alaska is due to receive an allotment of funds in each catagory based on its share of nationwide coastal energy development. The department has provided these figures by way of anticipated FY 77 receipts:

1. Planning Grants are available on an 80 percent federal/20 percent non-federal basis to help prepare for the consequences of all new or expanded energy activity in the coastal zone. Planning grants can be used to study and plan for the economic, environmental, or social impact due to the siting, construction, expansion or operation of energy facilities. Alaska has been alloted a total of $365,466 for this purpose for FY 77.

2. Environmental Grants, available on a 100 percent federal basis, are intended to prevent, reduce or repair damage to or loss of the valuable environmental or recreational resources due to coastal energy activity. Environmental grants may be used for impacts resulting from previous coastal energy activity which cannot be attributed to any one party. Alaska has been alloted $662,904 for this purpose for FY 77.

3. OCS Related Facility Grants, also called formula grants, are available on a 100 percent federal funding basis to plan for, mitigate the impacts of, and develop public facilities and services as a result of OCS related energy facility development. These funds may be expected to be the primary source of assistance to help municipalities prevent the unavoidable loss of environmental or recreational resources. A loss is unavoidable when the cost of prevention or repair cannot be assessed to a responsible party. Alaska has been alloted $1,178,643 in this catagory for FY 77.

4. Credit Assistance is available in the form of direct loans or guarantees of loans or bonds for the purpose of providing new or improved public facilities and services required as a result of coastal energy activity. Also available by way of such is repayment assistance, available to eligible applicants who cannot meet credit obligations because an anticipated revenue failed to materialize. Alaska has been alloted $48,612,973 for both credit and repayment assistance for FY 77.

CONGRESSIONAL INITIATIVES

US Senate-adopted legislation (S 9) and legislation offered in the House of Representatives (HR 1614) remain under study in House committee, with no likelihood of final adoption of either before year end.

The Senate-adopted legislation (S 9), entitled the Outer Continental Shelf Lands Management Act of 1977, amends the Coastal Energy Impact Program portion of the 1976 Coastal Management Act amendments

(1) by eliminating the requirement in sec. 308(b)(4)(i) that all loan and bond guarantee resources shall have been exhausted for formula grant projects and programs resulting from Outer Continental Shelf energy activity -- presumably allowing states the use of formula grant funds for new or improved public facilities and services without regard to examination of adequacy of alternative funding sources;

(2) by eliminating a requirement that such facilities and services be needed because of "new or expanded" activity in order to qualify for support -- opening the door to financial support for the resultant community impact caused by additional activities in conjunction to an existing plant or facility; and

(3) by increasing the funding authorization level by $25,000,000 annually after federal FY 77 which, if funded, should increase revenues available to Alaska: in this regard, the Coastal Management Office, Division of Policy Development and Planning, has offered the following projected revenue figures for Alaska:

(Federal)	FY 78	$ 5,000,000
	FY 79	7,050,000
	FY 80	8,750,000
	FY 81	22,320,000
	FY 82	21,820,000
	FY 83	14,920,000
	FY 84	15,170,000

for a total of $95 million dollars anticipated through the seven-year period.

Less certain, at least at the time the information was provided to me, is the course of HR 1614, in part because of the complexities of the amendatory language being proposed, and in part because of a change proposed in the manner of calculating assistance under the applicable formula. A computer run of the estimated payout to coastal states under the language of HR 1614 suggests payment of under $60 million to Alaska through the period. House consideration is complicated by the proposal of an amendment by Representative Breaux and others to change key portions of HR 1614 with respect to the operable formula, making the Coastal Energy Impact Program more nearly a "revenue sharing" assistance program not coupled to payment based upon oil and gas leases or oil and gas landed. Apparently the general revenue sharing approach is gaining some favor among the members of Congress; the Carter administration apparently remains opposed in principle. The committee considering the legislation did ask adoption of the Breaux amendments by way of request of the Rules Committee that the bill be scheduled for floor action; there was a move to table until next year (second session), and there will be no further action until January.

A copy of the bill, bearing the amendments offered in committee, is forthcoming from the Congressional Liaison, Office of Coastal Zone Management, in Washington, DC.

JBC:jpd

Enclosure

Testimony - Municipal Convention

Lynn Chrystal - Valdez

how did Valdez spend 5 million?
- sewer & water system
- school construction
- tight ≈ housing and schools - called short-term
- plane schedules were tight
  Polar Airlines
- shortages in grocery
- areas of town were not paved
- heavy truck traffic did tear-up the roads

FAVORS loan from GF
- should use state impact money -
- short-term impact GF

- municipality controls permit approval
- this speaks to known impacts the bill

does not dispute that impacts do take place

Valdez opposes the add'l layer of gov't by not allowing
Valdez did sell revenue bonds to oil companies
@ sale total of $12 million - now in permanent
20 mil tax - $6.6 million
Valdez operating budget & school > 10 million

DAVid Moffet – Petersburg –
strongly support Valdez in opposing as a "no growth bill"

– check file for Petersburg mayor's letter to Haugen – Mr. Theodore Smidt
– no council action

Kodiak Island Borough – Betty Wallin
mayor –

– water control
– money for input studies
– do have planning & zoning
– did a survey – 2,000 – 25% return
send copy of goals & objectives of Kodiak Island Borough

* – Additional effort to get Kenai INPUT

Carlson – FBKS. N.S. Borough

– couldn't get oil companies to tell them the impacts
– found that projections fluctuated enormously
– questions the purpose of the bill in requiring explanation & need for facility – he feels the need is obvious (i.e. OCS = need facility)
– noticed penalty for underestimation
requests reevaluation of

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B — JUNEAU 99811

October 20, 1977

Dear State Legislator:

Enclosed is the department's new regulation implementing the Coastal Energy Impact Program (CEIP). The CEIP is a federal grant and loan program designed to help coastal states and communities deal with the impacts of energy development.

Under the CEIP the state is given the primary responsibility for administration with the federal CEIP office providing technical assistance and funding. On April 4, 1977, Governor Hammond designated DCRA as the lead agency for the CEIP. Accordingly, DCRA has assumed the responsibility of preparing the federally mandated intrastate allocation process required to implement and administer this program. Local government officials and interested state agency personnel helped draft the guidelines that implement this process and we expect these parties to continue to be active in guiding this program.

This allocation process and the criteria used to rank applications has undergone a great deal of public scrutiny and will be subject to periodic revision. We feel that much will be learned in the initial year of operation and therefore we need the flexibility to go back and revise the CEIP application process to make it a more workable and useful program. Public input on any proposed changes will be encouraged and in some cases changes will probably be initiated by eligible CEIP applicants or other interested parties. The adoption of this regulation will afford us the flexibility to make needed changes to insure the maximum benefit from this program.

Sincerely,

Palmer McCarter
Director

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19 AAC 17.010. Loans and grants shall be made in accordance with the provisions of this Department's "Coastal Energy Impact Program Policy Guidelines". Copies of the "Coastal Energy Impact Program Policy Guidelines" are available from the Department of Community & Regional Affairs, without cost.

Authority: AS 44.47.050 (14)
AS 44.47.100

Notice is also given that any person interested may present written statements or arguments relevant to the action proposed at Room 209, Community Building, Juneau, Alaska, before 4 o'clock p.m. on November 18, 1977.

Copies of the proposed regulation may be obtained by writing to: CEIP Coordinator, LGAD, Pouch B, Juneau, Alaska 99811.

The Department, upon its own motion or at the instance of any interested person, may thereafter adopt the proposals substantially as described above without further notice or may decide to take no action on them.

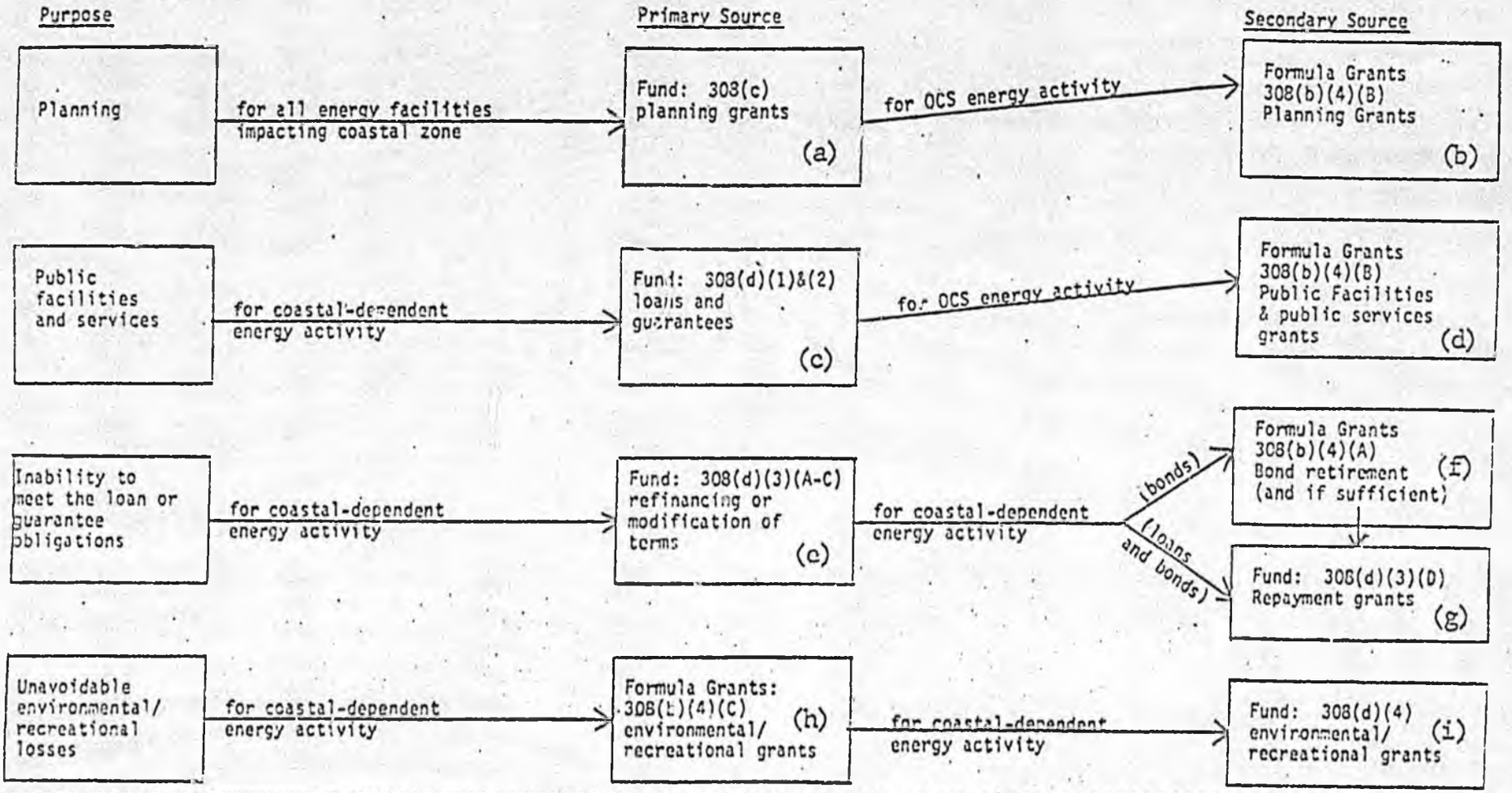
DATE: October 14, 1977

/s/ Lee McAnerney
Commissioner

CEIP FEDERAL ALLOTMENTS TO ALASKA FOR FY'77

Figure 1

PL 94-370 Coastal Energy Impact Program: Primary and Fund 308(c) Planning Grants



Square (a) Fund Planning Grants -- 308(c) 80% Fed./ 20% Local/State	Alaska Allotment	$ 365,466
Squares (b)(d)(f)(h) Formula Grants -- 308(b) 100% Fed.	Alaska Allotment	1,178,643
Squares (c)(e)(g) Credit Assistance ("Fund") 308(d)(1),(2),(3) 100% Fed.	Alaska Allotment	48,612,973
Square (i) Environmental/Recreation Grants 308(d)(4) 100% Fed.	Alaska Allotment	662,904

CEIP FEDERAL ALLOTMENTS TO ALASKA FOR FY'77

Figure 1

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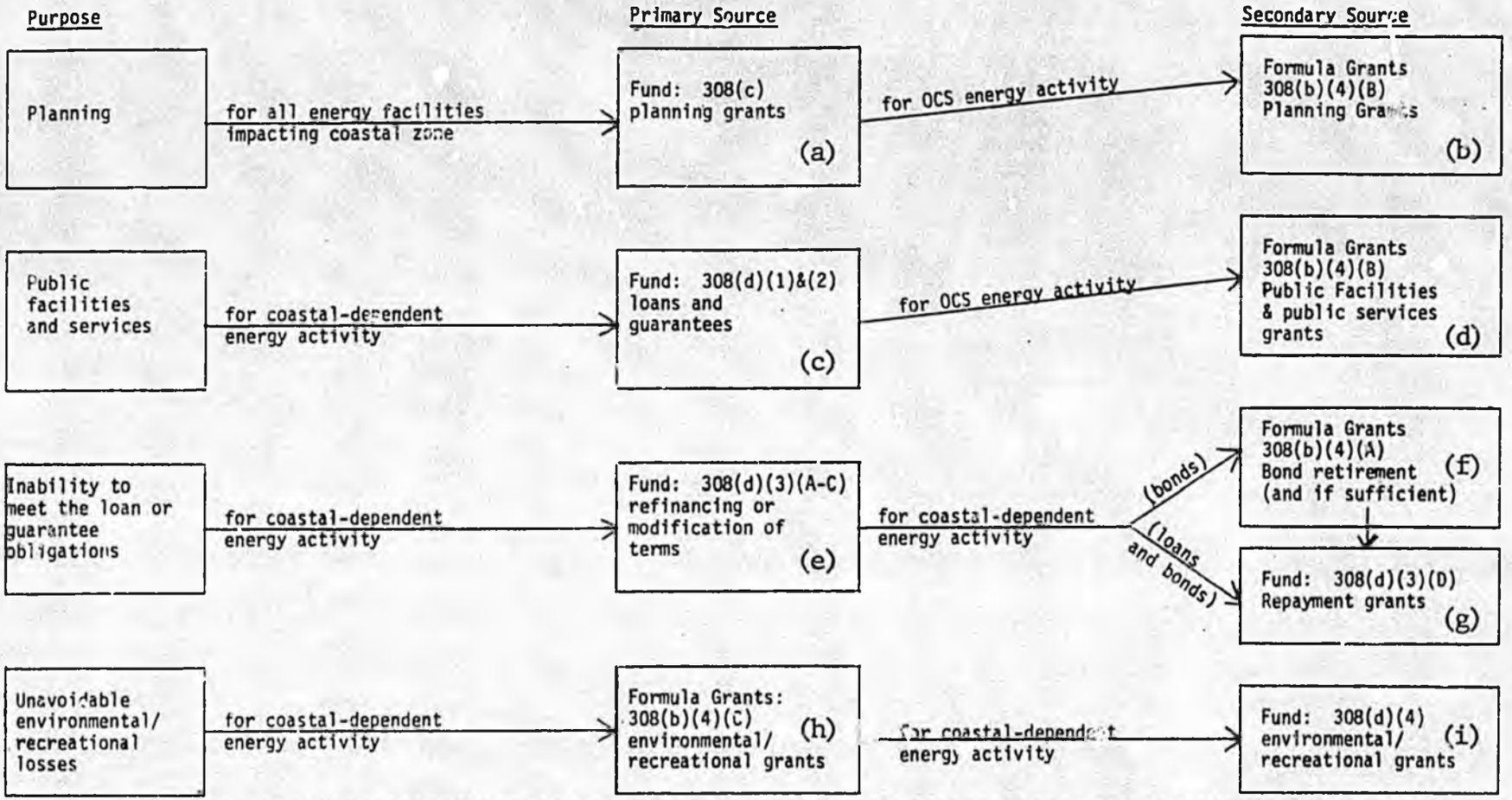

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STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS
JAY S. HAMMOND, GOVERNOR
DIVISION OF COMMUNITY PLANNING / POUCH B – JUNEAU 99811

October 6, 1977

The Honorable Lisa Rudd
2827 Lore Road
Anchorage, Alaska 99507

Dear Lisa:

Enclosed are the materials on House Bill 219 which Rob Shoaf and I presented to the Community and Regional Affairs Committee in August. The materials are marked as Exhibits 1 through 8 and do not at this time represent departmental policy on this bill. The exhibits are summarized in the following paragraphs.

Exhibit 1. This exhibit shows the onshore and offshore employment assumptions used by this Department to forecast total OCS-related employment in the Northern and Western Gulf of Alaska. Also included are current population estimates for those coastal cities likely to be affected by exploration and commercial development of offshore petroleum resources. Please note that while none of the individual activities employ large numbers of people, the numbers of new jobs assumed would significantly contribute to the population of small cities which might be affected.

Exhibit 2. Exhibit 2 indicates the planning capabilities of those cities and boroughs which may be affected by leasing and development of offshore areas near their jurisdiction. While most of the muncipalities have a planning and zoning commission, very few actually have a professional planning staff.

Exhibit 3. Exhibit 3 lists the loans and grants available through the Coastal Energy Impact Program (CEIP). Available are planning grants, formula grants and credit assistance. All planning grant money must be used before formula grants become available. Planning grant requires a 20 percent match by local communities. The twenty percent match required could be financed through OCS permit fees.

Exhibit 4. Exhibit 4 lists the types of planning activities which can be funded through the CEIP program. Please note that CEIP funds are not currently available to finance the cost of negotiating with a potential developer or handling increased administrative costs resulting from rapid growth.

Exhibit 5. Exhibit 5 is a summary of the most recent version of House Bill 219. It contains a table which estimates the hypothetical revenues that would be generated from the proposed fee schedule.

Exhibit 6. Exhibit 6 is a brief outline of the merits of House Bill 219, its shortcommings as it is currently written, and suggested improvements which might be considered by the Committee.

Exhibit 7. Exhibit 7 is Rob's critical examination of two areas in the bill which he thinks may need further revision: local approval power and prior planning by the developer.

Exhibit 8. Exhibit 8 suggests examples of statutory language which might minimize problems raised in Exhibit 7.

I hope this information is useful to you and the Committee members. As I told you during our last meeting, I will be available to discuss the bill at the November Municipal League Meeting, or at another time if more convenient.

Looking forward to speaking to you soon.

Sincerely yours,

Lois

Lois Kramer
Planning Supervisor

LK/sv

Enclosures

ONSHORE EMPLOYMENT ASSUMPTIONS

Category		Employment
Rig Service		25 per rig
Platform Service:	Installation	100 per platform
	Drilling	80 per platform
	Production	40 per platform
Administration		15 per rig 40 per platform
Service Bases		15 per berth
Oil Terminals:	250,000 b/d	150 per terminal
	350,000 b/d	200 per terminal
	450,000 b/d	250 per terminal
	600,000 b/d	300 per terminal
LNG Plants:	1 billion cu.ft./d	200 per terminal
	1.6 billion cu.ft./d	300 per terminal

Offshore Employment Assumptions

Operation		Number of Jobs/Activity
Rig		115
Platform:	Installation and Hook-up	300
	Drilling	250
	Production	140
Lay-barge		250
Bury-barge		100

Construction Employment Assumptions

ONSHORE FACILITY		NUMBER OF JOBS YEAR 1	YEAR 2	YEAR 3	YEAR 4
Service Base	2 berth	75	150		
	3-4 berth	100	200		
	4 berth	125	250		
Oil Terminal	250,000 b/d	150	600	1,200	300
	350,000 b/d	200	800	1,500	500
	450,000 b/d	200	1,000	1,900	600
	600,000 b/d	300	1,200	2,300	700
LNG Plant	1 billion cu.ft./d	300	1,300	2,500	800
	1.6 billion cu.ft./d	500	2,000	4,000	1,200

POPULATION OF CITIES

Yakutat	442
Cordova	2,406
Seward	1,823
Homer	1,538
Seldovia	612
Kodiak	4,960
Unalaska	510
Dillingham	1,176
City of St. Paul	456
Nome	2,585
Kotzebue	2,431
Barrow	2,307

TOTAL DIRECT AND INDIRECT EMPLOYMENT: NORTHERN GULF

YEAR	NO FIND	MODERATE FIND NO PIPELINE	MODERATE FIND PIPELINE	HIGH FIND	BONANZA
1976	240	240	240	240	240
1977	670	906	906	1123	1251
1978	905	1790	1790	1900	2155
1979	477	1366	1366	2843	3677
1980	240	1366	1669	3540	4745
1981		906	2396	4375	6140
1982		953	3242	5705	6681
1983		1353	2691	5218	9305
1984		2060	2360	7348	11,302
1985		2623	2923	8899	13728
1986		2439	2739	6401	9622
1987		2299	2599	5349	8248
1988		2069	2369	4887	7803
1989		1838	2138	4173	6918
1990		1585	1885	3671	5840

TOTAL DIRECT AND INDIRECT EMPLOYMENT: WESTERN GULF

YEAR AFTER LEASE SALE	YEAR	NO FIND	MODERATE FIND NO PIPELINE	MODERATE FIND PIPELINE	HIGH FIND
1st	1980	239	321	322	322
2nd	1981	454	834	834	1181
3rd	1982	669	1337	1447	2227
4th	1983	244	925	1145	2049
5th	1984		751	1160	2535
6th	1985		530	1265	3360
7th	1986		1021	2251	4791
8th	1987		1421	3311	3791
9th	1988		1179	1622	2885
10th	1989		1920	2145	3584
11th	1990		1853	2078	3378
12th	1991		1735	1961	3261
13th	1992		1505	1730	3030

	LEASE SALE AREA										ORGANIZATION			PLANNING TOOLS					
	Lower Cook Inlet (11)	Gulf of Alaska (12)	Kodiak Basin (13)	Aleutian Shelf (14)	Bristol Bay (15)	Bering Sea - St. George	Bering Sea - Norton Basin	Chukchi Sea (17)	Beaufort Sea (18)	CLASSIFICATION	Planning and Zoning Commission	Professional Planning Staff	Coastal Resource District (7/77)	Coastal Management Program (anticipated date of adoption)	OCS Planning Study (including EDA Title IX)	Comprehensive Plan (date of publication)	Capital Improvements Program (date of publication)	Zoning Ordinance	POPULATION (1976)
MUNICIPALITY OF ANCHORAGE	■	■	■	■	■	■	■	■	■	Unified home rule boro.	■	■	■	1979		1961(b)	1963	■	175,603
Yakutat	■									First class city	■		■	1980(a)	■	1976		■	442
Cordova	■									Home rule city	■		■	1980(a)		1976		■	2,406
KENAI PENINSULA BOROUGH	■	■	■							Second class borough	■	■	■	1979	■	1970	1967	■	19,407
KODIAK ISLAND BOROUGH			■							Second class borough	■	■	■	1980	■	1968(c)		■	7,901
Unalaska				■	■	■				First class city			■	1978(a)		1977			510
Dillingham					■					First class city	■		■	1980(a)		1970			1,176
BRISTOL BAY BOROUGH					■					Second class borough	■		■	1980		1966	1966	■	1,147
City of St. Paul						■				Second class city				(a)					456
Nome							■			First class city	■		■	1980(a)		1968	1968		2,585
Kotzebue								■		Second class city	■		■	1980(a)		1971(d)	1975		2,431
NORTH SLOPE BOROUGH								■	■	Home rule borough	■	■	■	1979		1973	1974		12,614

(a) Cities within the unorganized borough. Nearby areas in the unorganized borough may be affected by OCS development and may eventually be organized into coastal resource service areas. Coastal management plans for service areas may be adopted later than 1980.

(b) Comprehensive plan for the Municipality of Anchorage is being updated.

(c) Comprehensive plan updated for Port Lions in 1975 and for Near Island in 1974.

(d) Land use element of comprehensive plan for Kotzebue updated in 1976.

Figure 1

PLANNING CAPABILITIES

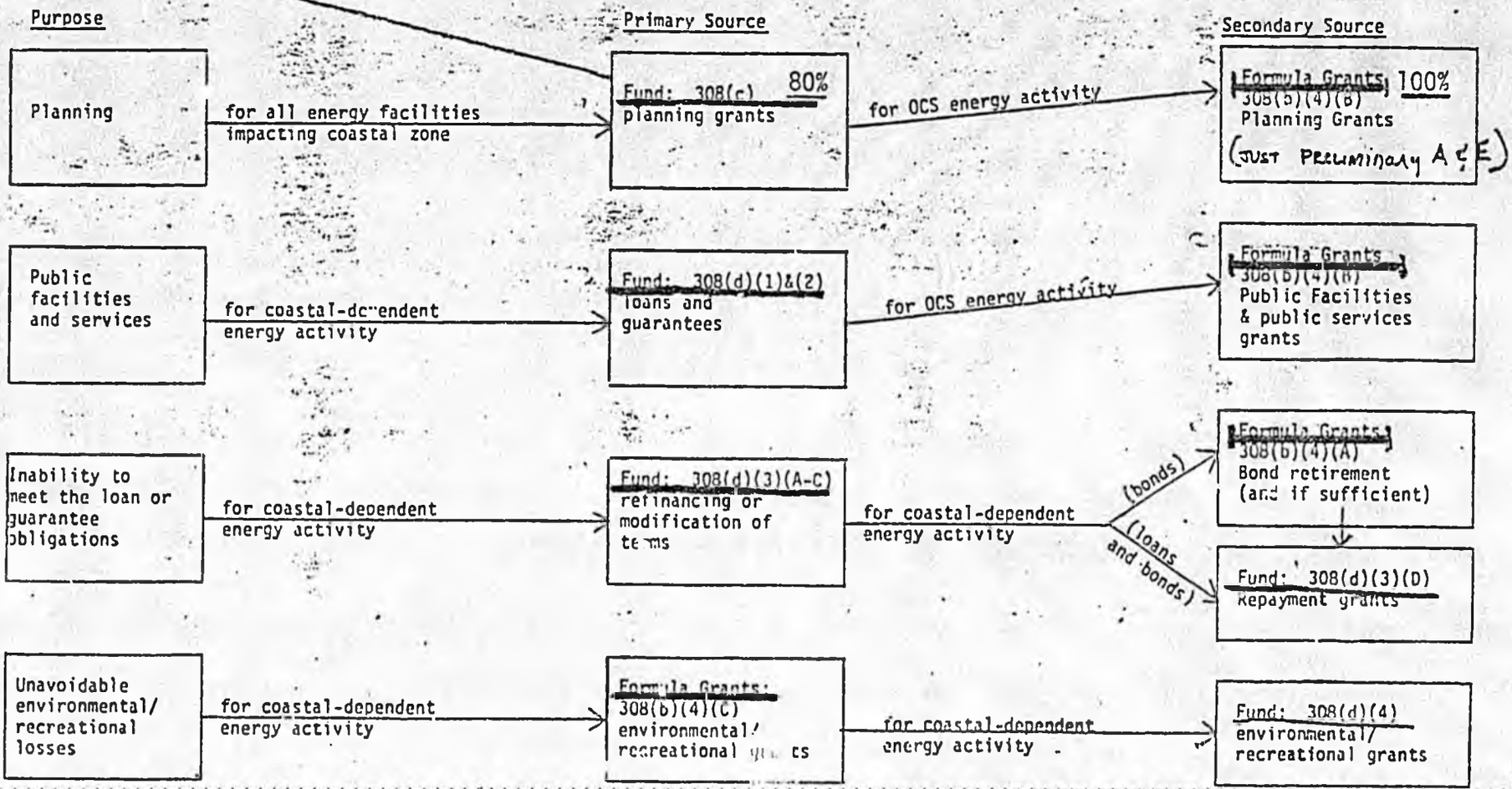
Exhibit 2

15% of $3.5 million divided equally among 34 coastal states = approximately $15,000

85% of $3.5 million alloted on basis of need

Figure 1

PL 94-370 Coastal Energy Impact Program: Primary and Fund 308(c) Planning Grants



Formula Grants	308 (b)	U.S.	$ 10 million	AK: $ 1,178,643
Credit Assistance ("Fund")	308 (d)(1), (2), (3)		110 "	48,612,973
Planning Grants	308 (c)		3.5 "	365,466
Environmental/Recreational Grants	308 (d)(4)		1.5 "	662,904

Exhibit 3

JA 5-2

(1) Preliminary planning for the consequences of new or expanded significantly energy facilities affecting the coastal zone, including

(i) analysis of government or private industry siting policies;

(ii) devising strategies for the public purchase of land or the establishment of other enforceable land-use controls for lands upon or near which energy development is to take place;

(iii) devising methods of protecting environmental resources, as defined in §931.72, threatened by the siting, construction, operation, or expansion of new or expanded energy facilities; or

(iv) conducting risk management studies, hazard analyses, emergency contingency planning and coordination studies, and assessment of mitigating measures for maintaining or improving public safety threatened by the siting, construction, expansion, or operation of new or expanded energy facilities.

(2) Planning for the consequences of a specific new or expanded energy significantly facility affecting the coastal zone, including

(i) study of and planning for economic, social, or environmental consequences of the siting, construction, expansion, or operation of a new or expanded energy facility such as

(A) increased population;

(B) changes in employment patterns including those in fishing and tourism;

(C) changes in demand for public facilities, public services, and housing;

(D) local price inflation;

(E) changes in patterns of tax and user fee revenues or inter-governmental transfers;

(F) effects on fishing and tourism resources;

(G) effects on beaches, sand dunes, air quality, water quality, or other environmental or recreational resources;

(H) shoreline erosion;

(I) ecological effects; and

(J) effects on public safety.

(ii) conducting analyses required for state or local regulatory decisions related to energy facilities, including licenses, leases, permits, and zoning ordinances;

(iii) performing cost/benefit analyses or otherwise comparing the consequences of alternate energy facility sites or types;

(iv) devising strategies for recovering compensation from appropriate parties for any adverse effects caused by the energy facility involved;

(v) forecasting employment, population, public facility and public service needs and costs, and tax or user-fee revenues;

(vi) planning for the public facilities eligible for financing under Subpart E of this part;

(vii) study of and planning for the secondary consequences, including environmental and economic consequences, of alternative types and sites of public facilities eligible for financing under Subpart E of this part; and

(viii) study of and planning for the consequences of the phasing out of energy facilities.

(3) Carrying out projects necessary to administer assistance under Section 308, including;

(i) collecting data and analyzing information required in §§931.48 (a)(5) and 931.78(c)(4) for environmental impact assessment;

(ii) designing and carrying out an intrastate allocation process as described in Subpart J of this part; and

(iii) paying other reasonable costs of administering assistance under section 308.

July 5, 1977

I. Summary of HB 219

The onshore facilities construction permit bill was proposed in the Tenth legislature - First session by representative Parr and eighteen others. It is designed to provide municipalities affected by offshore energy development with a means of exercising control over the location and public costs of OCS related onshore development.

Under the bill, each facility must obtain a permit prior to beginning construction. Permits cannot be issued without local approval from the municipality where the facility will be located. Thus, local units are given a bargaining tool which can be used to negotiate over the location and types of OCS related facilities. If negotiation fails to satisfy local needs, municipal denial of project approval will bar issuance of the permit and prevent construction of the facility in that municipality.

Permit fees generated under the bill are to be used to plan for and minimize the public costs of the OCS related onshore development. Fee amounts are proportionate to the projected impacts of the facility. (see table 1) At least 50% of the fees will go directly to the municipality where the facility is being built. An additional 45% of the fees will benefit the municipality in the form of state assistance.

This 45% of the fees will be allocated among state agencies and the municipality by DCRA according to their relative responsibilities for the provision of public facilities and services necessitated by the development. State assistance will be in forms of planning, legal expertise, and the direct provision of services such as education, transportation, and health care.

HB 219 proposes two alternative fee schedules. One measure of fees is based on population growth and the cost of government. The alternative measure is based solely on the value of the proposed development. For each facility, the formula producing the highest fee is used.

Using the valuation measure of fees, the amount of revenues produced by a development is related to the size of the proposed facility. Facility value is roughly predictable by the stages of the oil extraction process. During exploration, support facilities on shore will be valued at $10 million or less. Based on a value percentage fee calculation, a $10 million facility would pay $250,000 in fees. (see table 1) If oil is discovered, shore processing facilities will have a much higher value. The very large processing facility at Valdez is valued at $1.2 billion dollars. Fees for a facility that size would be $6 million dollars. Although the scale of the terminal at Valdez represents the largest type of terminal which may be built to service offshore oil, it is obvious that processing facilities will generate large fees. Table 1 gives examples of fees produced by different sized production facilities.

July 5, 1977

House bill 219 provides an important boost to local preparation for OCS - onshore facilities. Developers are required to submit plans to the state three years in advance. This advance notice allows time for local assessment of the project and definition of a local policy in regard to the project. Advance reporting also requires the developer to disclose information which will assist municipal decision making.

Municipalities may use fees paid to cover planning and capital improvements costs. Independent legal assistance, land use and financial planners, and administrative assistance may be paid for out of the fees. Localities can use the planning process to control growth and establish a pattern for evaluating subsequent land use demands.

Status of the bill: HB 219 was not reported out of committee in the first session. Public hearings are being held to explain the bill and provide a channel for local input into the legislative process.

July 5, 1977

TABLE 1

REVENUES THAT THE FEES WILL GENERATE

EXPLORATORY STAGE

IF the facility is valued at $5 million fee = $100,000

IF the facility is valued at $20 million fee = $250,000

Most of the facilities built to service OCS exploration will cost $10 million or less. The assessed value of the service base at Yakutat is $5.5 million as of the first of 1977.

DEVELOPMENT AND PRODUCTION STAGE

IF the facility is valued at $500 million fee* = $2.5 million

IF the facility is valued at $750 million fee = $3.75 million

IF the facility is valued at $1 billion fee = $5.0 million

IF the facility is valued at $1.2 billion fee = $6.0 million

The oil terminal at Valdez will process 1.2 million barrels of oil per day and is valued at 1.2 billion dollars. If the largest possible find is made in the Northern Gulf, shore terminal capacity will need to be 650,000 barrels per day at a value of approximately $800 million. Also a larger discovery in the NOrthern Gulf would require a Liquified Natural Gas terminal with one billion cubic feet per day capacity at a value of approximately one billion dollars.

*These fees for the production stage are calculated at a straight one half percent. If the developer failed to provide three year advance information, the fees would double.

MERITS OF HB 219

1. Places municipalities in the driver's seat for any OCS-related shoreside development.

2. Creates a land management tool which is applied statewide and thus is not a disincentive to development.

3. Provides money to finance costs of local planning not presently covered by CEIP or other grants.

SHORTCOMINGS OF BILL AS CURRENTLY WRITTEN

1. Local approval or veto of a proposed facility need not be consistent with existing local or State plans.

2. Standards for permit evaluation are not specified. No procedural or substantive rights of developers are enumerated or protected.

3. HB 219 is not tied to the Coastal Management Act and its requirements.

4. Three years advance notice of construction plans may not be feasible in all cases.

SUGGESTED IMPROVEMENTS

1. To limit potential arbitrary uses of local approval or veto of a proposed facility by:

a. Requiring municipal decisions to be consistent with existing and emerging plans and policies under the Coastal Management Act;

or b. Establishing decision guidelines in the bill to ensure that a municipal approval or veto is to protect the public welfare and is consistent with Coastal Management policies;

or c. Grant municipalities the power to suspend a permit application for one year while a Coastal Management program is written.

Each alternative should clarify the procedural rights of the developer.

2. Make the advance planning requirement more flexible so that developers will not be penalized by changes in their plans caused by forces beyond their control.

STATE of ALASKA

MEMORANDUM

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

Exhibit 7

The views of this memo do not reflect Departmental Policy

TO: Members of House Committee Community and Regional Affairs

DATE: August 9, 1977

FILE NO:

TELEPHONE NO:

FROM: Robert Shoaf
Summer Intern

SUBJECT: HB 219

Our critical examination of HB 219 focuses on two major topics:

A. Local approval power
B. Prior planning by developers

A. Local approval power

Local approval power and permit fees are the two major features of the onshore facilities construction permit. A permit will not be issued without local approval. Municipalities are not required to have planning and zoning in place to make this local decision. Areas that do exercise land use controls do not have to make their decision inconsistent with existing municipal plans and ordinances.

Regardless of how the permit is classified, the local approval power is regulatory in nature and should be designed to protect private property rights. Private property uses cannot be abridged by government unless the public intervention is reasonably related to public welfare. Traditionally, to prevent arbitrary public intervention in private land use, police power controls established standards for intervention (by planning and zoning) in advance.

The Division of Community Planning feels that local approval power in HB 219 is an essential tool which will enable municipalities to manage OCS onshore development. However, municipal decisions must be directed to protect the public welfare. Furthermore, HB 219 should be coordinated with coastal planning under the Coastal Management Act.

Three alternatives are available to remove the arbitrary nature of local approval.

1. Prior planning

OCS onshore facilities siting decisions will be made in the context of coastal planning under Alaska's Coastal Management Act. Local decisions under HB 219 should adhere to approval District Coastal Management Programs. In municipalities where no management programs have been written, local decisions should be in accordance with any existing land use controls and with the principles and emerging plans of the Coastal Management Act.

It is not certain that District Programs under CMA will produce the type of specific standards needed to guide local development decisions. Additionally, not every municipality may be able to afford adequate, on going planning.

2. Guidelines in HB 219
To guide local decisons and to prevent arbitrariness the legislature can incorporate guidelines for municipal decision making in HB 219. Because of the comprehensive mandate for coastal planning in the Coastal Management Act, these guidelines should mirror the policies of CMA.

Guidelines could require that municipal evaluation of a onshore facility construction proposal consider the environmental, social and economic impacts of the project. Approval of a project could issue when a City Council or Municipal Borough found that these impacts were manageable. For example, a municipality could base its decision in part, on whether or not the necessary supportive public facilities and services will be available when the development is completed.

Evaluation of a proposal will require detailed assessment of the proposal and its effects on a municipality. A third alternative is to structure a municipality's use of this assessment period so that local land use plans are produced to serve as a guide for the municipal decision.

3. Interim Planning
This alternative grants municipalities the power to suspend construction of an onshore facility for a reasonalble time while District Coastal Management Programs are written and implemented. These programs would place the municipal decision in a more comprehensive framework than would the reliance on guidelines. Additionally, the municipal programs would serve as a guide for future management of OCS impacts, and as a basis for ongoing planning.

If a municipality chooses to approve a proposal without suspending construction pending implementation of a District Program, local approval should be based on positive findings that the impacts of the project are manageable.

In this alternative, HB 219 would only serve municipalities who have not yet written District Management programs.

B. Prior planning by developers
The requirement of three years advance notice of construction plans by developers (section 41.45.110, May 28, 1977 version) may not be feasible. Uncertainties not controlled by developers, such as Federal OCS leasing policies, may interfere with their ability to accurately project construction plans three years in advance.

When external factors dictate a change in plans for OCS onshore activities, developers should be able to change their plans without the excessive penalty of doubling the permit fee. To allow flexibility, the advance planning requirement might be reduced to two years, with changes in plans allowed with one years notice, unless waived by a municipality. Additionally, the Department of Community and Regional Affairs should determine what advance information is feasible in terms of progress of lease sales and exploration.

Statutory Language To Structure Municipal Decisions

Alternative 1: Prior planning

"Local approval or denial of a permit shall be in accord with existing or emerging Coastal Management Programs, policies and guidelines."

Alternative 2: Guidelines

"Local permit approval may be granted by a City Council or Borough Assembly if it finds:

a. That the use will not materially endanger the public health or safety if located where proposed:

1. That the municipal water supply will be of sufficient quality and quantity to meet the increased demand attributable to the facility;
2. That the proposed use will not have an unreasonable impact of the coastal environment;
3. That the necessary supportive public facilities and services will be available as the demand for them attributable to the facility increases;
4. That associated land and water transportation will minimize degradation of waterfront uses.

b. That the proposed facility is in accord with existing plans and regulations;

c. That the use will not substantially injure the value of adjoining or abutting property, or is a public necessity;

d. That the use will not unreasonably disrupt the social and economic well-being of the municipality."

Alternative 3: Interim planning

HB 219 should specify whether the decision to utilize the moratorium or proceed immediately will be an administrative or legislative one.

Language to implement alternative three should be placed in a new section of the bill. The new section could state:

"Local Approval of an Onshore Facilities Construction Permit.

"When a developer of an OCS onshore facility requests local approval of its proposal, the municipal assembly or council shall meet to make one of two possible decisions.

"If the assembly finds that the project will be consistent with state and local plans then existing under Alaska's CMA [or consistent with enumerated standards], then local approval may be given.

"If the assembly finds that the proposal is not consistent with these guidelines [or will have a significant impact on coastal resources which is not adequately managed by present planning] or is not consistent with the local health, safety and welfare, then the assembly, by a majority vote, may choose to impose a two year moratorium on the proposal, during which time the municipality shall prepare a district coastal management program (See A.S. 46.35.030) to guide subsequent local decisions.

"If a municipality already has implemented a coastal management program, this section does not apply and the local permit decision shall be made in accordance with the policies and procedures of that plan.

"Once a moratorium is imposed, the municipality should contact the Department of Community and Regional Affairs to make arrangements to locate any funds needed for planning."

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

November 1, 1977

SUBJECT: House Bill 219, establishing a program of shore facilities building permits as a means of providing financial assistance to municipalities adversely affected by outer continental shelf activity.

TO: Representative Lisa Rudd

FROM: John B. Chenoweth
Legislative Counsel

You have asked for an interim review of state and federal action relative to financial assistance to local governments affected by continental shelf petroleum exploration and development, with a view toward considering the relationship between state and federal action and modification, revision or other action with respect to HB 219. What follows is divided into two parts to facilitate your review.

STATE ACTION

Since adjournment, Governor Hammond has signed into law the state's Coastal Management Act (Ch. 84, SLA 1977), and appointed the nine public members to serve on the coastal policy council.

Anticipating the first allocation of federal financial assistance in the form of grants and federal credit assistance under various subsections of the federal coastal energy impact program, sec. 308 of the federal Coastal Zone Management Act of 1972, the Department of Community and Regional Affairs has been active in the preparation of the necessary intrastate allocation process required by sec. 308(g)(2) of that Act.

The allocation process proposed by the department takes the form of policy guidelines for the implementation of the Coastal Energy Impact Program. With this memo is a copy of the policy guidelines in draft form together with a 20-page narrative describing the process. As I mentioned to you, I

believe, when you were in Juneau prior to Labor Day, the department has had a workshop on the draft with local government officials and had allowed until September 9th, to receive further comment. Thereafter, the department proposes to make necessary revisions in the guidelines and adopt them as the basis by which to evaluate applications for financial assistance.

I believe I also informed you that, in my opinion, the department has failed to proceed in the manner required by the state's Administrative Procedure Act in that it has not followed the process required for the adoption of administrative regulations for the program. The Department of Law has since informed Community and Regional Affairs that it should comply with the state's Administrative Procedure Act and, to that end, the Department has proposed the adoption of a one-section regulation incorporating the guidelines by reference.

The flow of financial assistance to Alaska under section 308 of the Federal Coastal Zone Management Act should commence very shortly. The Coastal Energy Impact Program provides five basic types of assistance: planning grants, environmental grants, development grants, credit assistance and repayment assistance. Alaska is due to receive an allotment of funds in each catagory based on its share of nationwide coastal energy development. The department has provided these figures by way of anticipated FY 77 receipts:

1. Planning Grants are available on an 80 percent federal/20 percent non-federal basis to help prepare for the consequences of all new or expanded energy activity in the coastal zone. Planning grants can be used to study and plan for the economic, environmental, or social impact due to the siting, construction, expansion or operation of energy facilities. Alaska has been alloted a total of $365,466 for this purpose for FY 77.

2. Environmental Grants, available on a 100 percent federal basis, are intended to prevent, reduce or repair damage to or loss of the valuable environmental or recreational resources due to coastal energy activity. Environmental grants may be used for impacts resulting from previous coastal energy activity which cannot be attributed to any one party. Alaska has been alloted $662,904 for this purpose for FY 77.

3. OCS Related Facility Grants, also called formula grants, are available on a 100 percent federal funding basis to plan for, mitigate the impacts of, and develop public facilities and services as a result of OCS related energy facility development. These funds may be expected to be the primary source of assistance to help municipalities prevent the unavoidable loss of environmental or recreational resources. A loss is unavoidable when the cost of prevention or repair cannot be assessed to a responsible party. Alaska has been alloted $1,178,643 in this catagory for FY 77.

4. Credit Assistance is available in the form of direct loans or guarantees of loans or bonds for the purpose of providing new or improved public facilities and services required as a result of coastal energy activity. Also available by way of such is repayment assistance, available to eligible applicants who cannot meet credit obligations because an anticipated revenue failed to materialize. Alaska has been alloted $48,612,973 for both credit and repayment assistance for FY 77.

CONGRESSIONAL INITIATIVES

US Senate-adopted legislation (S 9) and legislation offered in the House of Representatives (HR 1614) remain under study in House committee, with no likelihood of final adoption of either before year end.

The Senate-adopted legislation (S 9), entitled the Outer Continental Shelf Lands Management Act of 1977, amends the Coastal Energy Impact Program portion of the 1976 Coastal Management Act amendments

(1) by eliminating the requirement in sec. 308(b)(4)(i) that all loan and bond guarantee resources shall have been exhausted for formula grant projects and programs resulting from Outer Continental Shelf energy activity -- presumably allowing states the use of formula grant funds for new or improved public facilities and services without regard to examination of adequacy of alternative funding sources;

(2) by eliminating a requirement that such facilities and services be needed because of "new or expanded" activity in order to qualify for support -- opening the door to financial support for the resultant community impact caused by additional activities in conjunction to an existing plant or facility; and

(3) by increasing the funding authorization level by $25,000,000 annually after federal FY 77 which, if funded, should increase revenues available to Alaska: in this regard, the Coastal Management Office, Division of Policy Development and Planning, has offered the following projected revenue figures for Alaska:

(Federal)	FY 78	$ 5,000,000
	FY 79	7,050,000
	FY 80	8,750,000
	FY 81	22,320,000
	FY 82	21,820,000
	FY 83	14,920,000
	FY 84	15,170,000

for a total of $95 million dollars anticipated through the seven-year period.

Less certain, at least at the time the information was provided to me, is the course of HR 1614, in part because of the complexities of the amendatory language being proposed, and in part because of a change proposed in the manner of calculating assistance under the applicable formula. A computer run of the estimated payout to coastal states under the language of HR 1614 suggests payment of under $60 million to Alaska through the period. House consideration is complicated by the proposal of an amendment by Representative Breaux and others to change key portions of HR 1614 with respect to the operable formula, making the Coastal Energy Impact Program more nearly a "revenue sharing" assistance program not coupled to payment based upon oil and gas leases or oil and gas landed. Apparently the general revenue sharing approach is gaining some favor among the members of Congress; the Carter administration apparently remains opposed in principle. The committee considering the legislation did ask adoption of the Breaux amendments by way of request of the Rules Committee that the bill be scheduled for floor action; there was a move to table until next year (second session), and there will be no further action until January.

A copy of the bill, bearing the amendments offered in committee, is forthcoming from the Congressional Liaison, Office of Coastal Zone Management, in Washington, DC.

JBC:jpd

Enclosure

HB
232

CITY of BETHEL
P. O. Box 388 • Bethel, Alaska 99559
543-2297 — Area Code 907

March 28, 1978

Representative Steve Cowper
Chairing, House Finance Legislative Committee
Pouch V
Juneau, Alaska 99811

RE: Senate Bill No. 182, and House Bill No. 232, "AN ACT RELATING TO MUNICIPAL SALES TAX.

Dear Representative Cowper:

At the regular Bethel City Council Meeting of March 13, 1978, the Council passed Resolution No. 227, endorsing Senate Bill No. 182, and House Bill No. 232, "AN ACT RELATING TO MUNICIPAL SALES TAX." and encourages the State Legislature to pass and approve this legislation.

Although the City of Bethel has voted not to have the sale of intoxicating liquor under the local option this proposed legislation would give a municipality another option in administrating the necessary problems of alcohol. Since there exists such a variation in the size of communities in Alaska ranging from under 25, to a population of over 50,000, it seems quite difficult for the Alcohol Beverage Control Board to regulate each individual community. It is because of the varied sizes of communities in Alaska and the vast area in Alaska I believe that any legislation giving more local or regional control to the people that must inevitably live with the problems is the direction that the State must look at.

Going back to the two bills by giving a community the option to levy a higher sales tax on intoxicating liquor this could give each Community a revenue source that could eliminate many of the increased problems that arise from any community that does sell intoxicating liquor such as increased activity at the alcohol treatment centers, increased traffic problems, and increase social problems at home.

Sincerely,

Lyman Hoffman
City Manager

LH:lf

CITY OF BETHEL, ALASKA
RESOLUTION NO. 227

A RESOLUTION OF THE CITY OF BETHEL, ALASKA ENDORSING THE GOVERNORS REQUEST FOR AN ACT ENTITLED "AN ACT RELATING TO MUNICIPAL SALES TAX." IN THE FORM OF SENATE BILL NO. 182 AND HOUSE BILL NO. 232.

WHEREAS, these bills would enable a municipality to levey a sales tax at a higher rate on the sale of intoxicating liquor, and

WHEREAS, the City of Bethel has been dry since 1973, and has experienced numerous problems because of "bootleggers", and

WHEREAS, these bills would give the option to a municipality to provide regulations governing the barter, sale and possession of alcohol and the orderly conduct of business of selling intoxicating liquor.

NOW THEREFORE BE IT RESOLVED THAT The City of Bethel, Alaska endorses Senate Bill No. 182, and House Bill No. 232, "An Act Relating to Municipal Sales Taxes", and encourages the State Legislature to pass and approve this legislation.

PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA THIS 27 DAY OF March, 1978.

APPROVED BY:

MAYOR

ATTEST:

CITY CLERK

HB 232

February 18, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(h) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which would expand the authority of general law municipalities in imposing taxes on liquor.

This bill has been requested by the Interdepartmental Coordinating Committee on Alcoholism to give incorporated communities greater flexibility in using a sales tax to generate revenues needed to pay some of the costs created by the use of alcohol. Section 1 would amend AS 04.15.070(a) by removing its present prohibition against putting a tax on intoxicating liquor when other commodities are not taxed. Section 2 would amend AS 29.53.415(a) to authorize the taxing of a single class of commodity, and expressly permit a higher rate on intoxicating liquor. It also permits the setting of various rates within the ceiling on different classes of commodities.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 232
Title An Act Relating to Municipal Sales Taxes
Requested by Office of the Governor Date February 17, 1977

II. FISCAL DETAIL
Agency Affected None
Program Category Affected None
Budget Request Unit(s) Affected None

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No State government activity or fiscal impact is implied by this proposed legislation.

IV. DATE February 17, 1977 PREPARED BY Ronald B. Lind
AGENCY Division of Budget and Management
PHONE 465-2213

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

HOME RULE AND GENERAL LAW MUNICIPALITIES

Alaska State Constitution (Article X, Section 11)

HOME RULE POWERS. A home rule borough or city may exercise all legislative powers not prohobited by law or by charter.

AS 29.08.010. HOME RULE. A home rule municipality is a municipal corporation and political subdivision and is a borough of the first class or city of the first class which has adopted a home rule charter. It has all legislative powers not prohibited by law or charter.

AS 29.13.100. LIMITATION OF HOME RULE POWERS. Only the following provisions of this title apply to home rule municipalities as prohibitions on acting otherwise than as provided. They supersede existing, and prohibit future home rule enactments which provide otherwise:

(23) AS 29.53.415(d) (interest on sales tax) [8% ceiling]

AS 28. 78.010. DEFINITIONS. In this title, unless otherwise provided, or the context otherwise requires,

(1) "borough" means a general law first or second class organized borough;

(2) "city" means a general law first or second class city;

AS 29.43.020. . . . Cities outside boroughs may levy and collect sales and use taxes as provided by chap. 53 of this title for boroughs.

AS 29.53.440. Cities within a borough which levies and collects . . . [and]

AS 29.53.450. Cities within a borough which does not levy and collect . . .

sales or use taxes for areawide borough functions may levy and collect sales or use taxes in the manner provided for boroughs.

HB
256

"An Act relating to the raw fish tax."

COMMITTEE REPORT

2-23-77

FINANCE

HOUSE

3/15 Date

Mr. Speaker:

The Committee on C.&R.A. has had HB 256 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 256 and that CS for HB 256 do pass

☐ (and) recommends it be referred to the _____ committee

☐ reports it back without recommendation

☐ AND attaches a report of it's intent

☐ (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Rudd - do pass

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Agnew recommends: Do Pass

_____ recommends: _____

_____ recommends: _____

Tom Rudd
Chairman

H 60

AMENDMENT

OFFERED IN THE HOUSE: BY: C&RA COMMITTEE

To: CS for HOUSE BILL No. HB 256

SENATE BILL No. _____

PAGE: 1 LINE: 8

Delete *Section 1. + Sec. 2

Replace with the following material:

*Section 1. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The Commissioner of revenue shall pay to each municipality [ORGANIZED BOROUGH AND EACH CITY OF THE FIRST CLASS] 20 [10] percent of the amount of tax revenue collected in the borough or city municipality from taxes levied by secs. 10-90 of this chapter.

*Section 2.

AS 43.75.135 is repealed.

*Section 3.

This act takes effect January 1, 1979.

AMENDMENT

OFFERED IN THE HOUSE: BY: Representative Snider by request of: C&RA COMMITTEE

To: CS for HOUSE BILL No. HB 256

SENATE BILL No. _____

PAGE: 1 LINE: 8

Delete *Section 1.

Replace with the following material:

*Section 1. AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The Commissioner of revenue shall pay to each municipality [ORGANIZED BOROUGH AND EACH CITY OF THE FIRST CLASS] 20 [10] percent of the amount of tax revenue collected in the borough or city from taxes levied by secs. 10-90 of this chapter.

* ection 2.

AS 43.75.135 is repealed.

*Section 3.

This act takes effect January 1, 1979.

...n (10/74)

ALASKA FISH PROCESSOR RETURN

Year .....

...me ..... Federal Employer Identification or Social Security Number.....
Person, Firm or Corporation

...ddress ..... Fish Processor License Number.....
Principal Office

...ature of Processing..... Location of Operation .....

A SEPARATE RETURN MUST BE FILED FOR EACH PLANT OR VESSEL

Fishing Resources Bought or Otherwise Obtained for Processing Through Freezing, Salting or other Method

RESOURCES	TOTAL POUNDAGE BEFORE PROCESSING	TOTAL POUNDAGE AFTER PROCESSING	VALUE OF RAW MATERIAL			RATE OF TAX	TAX DUE	OFFICE USE ONLY
			Actual Price Paid	Other Costs Chargeable Thereto	TOTAL VALUE			
...mon: King or Chinook (Red)			$	$	$		$	$
King (White)								
Red or Sockeye								
Coho or Silver								
Pink or Humpback								
Chum or Keta								
...mon Eggs or Roe								
...rring (Bait, etc.)								
...rring Eggs or Roe								
...libut								
...libut Liver & Viscera								
...blefish (Black Cod)								
...ckfish (Red Snapper)								
...aska Pollock								
...her Bottom Fish								
...her Misc. Fish								
...rimp (All Methods)								
...nner Crab (Not Canned)								
...ungeness Crab (Not Canned)								
...ng Crab (Not Canned)								
...her Misc. Shellfish								
...her Fish Resources (By-Products, etc.)								

CHECK TYPE OF OPERATION:

	Rate of Tax
☐ Shore Based	1%
☐ Floating - Herring (not eggs or roe)	1%
— All Other	4%

Tax	$	$
Less Initial Payment for License No.		
NET TAX		
Prepaid Tax Credit		
Balance Due or Overpayment		
Penalty for Failure to Pay		
Penalty for Late Filing		
Interest		
TOTAL DUE WITH THIS RETURN	$	$

IMPORTANT: THE FOLLOWING SCHEDULE MUST BE COMPLETED TO ALLOW FOR ALLOCATION OF REVENUE BACK TO LOCAL GOVERNMENT.

LOCATION AND ADDRESS OF PLANT OR VESSEL	WITHIN INCORPORATED CITY LIMITS	OUTSIDE CITY BUT WITHIN ORGANIZED BOROUGH	Outside All Cities Or Boroughs	OFFICE USE ONLY

This return must be filed before April 1 following the close of the taxable year. Make your remittance payable to the:

Department of Revenue
Pouch SA
Juneau, Alaska 99811

...declare under the penalties of perjury that this return (including any accompanying statements) has been examined by me and to the best of ...y knowledge and belief is a true, correct and complete return.

..... 19..... ..... 19.....
...ature of Taxpayer) (Date) (Signature of Agent) (Date)

583597C

1974 SHARED FISH TAX REFUNDS TO LOCAL GOVERNMENTS

Shared 7/75

	CITY	BOROUGH
Anchorage	7,489.57	
* Anchorage Borough		10,120.99
Bristol Bay Borough		4,843.30
Cordova	42,307.50	
Craig	4,753.38	
Dillingham	9,177.14	
* Haines Borough		62.76
Hoonah	1,246.02	
Homer	1,983.02	
Hydaburg	1,809.38	
*Juneau, City & Borough		7,270.50
King Cove	28,407.90	
Kenai	9,880.08	
* Kenai Borough		26,431.45
Ketchikan	11,296.21	
* Ketchikan Borough		24,650.89
Kodiak	32,344.14	
* Kodiak Borough		66,349.80
Petersburg	41,038.32	
Pelican	10,376.98	
Seldovia	1,950.43	
Seward	9,407.64	
Sitka	1,778.00	
* Sitka Borough		4,864.94
Unalaska	48 397.16	
Wrangell	5,234.04	
Valdez	794.00	
Yakutat	2,222.24	
TOTAL	271,893.15	144,594.63

CITIES	271,893.15
BOROUGHS	144,594.63
TOTAL	416,487.78

supplying of part of their home to others and who claim business deductions on their Alaska income tax return for that same part of their home are required to obtain an Alaska business license. 1960 Op. Att'y Gen., No. 20.

When an individual claims that part of his property is business property for income tax purposes, that same part of his property does not come within the meaning of the words "personal home" in §§ 1 and 15 of the business license regulations. 1960 Op. Att'y Gen., No. 20.

An individual may not claim a reduction of state income tax on the grounds that part of his home is business property and then escape the state business license tax on the basis that the same part of his home is not a business property but his personal home. 1960 Op. Att'y Gen., No. 20.

Educational, etc., institutions exempt when not "doing business."—The rule is that educational, religious, etc., institutions and hospitals need not pay the business license tax or the initial license fee as long as they refrain from doing "business" as defined in the business license act. 1960 Op. Att'y Gen., No. 25.

But there is no exemption of religious corporation when "doing business."—This section and AS 43.70.020 make no provisions for the exemption from the license requirement of a religious corporation which is doing business. 1960 Op. Att'y Gen., No. 25.

Thus, rents received by religious corporations are not exempted from the Alaska business license tax. 1960 Op. Att'y Gen., No. 25.

Use of indirect allocation formula. —Where most of the business activities of a company took place in Missouri, it being very difficult to directly allocate that portion of the company's profits or income which was derived from its Alaska operations, the company carried on enough activities in Alaska to become subject to state taxation and these activities could be taxed on an indirect allocation formula. 1959 Op. Att'y Gen., No. 22.

"Gross receipts" includes all receipts within state regardless of form. — The definition of "gross receipts" in this section indicates a clear legislative intent that, for the purposes of the act, gross receipts should include all of the taxpayer's receipts within the state, whether in the form of money or other valuable considerations. 1961 Op. Att'y Gen., No. 8.

No deduction from gross receipts of motor fuel excise taxes. — Oil companies may not deduct from their gross receipts federal or Alaska motor fuel excise taxes paid or collected on oil products sold for purposes of calculating taxable gross receipts under the Alaska Business License Act. 1961 Op. Att'y Gen., No. 8.

Applied in Ketchikan Spruce Mills v. Dewey, 17 Alaska 336 (1957).

Sec. 43.70.120. Short title. This chapter may be cited as the Alaska Business License Act. (§ 1 ch 43 SLA 1949)

Chapter 75. Fisheries Taxes.

Article
1. Salmon Canneries and Certain Fish Processors (§§ 43.75.010—43.75.055)
2. Cold Storages and Other Fish Processors (§§ 43.75.060—43.75.095)
3. Taking of Fisheries Products Which Are Sold Outside Taxing Jurisdiction (§§ 43.75.100—43.75.120)
4. General Provisions (§§ 43.75.130—43.75.135)

Article 1. Salmon Canneries and Certain Fish Processors.

Section
10. Fisheries business licenses
20. Application for license
30. Filing return and payment of tax
50. Violations and penalties
55. Security for collection of taxes

Sec. 43.75.010. Fisheries business licenses. (a) A person engaging or attempting to engage in any of the following lines of business

in connection with
a license on the ba
by levied.

(1) Salmon ca
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(2) Herring
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(3) Crab ca
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(4) Clam ca
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(b) "Whole
of money, cred
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in connection with the state's commercial fisheries shall first obtain a license on the basis of the following license taxes which are hereby levied.

(1) Salmon canneries, both shore-based and floating, shall pay an annual tax equal to three per cent of the value of the raw fish purchased or obtained for canning during the year. For the purpose of this license, the raw fish value of each kind of salmon is considered to be a dollar value equal to the average wholesale price obtained for the finished product by Alaska salmon canneries during the months of August, September, October, November and December of the last five years immediately preceding the license year. Salmon received by salmon canneries and diverted for purposes other than canning are valued at the average prevailing price on the fresh fish market for that fish and are subject to an annual license tax of one per cent of the value.

(2) Herring processing plants in the business of canning, curing, salting, freezing, or making meal or oil or other processed products including sale of bait herring by either processing plant or bait herring fisherman shall pay an annual license tax equal to one per cent of the value of the raw herring. The value of the raw material under this license is the actual price paid for the herring including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. This value applies to herring caught in company-owned or subsidized boats operated by employees of the processor or under lease or other agreement.

(3) Crab canneries, both shore based and floating shall pay an annual license tax equal to two per cent of the value of the raw crabs. The raw crab value for the purpose of this license is the actual price paid for the raw crab either by cash or its equivalent according to (2) of this section for herring processing plants.

(4) Clam canneries shall pay a license tax equal to two per cent of the value of the raw clams, with the value to be determined according to (3) of this section for crab canneries, on razor clams. Butter clams are taxed in the same manner at the rate of one per cent of the value of the raw clams.

(b) "Wholesale price" includes all receipts whether in the form of money, credits, or other valuable considerations received from the sale of the finished product without deduction for the cost of property sold, the cost of the material used, insurance costs, labor or service costs, label and labeling costs, transportation and storage cost, interest paid, taxes, losses, or any other expense except cash discounts allowed on sales not to exceed one and one-half per cent, commissions actually paid to independent brokers not to exceed five per cent, and swell allowance not to exceed one-tenth of one per cent.

(c) The person, firm, or corporation engaging or attempting to engage in the above lines of business who actually and physically cans or processes the above fishery resources shall be liable for and shall pay to the department the whole tax imposed by this section. In determining this tax liability the person, firm, or corporation may not deduct from the value of the raw fishery resources canned or processed the value of any raw fishery resources canned or processed for other persons, firms, or corporations, but shall include this as a part of the value of the raw product obtained for canning or processing. (§ 1 ch 82 SLA 1949; am § 1 ch 113 SLA 1951; am § 1 ch 146 SLA 1962; am §§ 1, 2 ch 84 SLA 1967)

Revisor's note. — Section 1 ch 113 SLA 1951 began "Subsection (a) of Section 1 of Chapter 82, Session Laws of Alaska 1949, is hereby amended to read as follows:" and after these words appeared subsection (a), incorporating the rate amendment, but eliminating a paragraph numbered (1) which appeared in ch 82 SLA 1949. Section 1 ch 146 SLA 1962 makes a similar amendment, again without mentioning the paragraph numbered (1). This paragraph appears in AS 43.75.010 as the last sentence of subsection (1) and is included in the revision on the assumption that there was no legislative intention to omit it.

Effect of amendment. — The 1967 amendment substituted "three per cent" for "six per cent" in the first sentence of subsection (a) (1), deleted "50 per cent of" preceding "the average wholesale price" in the second sentence of such subsection, inserted "the last five years immediately preceding" in such sentence, and added subsection (c).

A tax on the business of catching and canning salmon is not a property tax. Pacific Am. Fisheries v. Territory of Alaska, 2 F.2d 9 (9th Cir. 1924), aff'd, 269 U.S. 269, 46 S. Ct. 110, 70 L. Ed. 270 (1925).

"Canning" is activity of salmon cannery which is taxed.—Under this section the salmon cannery activity which is taxed is that of "canning," whether the raw fish are "purchased or otherwise obtained." Arctic Maid v. Territory of Alaska, 277 F.2d 120 (9th Cir. 1960), rev'd on other grounds in 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

No discrimination in favor of local canners against freezer ships. — As between the tax laid on local canners by this section and those laid on "freezer ships," by AS 43.75.060 there is no discrimination in favor of the former and against the latter. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

...Since tax on freezer ships did not exceed six per cent.—No matter how the tax on "freezer ships" is computed, it did not exceed the six per cent tax on local canners imposed by this section. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

And any difference does not violate commerce clause.—If there is a difference between the taxes imposed on freezer ships and the taxes imposed on their competitors, they are not so "palpably disproportionate" as to run afoul of the commerce clause. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

For case discussing priority of claims for license taxes under prior law in a bankruptcy proceeding, see In re King Salmon Fisheries Co., 7 Alaska 97 (1923).

Constitutionality of former provisions taxing salmon canneries on basis of number of cases packed.—See Territory of Alaska v. Pacific Am. Fisheries, 7 Alaska 160 (1924), aff'd, 2 F.2d 9 (9th Cir. 1924), aff'd, 269 U.S. 269, 46 S. Ct. 110, 70 L. Ed. 270 (1925).

Applied in Schlothan v. Territory of Alaska, 276 F.2d 806 (9th Cir. 1960), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960); Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Am. Jur. reference.—51 Am. Jur., Taxation, § 594.

Sec. 43.75.02
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Sec. 43.75.0
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Sec. 43.75.020. Application for license. (a) Application for a license shall be filed with the Department of Revenue and accompanied by an initial fee of $25. A separate initial fee is required for each plant specified in the application covered by the license. The application shall contain the name of the applicant, the line of business to be licensed, place of business, and other facts which the department prescribes. The applicant shall state that he agrees to pay the license tax, and that he will make a return and pay the tax at the time provided by law.

(b) Upon receipt of the application in proper form accompanied by the initial fee, the department shall issue the license as of the date the application is filed or mailed, and the applicant may carry on the business from the date the application was actually made. (§ 2 ch 82 SLA 1949)

Sec. 43.75.030. Filing return and payment of tax. (a) A person subject to the tax shall file a return stating the value of raw fisheries products processed during the license year, computed as required by §§ 10—50 of this chapter, and such other information as the department prescribes by regulation. The return shall show the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, he shall file the return for the person. A tax due on the basis of such a return shall be collected in the same manner as if collected from the person of whose business he has custody and control.

(b) The return shall be made on the basis of the calendar year to the Department of Revenue at Juneau before April 1 after the close of the calendar year.

(c) The department may prescribe regulations for the granting of a reasonable extension of time for filing and may grant an extension of time for filing.

(d) The tax shall be paid before April 1 after the close of the calendar year.

(e) Every person engaging or attempting to engage in a business for which a license is required under §§ 10—50 of this chapter shall keep such records, make such statements under oath, file such returns, and comply with such regulations as the commissioner of revenue may prescribe.

(f) When the department considers it is necessary, it may require a person, by notice served upon him, to file a return, make such statements under oath, or keep and display to it such records as it considers sufficient to show the tax for which the person is liable. If a person fails to file a return as prescribed by law or by regulation, or makes, wilfully or otherwise, a false or fraudulent return, the department shall make the return from the information which it can obtain. A return made by the department is prima

facie good and sufficient for all legal purposes. (§ 3 ch 82 SLA 1949; am §§ 2, 3 ch 146 SLA 1962)

Applied in Schlothan v. Territory of Alaska, 276 F.2d 836 (9th Cir. 1960), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960).

Sec. 43.75.050. Violations and penalties. (a) If a person fails to file a return within the time prescribed by law or regulation, unless the failure is due to reasonable cause and not to wilful neglect, five per cent is added for each 30 days or fraction of 30 days during which the failure continues, not exceeding 25 per cent in the aggregate. The amount added to the tax shall be collected at the same time, in the same manner and as a part of the tax. If the tax is paid before discovery of the neglect, the amount added shall be collected in the same manner as the tax.

(b) If the tax is not paid when due, a penalty of five per cent of the total amount of the tax deficiency shall be assessed, collected and paid in the same manner as if it were a tax deficiency.

(c) If a part of a deficiency in the tax is due to fraud with intent to evade tax, 50 per cent of the total amount of the deficiency, in addition to the deficiency, shall be assessed and collected.

(d) Interest upon the amount determined as a deficiency in the tax shall be assessed at the same time as the deficiency. The interest shall be paid upon notice and demand by the department, and shall be collected as a part of the tax at the rate of six per cent a year from the time prescribed for payment of the tax to the date the deficiency is paid.

(e) A tax under §§ 10—55 of this chapter and the penalties and interest on the tax are a lien prior, paramount, and superior to all other liens, mortgages, hypothecations, conveyances, and assignments, upon all the real and personal property of the person liable for the tax, and upon all the real and personal property used with the permission of the owner to carry on the business. The special remedy provided for the recovery of license taxes set out in §§ 10—55 of this chapter is not exclusive of other civil or criminal remedies provided by law for the recovery of license taxes.

(f) A person who wilfully fails to obtain a license, pay a tax, make a return, keep or display a record, or supply the information at the time required by law or regulation, in violation of §§ 10—55 of this chapter, is, in addition to other penalties provided by law, guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both, together with the cost of prosecution.

(g) A person who wilfully makes and subscribes a return which he does not believe to be true and correct as to every material matter is guilty of a felony, and, upon conviction, is subject to the penalty prescribed for perjury.

(h) In this section "person" includes an officer, agent, or em-

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Article 3. Taking of Fisheries Products Which Are Sold Outside Taxing Jurisdiction.

Section
100. Tax imposed on taking of fisheries products
110. Duty of taxpayer and payment of tax
120. Violations and penalties

Sec. 43.75.100. Tax imposed on taking of fisheries products. A person taking the fisheries products enumerated in §§ 10—50 or 60—90 of this chapter who sells the products to freezer ships, floating cold storages or floating canneries outside the taxing jurisdiction of the state is subject to the tax set out in §§ 10—50 of this chapter for the fisheries products enumerated in §§ 10—50 of this chapter, and is subject to the tax set out in §§ 60—90 of this chapter for the fisheries products enumerated in §§ 60—90 of this chapter. (§ 1 ch 190 SLA 1959)

Am. Jur. references.—11 Am. Jur., Commerce, § 119; 51 Am. Jur., Taxation, §§ 202, 206.

Sec. 43.75.110. Duty of taxpayer and payment of tax. A person subject to taxes under §§ 100—120 of this chapter shall make a return stating the value of raw fisheries products taken during the license year for sale to freezer ships, floating cold storages, or floating canneries outside of the taxing jurisdiction of the state computed as required by §§ 100—120 of this chapter, and other information to carry out the provisions of §§ 100—200 of this chapter as may be prescribed by the department. The return shall contain the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, he shall make the return for the person. A tax due on the basis of such return shall be collected in the same manner as if collected from the person of whose business he has custody and control. The requirements for time and place of payment of tax, and the obligation to keep records and make the records available to the commissioner of revenue are the same as those prescribed in the business license tax law for salmon canneries. (§ 2 ch 190 SLA 1959)

Sec. 43.75.120. Violations and penalties. (a) The liability to file returns and pay interest and deficiency assessments, and the subjection of property to liens is the same as prescribed in the business license tax law for salmor canneries.

(b) A violation of §§ 100—120 of this chapter or the regulations issued under §§ 100—120 of this chapter is a misdemeanor subject to punishment as prescribed in the business license tax law for salmon canneries. (§ 3 ch 190 SLA 1959)

Article 4. General Provisions.

Section
130. Refund to local governments
135. Additional refund to boroughs and cities

Sec. 43.75.130. Refund to local governments. The commissioner of revenue shall pay to each organized borough and each city of the first, second, and third classes 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10—90 of this chapter. (§ 6 ch 155 SLA 1962; am § 75 ch 69 SLA 1970)

Effect of amendment. — The 1970 amendment inserted "and each," deleted "incorporated or independent school district, and public utility district" preceding "10 per cent," and substituted "borough or city" for "municipality or district."

Legislative committee report.—For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7.

Sec. 43.75.135. Additional refund to boroughs and cities. In addition to the payment allowed in § 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per ment of the amount of tax revenue collected in the borough from taxes levied by §§ 10—90 of this chapter and shall pay to each city of the first, second, and third classes located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10—90 of this chapter. (§ 1 ch 89 SLA 1963; am § 1 ch 120 SLA 1969)

Effect of amendment. — The 1969 amendment, effective January 1, 1970, added the language beginning "and shall pay to each city."

Editor's note. — Section 2, ch. 89, SLA 1963, provides: "This Act applies retroactively to January 1, 1963."

Chapter 80. General Provisions.

Section
10. Accounts to be kept by persons subject to tax
20. Prosecution for failure to secure license
30. Production of license
40. Definition

Sec. 43.80.010. Accounts to be kept by persons subject to tax. A person subject to a tax shall keep in permanent form at his principal place of business or occupation within the state correct accounts in a manner which will readily disclose, upon examination, the amount of tax due the state. The department may adopt regulations for the making and keeping of these records. (§ 35-1-15 ACLA 1949)

Sec. 43.80.020. Prosecution for failure to secure license. (a) A person engaging in or carrying on or attempting to engage in or carry on a business, trade, profession or occupation for which a license is required as a condition precedent, without obtaining the

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING / POUCH SA – JUNEAU 99811

March 7, 1977

The Honorable Lisa Rudd
Chairman
House Community & Regional Affairs
Committee
Alaska State Legislature
Room 620 - Court Building
Juneau, Alaska

Re: House Bill No. 256

Dear Representative Rudd:

House Bill No. 256, an Act relating to the raw fish tax was introduced in the House on February 23, 1977 and was referred to the House Community & Regional Affairs and Finance Committees.

For the consideration of the House Community & Regional Affairs Committee, I am enclosing a Fiscal Note prepared by Mr. P. A. Wall, Director, Administrative Services Division, Department of Revenue, Juneau concerning the proposed legislation.

Very truly yours,

R. D. Stevenson

R. D. Stevenson
Special Assistant

Enclosure

cc: The Honorable Steve Cowper
Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

P. A. Wall, Director
Administrative Services Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 256
Title Relating to raw fish tax
Requested by House C & RA ext. 3370 Date 5/11/78

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Development
Budget Request Unit(s) Affected Shared taxes

EXPENDITURES (Thousands of Dollars)

		FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES	*336.0	*336.0	*336.0	*336.0	*336.0	*336.0
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

*Raw Fish Tax revenue varies with harvest each year. The amount of sharing will vary accordingly.

FUNDING (Thousands of Dollars)

GENERAL FUND		(336.0)	(336.0)	(336.0)	(336.0)	(336.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The assumption is that CSHB 256 will be ammended with the result that AS43.75.135 is abolished, that AS43.75.130 is changed by deleting the first class city restriction thereby broadening the section to include second class cities and by increasing payments from 10 to 20 percent. The effect of the ammendment would be that each borough will be paid 20 percent of the Fish Tax Revenue collected in that borough and that each city (First or Second class) will be paid 20 percent of the Fish tax revenue collected in that city.

Boroughs received 489.9 from Fish Tax Revenues in FY 77. Sharing to Boroughs would have been 640.0, an increase of 150.0, if the ammendment were applied to FY 77. First class cities received 529.7 from Fish Tax Revenues in FY 77. Second class cities were not eligible for sharing in FY 77. Sharing to First and Second class cities would have been 715.6, an increase of 185.9, if the ammendment were

IV. DATE May 15, 1978 PREPARED BY [signature]
AGENCY Department of Revenue
PHONE 465-2313

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

33-001 (Rev. 12/77)

using these increase the effect upon the general fund would be a decrease of 336.0 in FY 79.

There is no additional cost in administering the Bill.

HB
273

Minimum and Optional Local Government Services

Services	Boroughs				Cities	
	1st Class	2nd Class	3rd Class	Unorganized	1st Class	2nd Class
Minimum						
1. Assessment & Collection of Taxes						
-Authority	AS 29.33.030	AS 29.33.030	AS 29.41.010	—	—	—
-Mechanism	AS 29.53	AS 29.53	AS 29.53	—	—	—
2. Education						
-Authority	AS 29.33.050	AS 29.33.050	AS 29.41.010	AS 14.08	AS 29.43.030[1]	—
-Mechanism	AS 14.14.060	AS 14.14.060	AS 14.14.060	AS 14.08	AS 14.14.065	—
3. Planning, Platting & Zoning						
-Authority	AS 29.33.070	AS 29.33.070	AS 38.05.037 AS 40.15.075	AS 38.05.037 AS 40.15.075	AS 29.43.040[1]	—
-Mechanism	AS 29.33.070-245	AS 29.33.070-245	AS 38.05.037 AS 29.33.210-240	AS 38.05.037 AS 29.33.210-240	AS 29.33.070-245	—
Optional						
1. General	AS 29.48	AS 29.48	2	—	AS 29.48	AS 29.48
2. Areawide						
-Authority	AS 29.33.250	AS 29.33.250	—	—	—	—
-Mechanism	local election AS 29.33.270-290	local election AS 29.33.270-290	—	—	—	—
3. Nonareawide						
-Authority	AS 29.38.010	AS 29.38.020 AS 29.48.020	—	—	—	—
-Mechanism	ordinance[3] AS 29.38.010	local election AS 29.38.020-050	—	—	—	—
4. Service area						
-Authority	AS 29.63.090	AS 29.63.090	2	AS 29.03.020	—	—
-Mechanism	ordinance AS 29.63.090	local election AS 29.63.090	2	—	—	—

1. In the unorganized borough only.
2. See the January 6, 1977 Attorney General's opinion and January 26, 1977 Legal Services Division opinion.
3. Some statutory ambiguity.

→ need for planning depends on density

→ does he agree law is ambiguous?

Finance –

~~Labor~~ –

Chilkat Valley News

Published weekly—generally | An Independent Newspaper | Price 25¢

Volume XII, No. 2 (349) | Haines, Alaska 99827 | Friday, February 11, 1977

Borough powers: for education only?

by Bill Hartmann

A large public turnout packed the main school band room last Tuesday night during a special Borough meeting called to discuss what should be done concerning the new State attorney general's opinion concerning third class borough powers.

What the attorney general's opinion said was that the powers of a third class borough are limited to ONLY education. No service districts, or no powers of planning, zoning or platting may be exercised. This was in direct contradiction to an earlier attorney general's opinion, and went against what many in the Haines Borough understood as being the powers of the third class borough, of which Haines is the only one in the State.

At the invitation of the Borough Assembly, Jesse Dodson, special assistant to the governor, and Bruce Aronson of the Department of Community and Regional Affairs were in Haines to discuss the matter and what action Haines Borough officials should take.

The major problems that the attorney general's opinion poses for the Haines Borough is the withholding of some revenue sharing funds and the forbidding of any possibility of the Borough establishing fire service districts outside the City limits.

It was Mrs. Dodson's opinion that if the area needed more powers, it would have to form another form of government. This advice sparked a heated round of questions asking if, in effect, the State was trying to force Haines to form a second class borough. Although this was emphatically denied by the State officials, it was presented as one alternate solution to the present conflict.

It was pointed out by Mayor Gail Wallace that the City is acting illegally by extending fire services outside the City, and that this problem could have disastrous effects at any time. Fire Chief Frank Wallace stated that the department had a test run to enable people outside the City to obtain better insurance rates, but they are now told that these people must be within a service area to qualify.

Some people felt the best answer was to opt for forming a second class borough, the only additional mandatory powers being those of planning, platting and zoning. This would also permit the borough to form any necessary service areas without problem. Only those residents in the area would be taxed for the added service. The major objection to the second class borough expressed by public comment was not wanting planning or zoning outside the City. However, it was pointed out that the State could come in and plan and zone the borough if it wanted to, because any powers not granted to a borough automatically rest with the State. The State would then plan and zone the area and the area would pay for it eventually in some form.

Several more alternatives were discussed. One was to ask the legislature to pass a bill clarifying the powers of the third class borough. Another was to ask the legislature to initiate a class-action suit to determine: a) if the third class borough is legal, and, b) if the attorney general's opinion on borough powers is correct. Still further, the local borough could exercise the questioned powers and take the State to court if challenged.

Although no definitive action was taken at the meeting, the borough assembly will investigate questions raised at the meeting and then call another public meeting later. The Tuesday night meeting was ably chaired by Borough Mayor David Black, who along with other members of the Assembly and City made up the panel. The others, in addition to Dodson and Aronson were Mayor Gail Wallace, City Administrator Don Bockhorst, Councilmen Harold Hannon and Jon Halliwill, and Borough Assembly members Pat Jones, Erwin Hertz and Paul Swift.

HELP!

House

OVERALL ECONOMIC DEVELOPMENT COMMITTEE
.CITY OF HAINES
Drawer D, Haines,Ak.
99827

Mar.4,1977

The Hon.Mike Miller
Majority Leader
State Legislature
Pouch V
Juneau,Alaska 99811

Dear Mike:

There has been a number of hearings regarding the 3rd Class Borough, the last of which had a good representation of the City and the outlying area. It was clear that the problems of a third class borough can only be corrected by having the Legislature take action to take the 3rd Class Borough Act off the books.

David Black Borough Chairman gave me a copy of your Mar.2nd letter with the copy of House Bill No.273. I seriously question par.(b) as been legal. While service areas would beable to excercise the powers of 2nd Class borough, as stated in the proposed bill, I could see such a hodgepodge of problems that would be unbelievable. Example: Service area A has zoning and planning, adjoining service area B, does not. The unplanned area could be a mishmash of shacks, trailers, no sewers etc. and effect the development of the adjoining area.

The Haines Chamber of Commerce went on record at the last meeting to ask the Legislature to disolve the Third Class Borough statute and require the 3rd Class borough to come a 2nd Class Borough. OR, have an election to determine whether the electrate desires to be 2nd,1st or unified.

The State has caused a Frankenstein with the 3rd Class Borough and the sooner they do away withit, the better it will be . Then, these areas which are getting a free ride will have to pay taxes like the rest of us. The Legislature put us in this spot, it is up to them to get us out of it.

Best regards,

OVERALL ECONOMIC DEVELOPMENT COMMITTE

Carl W.Holnmiller
Ex.Sec.

CWH/p
CC: Boro
City
Haines C of C

MEMORANDUM January 26, 1977

SUBJECT: Third Class Boroughs - Work Order #3146

TO: Representative Charles H. Parr

FROM: Billy G. Berrier
Director, Legal Services Division

You have asked whether third class boroughs may exercise powers other than the areawide powers of education and tax assessment and collection. The statute on third class boroughs is ambiguous in this regard.

Third class boroughs were authorized by Ch. 156, SLA 1968. The relevant sections are AS 07.17.020 and the second sentence of AS 07.17.010. No change has been made in these sections except the second sentence of AS 07.17.010 became the second sentence of AS 29.41.010 in the revised municipal code adopted in 1972 and the phrase "and if" which appeared in that sentence was omitted as redundant. In my opinion this is only a matter of organization of material and has no effect on the legal meaning. This opinion was shared by the free conference committee on the revised municipal code where the changes were made. The committee report which the free conference meeting adopted stated on page 7 "Third class borough powers are unchanged." (Supplemental Report to Free Conference Committee Report on SCS CSHB 208 am S and CSHB 208 am (Revised Municipal Code) June 16, 1972.) The relevant present statute is AS 29.41.010(a) and (b). A copy of the 1972 Act, all amendments since that date that relate to this, the present law, and the material parts of the committee report are attached.

Since the 1968 Act adopted the provisions in question and these provisions have been unchanged since it is to that Act we must look if the meaning is ambiguous. It seems reasonably clear that the third class borough may not exercise areawide powers other than those enumerated. The limitation to the two named powers seems apparent when the bill is read in the context of the law existing at that time under which provision for three "mandatory" areawide powers and detailed means of arguing other areawide powers existed.

A distinct ambiguity is created by AS 07.17.020(b) relating to service areas. This term by 1968 had acquired a firm usage under the constitution and statute. (Sec. 5, art. X, Alaska Constitution). It refers to an area less than the whole area of the borough in which different and additional services are provided with power to tax within the area served only to pay for this service. No powers, other than the two areawide powers, have ever expressly been granted to third class boroughs. Service areas are an inappropriate device to utilize areawide powers. The sharp distinction between services performed on a service area basis or on a nonareawide basis (this is in the entire borough area outside cities) was clearly recognized early and was underscored by the provision that once a borough exercised an areawide power no city within the borough could exercise that power. (This was provided by AS 07.15.310 then and now is law as AS 29.33.010.) The differences were so clearly apparent in the law (as they still are) between areawide power and service area power that a claim that service area formation was considered necessary or useful in exercising areawide power strains creditability.

However, the service area is merely a device for providing services otherwise authorized to an area lesser in extent than the whole borough and having those services financed by the area served. The essential purpose is to eliminate the general rule in municipal law that taxes must be uniform throughout the municipality.

Following the usual rule of statutory construction that all parts of the law are presumed to have some effect, at least two creditable interpretations of the addition of the power to form service areas by a third class borough with no grant of powers exercisable on a service area basis are possible.

One is to interpret the second sentence of AS 07.17.010 (now in AS 29.41.010(a)) which provides:

> "Provisions of law relating to first and second class organized boroughs apply with respect to third class boroughs only if and to the extent they are consistent with this chapter."

as a grant to the third class boroughs of all powers, other than areawide powers, that could then or in the future be exercised by first or second class boroughs. This stretches the language of what on its face appears to be a procedural provision very considerably.

In my opinion a more plausible interpretation of the intent in allowing creation of service areas is to be found when section 2, article X of the constitution is considered. That section provides:

> "All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only."

A substantial effect of this provision was the abolition of the prestatehood independant school districts. The primary characteristic of the independent school district was that it possessed the power of education and of taxation and assessment over the entire area of the district. There is a slight distinction between the third class borough powers and that of the independent school district since the borough exercises its areawide power independent of the cities within it while the school district did not have this full independence of cities. This slight distinction may be and probably is, sufficient to avoid the constitutional mandate but it at best leaves an insecure constitutional foundation for a municipal government.

An obvious answer is to differentiate the structure. A reasonable way to do that is to create a mechanism by which the third class borough could exercise powers in addition to those granted but to reserve the actual grant of additional powers for consideration at a later date. The 1968 Act accomplished this.

Research has disclosed nothing materially helpful in determining intent of the legislature in 1968. Statements by legislators of what they understood the intent to be are not admissable as proof of the intent of the legislature. I find no committee reports on this point and the rejection of an amendment (one of a series) offered on the floor of the house to add new language reading:

> "except third class boroughs may not exercise additional areawide powers or powers in the area outside cities only." (House Journal 1968, page 808)

can be explained in too many ways to be helpful.

My conclusion is that the questions cannot be answered with that degree of certainty necessary. None of the suggested interpretations are in my opinion compelling although the argument that the service area is only a mechanism to exercise powers if additional powers are granted in the future and that no additional powers were granted by the 1968 Act appears more solidly based than the others.

BGB:smh

Enclosures

HB 273 - shd. have had AG's opinions
" " " Chandler th.
" " " LAA opinion

Dick Brown, Fairbanks
3rd Class Boro Com. Chair -
4000 signatures for 3rd class boro in FBKS.
Zoning ord. gave rise to effort.

Jensen Co RA told them 3rd class boro
don't not have ~~5th~~ serv. area powers.

Copies for members files

Box 1166
Fairbanks, Alaska
March 11, 1977

Community & Regional Affairs Committee
Lisa Rudd, Chairman
Pouch V
Juneau, Alaska 99801

Re: HB 273

Dear Representative Rudd:

The Third ~~Class~~ Borough Committee met on March 7, 1977 to consider HB 273 and resolved that they are in favor of the bill as ~~written~~. My views, along with the views of other persons at the meeting, differed from that of the Third Class Borough Committee. Therefore, I will state my view of the bill as written and propose amendment thereto.

The original purpose of the proposed legislation was to clarify the law as already written with respect to powers of third class boroughs. The committee should look to this purpose as a guide in evaluating and amending HB 273. For this reason I am enclosing a letter addressed to myself from Daniel T. Saluri, an attorney at Fairbanks, dated February 3, 1977, and entitled Powers of Third Class Boroughs. The new legislation should not substantially alter the powers of third class boroughs, but rather should clarify those powers and supplement existing legislation with provisions providing for a smooth transition from second to third class status.

Enclosed please find a copy of HB 273 amended by me in such a way as to clarify existing third class borough powers and providing for an orderly transition from second to third class status. The second sentence of Subpart (a) of HB 273 should be deleted as it substantially limits the exercise of areawide borough powers, which third class boroughs presently have authority to exercise. Subsection (b) of AS 29.51.010 need not be amended. As amended by HB 273, service areas could not be established by voter petition and election. Again, HB 273 would substantially change the law rather than clarify existing law. I have added Subsection "(e)" for clarification purposes only. I believe that Subsection (b) as written makes provision for establishment of service areas in the manner provided for second class boroughs.

1.

There exists almost no legislation about transition from second class to third class status. AS 29.33.290 (c) provides that the new third class borough will succeed to the debts and obligations of the present borough and that the third class borough could levy and collect special charges or taxes for the purpose of continuing the same services in the new borough. That subsection also provides for "consultation" between the old and new boroughs for purposes of arranging an orderly and equitable transfer of power from the old to the new borough, including the transfer of existing services.

Transition would be facilitated by legislation allowing the new borough to continue to exercise powers exercised by the old borough at time of reclassification for a stated period of time, during which time the new borough would hold public hearings so that the people living in various areas of the borough could be given an opportunity to approve the continuation of these services on a service area basis. Elections could then be held by service area for approval of various borough services to be provided in each area. In this manner an immediate lack of services borough wide upon reclassification would be avoided and all areas of the borough would have the opportunity of continuing to receive services on an uninterrupted basis. This appears to be the general intent of AS 29.33.290.

I hope that these comments will be of some assistance to your committee.

Very truly yours,

Wolfgang Falke

WOLFGANG FALKE

DTS:nw

cc: Committee Members

Fairbanks Caucus Members

B. GIL JOHNSON
KEITH A. CHRISTENSON
R. BROCK SHAMBERG
JONATHAN H. LINK
LEE S. GLASS
D. REBECCA SNOW
RONALD E. CUMMINGS
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KENAI OFFICE
P. O. BOX 1105
KENAI, ALASKA 99611
(907) 835-4859

February 3, 1977

File No. F-2766-9-1

Wolfgang J. Falke
918 7th Avenue
Fairbanks, Alaska

Re: Powers of a Third Class Borough

Dear Mr. Falke:

Alaska law, Title 29, provides for classification of general law municipalities into five classes: First, Second, and Third Class Boroughs and First and Second Class Cities. AS 29.08.030. Provision is made for reclassification of a Second Class Borough to Third Class Borough and for the election of an assembly, "to serve as the combined assembly and school board of the Third Class Borough if reclassification is approved." AS 29.08.040(h).

The powers of a Third Class Borough are all those powers granted to general law municipalities under Title 29 and not limited by the special provisions therein specifically relating to powers of Third Class Boroughs. A Third Class Borough is a "municipality" by definition, §AS 29.78.10(8) and may exercise those powers applicable to all municipalities as provided by Chapter 48 of Title 29. This grant includes the exercise of whatever powers may be necessary to provide for enumerated public facilities and services, including sewers and sewage treatment facilities, flood control facilities, police protection, water and power utilities, transportation systems, libraries, recreation facilities, airport facilities, garbage and solid waste collection and disposal, and fire protection. AS 29.48.030.

Chapter 41 specially provides for the powers of Third Class Boroughs. It is provided that, with respect to education and tax assessment, those powers shall be exercised on an area-wide basis by a Third Class Borough in the same manner as provided for a Second Class Borough. The exercise of these two available powers is mandatory. AS 29.33.050 provides that each

first and second class borough constitutes a borough school district and establishes, maintains and operates a system of public schools on an area-wide basis. AS 29.33.030 and 29.53.010 provide for the levy of area-wide property tax by general law boroughs, regardless of their class. A general law borough includes a Third Class Borough. The third area-wide power provided for under Chapter 33 is zoning. AS 29.33.070. Only First and Second Class Boroughs are granted the zoning power under this Section. Only First and Second Class Boroughs may acquire additional area-wide municipal powers. AS 29.33.250. ! ?

The 1968 opinion of the Attorney General was that a Third Class Borough had only the area-wide powers of education and taxation in that only these two powers are referred to by Chapter 17 (now Chapter 41) and therefore the other general area-wide power, that of zoning, expressed by Chapter 15 (now Chapter 33) does not apply. That opinion held that the Third Class Borough had power to exercise non area-wide powers to the extent they are consistent with Chapter 17 (now Chapter 41), the Chapter providing that: "Provisions of law relative to First and Second Class Organized Boroughs apply with respect to Third Class Boroughs only to the extent they are consistent with this Chapter".

The area-wide power of zoning is not specifically denied by Chapter 41; however, it is not specifically designated. The Attorney General's opinion of 1968 therefore chose to conclude that Third Class Boroughs do not have zoning powers. The 1968 opinion does not cite or refer to the legislated general intent of Title 29 as expressed by AS 29.48.310, 29.48.320 and 29.48.330, which provide that a liberal construction shall be given to all powers and functions of boroughs conferred by Title 29; that unless otherwise limited by law, boroughs have all powers necessarily or fairly implied or incident to the object or purpose of all powers conferred in Title 29; and, that specific examples within an enumerated power or function conferred upon boroughs in Title 29 are illustrative of the object and not a limitation on or exclusion from the exercises of the power or function. It would seem from these provisions that a Third

Class Borough has whatever powers are consistent with law, i.e. the general powers conferred upon municipalities and the area-wide powers conferred upon boroughs, but only to such a degree as may be consistent with the object of Chapter 41. Even zoning, so long as it related to the education function, might be a function properly exercised on a area-wide basis by a Third Class Borough, in the same manner as First and Second Class Boroughs. For example, the zoning of areas around schools throughout the Borough should be a proper function of the Third Class Borough.

Non area-wide powers of a Third Class Borough are the same as those of First and Second Class Boroughs, only to the extent that they are consistent with Chapter 41, i.e., only so long as the exercise of such power may be consistent with the object of Chapter 41. The 1968 opinion of the Attorney General found that AS 29.41.010(b) relating to the establishment of service areas by Third Class Boroughs expanded the "object" of Third Class Boroughs as expressed by Chapter 41, to something beyond that relating directly to the area-wide education power. I would have to agree, not only because of the general construction provisions of Title 29 cited in the previous paragraph, and the provisions for general powers to all municipalities, but also because Subsection (b) is a specific expression of the additional power conferred, is not limited by Subsection (a) of that Section, and refers to AS 29.63.090 which provides for service areas to provide for "special services within a borough", which include, "services not provided on an area-wide basis within the borough". This power by definition must be in addition to the education power in that the education function is area-wide and Subsection (b) relates to services not on an area-wide basis within the borough.

In conclusion the law as written and as previously construed by the Attorney General provides for Third Class Boroughs and makes them different from First or Second Class Boroughs in that the only area-wide functions or powers to be exercised by Third Class Boroughs are those of education, taxation and possibly zoning; and that the exercise of these area-wide

powers is proper only to the extent that the same is consistent with the function of education and tax assessment. The Third Class Borough may exercise all additional powers that it has to create service areas for special services within the borough on a non area-wide basis and then only in the same manner as a Second Class Borough.

Your observation that a Third Class Borough is included within the legislative definition of municipality and that the general powers conferred to all municipalities are not mandatory and are not limited to exercise on a non area-wide basis is a point well taken. As noted previously, these powers include the "providing" of libraries and fire protection. The term "to provide the following public facilities and service" (emphasis added), as stated in AS 29.48.030, could very well be interpreted to include the establishment of the necessary facilities and the expenditure of monies by the borough for these capital expenditures, and the operation of such facilities on an area-wide basis once those facilities have been acquired.

To answer your question about the zoning powers of a Third Class Borough, I have already noted that a Third Class Borough does have some area-wide power to zone. A Third Class Borough, as a municipality, also has the power to provide for housing and urban renewal, rehabilitation and development, may establish building, housing and related codes, may provide for the abatement of public nuisances, and exercise other powers and functions affecting the health and welfare of inhabitants. AS 29.48.030 and 29.48.035. Because the Third Class Borough has some zoning authority, the State of Alaska, Department of Natural Resources, Division of Lands, would not become the zoning authority for the Third Class Borough. The Division of Lands has zoning authority only in areas of "unorganized borough where there is no political subdivision of the State with a zoning power". AS 38.05.37. A Third Class Borough is an organized borough, and therefore does not qualify as an "unorganized borough". Also, note that AS 38.05.37 assumes that all organized boroughs

have zoning powers, and has never been amended by the legislature to read otherwise.

Very truly yours,

JOHNSON, CHRISTENSON,
SHAMBERG & GLASS, INC.

Daniel T. Saluri
Attorney at Law

DTS:nw

ALASKA MINERS ASSOCIATION, INC.

FAIRBANKS BRANCH

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Mark B. Ringstad
P. O. Box 604
Fairbanks, Alaska 99707

VICE PRESIDENT
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Fairbanks, Alaska 99701

SECRETARY
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1101 Gillam Way
Fairbanks, Alaska 99701

TREASURER
Donald R. Stein
105 Dunbar St. HA
Fairbanks, Alaska 99701

270 Illinois Street
Fairbanks, Alaska 99701
Phone: 456-5005

March 25, 1977

Community & Regional Affairs Committee
Attn: Liza Rudd, Chm.
Pouch V
Juneau, Alaska 99881

Dear Ms. Rudd:

I would like to comment on HB-273 which I believe is presently before your committee.

Everyone I have talked to here in the Fairbanks area believes it is too restrictive being strictly confined to education. The language of the bill should include the possibility of any area to have a service area by majority vote of the people bwning property within the area.

Mr. Wolfgang Falke is personally carrying the wishes of the Fairbanks people to your committee to express our feelings in more detail.

Very truly yours,

Mark B. Ringstad

March 26, 1977
Dean G. Barnard
SR Box 20096
Fairbanks, Alaska

Representatives
Parr. Bennett, Brown
Carpenter and Smith

Re. House Bill No.273

The new legislation should not substantially alter the powers of Third Class Boroughs but rather should clarify existing powers. Also the Third Class Boroughs may have the powers-on a area wide bases to form-alter or abolish service areas for any borough wide services. And the right of the people to petition for additional services.

The new legislation should provide for the transfer of power from the old to the new borough in a orderly manor so that they could exercise powers existing, till the public could vote on approval of the continuation on a service area basis.

I feel this House Bill no.273 with the proper amendments should be passed and put into law soon as possiable. I feel a clear and concise law on the Third Class Borough will help other none classified boroughs to become Third Class Boroughs if they see fit. This is not a Fairbanks problem. This is a state wide problem, with towns such as Haines in mind.

I hope you as representatives of the people of Alaska are able to act on our wishes soon as you can.

Very truly yours,
Third Class Borough Member.
Dean G Barnard

MILLERS FALLS
ERASE
COTTON CONTENT

TO COMMITTEE MEMBERS CONCERNING H.B. 273

The question of the amount of government necessary to supply the services required by the residents of the area is frequently raised and there are always complaints about excessive taxes and governmental interference.

When the condition exists where large concentrations of people develop, a governmental body such as a town or city government is necessary to perform the daily tasks that the residents do not have time for. These tasks include police and fire protection, garbage collection, street cleaning, sewer and water systems and other social services requested by the majority plus taxation and collection to pay for these services. Within the limits of the town or city all residents share equally in whatever the elected government does or doesn't do because of the proximity of the residences. In these areas complaints of excessive government and taxes are seldom aimed at the local government body because most people realize that the services supplied are required to maintain a level of social relationship that they desire within their town.

In the areas away from large concentrations of people, towns and citys, the social relationship and the amount of government necessary to maintain the social relationship is changed. In these outlying areas what a resident does has no effect on his neighbors simply because he has no neighbors in the same sense as a town resident.

The town resident accepts local government and the cost of that government because he realizes that he cannot provide the same services at the same cost and he cannot be assured of protection of his property and his life unless his neighbors are subject to the same laws that govern his action. All town residents realize that any action by one directly affects the other, socially and economically. As a resident of the town he has ready access to all services provided by the government and is willing to pay for these services.

Conversely the outlying resident has little or no access to any services provided by the local government.

Since the North Star Borough is a second class borough, property is taxed at the same rate as town property in order to pay for services that only the town people can utilize.

At present approximately 40% of the North Star Borough population lives in towns that cover 3% of the total land area. Because of this concentration of people in two locations, Fairbanks and North Pole, 60% of the people are paying for services they are not able to utilize unless they live within several minutes drive from one of the towns where the bulk of the North Star Borough tax money is spent.

In addition to the general tax imposed by the borough government all residents of this North Star Borough must pay an additional tax to support the services they want for their area such as police protection, Fairbanks and North Pole, garbage collection,(Fairbanks and North Pole or by contract services areas,) Sewer and water systems, (Fairbanks and North Pole or by paying for installation of septic tanks and wells).

As stated above 60% of the residents of the North Star Borough are paying for services they cannot receive in addition to those services they desire. These residents have indicated a desire to express a choice between a second class borough and a third class borough in the form of a petition to place reclassifcation from a second to a third class borough on the ballot.

The petition signatures have in no way stated nor indicated that they want no government only that they want a government of which they can share the benefits equally. As a third class borough all service areas required or requested by the residents will be continued or formed for whatever class of service fits the needs and desires of those affected while being relieved of the tax burden that a second class borough government adds.

Respectfully,

Donald Fiscus

Box 1166
Fairbanks, Alaska
March 11, 1977

Dear Legislator:

Please find enclosed a copy of my letter addressed tc Lisa Rudd, Committee Chairman, Community and Regional Affairs, respecting HB 273. I hope that my comments therein will be of some assistance in formulating necessary legislation facilitating the transfer of borough powers should re-classification take place.

Very truly yours,

Wolfgang Falke

WOLFGANG FALKE

DTS:nw

Enclosures

MEMORANDUM State of Alaska

TO: *Lee McAnerney*
Commissioner
Dept. of Community & Regional Affairs

DATE: *January 5, 1977*

FILE NO:

Avrum Gross
Attorney General

TELEPHONE NO:

FROM: *Rod Pegues*
Assistant Attorney General

SUBJECT: *Powers of third class borough*

This responds to your request for an opinionon on this subject of December 29, 1976. Pursuant to your request we have reviewed our informal opinion of August 8, 1968, on this subject and AS 29.41.

We agree with your views on the matter. The third class borough's sole function is to provide education. It is enpowered to levy and collect taxes, to borrow money, and to establish service areas to that end. It has no other function. It would be inconsistent with AS 29.41 for a third class borough to exercise a power of a first or second class borough which is not in furtherance of its assigned function and prescribed powers. Thus, in order to collect taxes, a third class borough obviously must possess the power to file tax liens and foreclose on them. To operate a school system, it must possess the power to acquire and manage property and enter into contracts. This is what the last sentence of AS 29.41.020, which constitutes the assembly the school board as well is conclusive on this point. It is irrefutable evidence of the legislature's intent that the third class borough has no other function.

The opinion on this subject of August 8, 1968, is in error on these points and is overruled.

DJ:sg

MEMORANDUM State of Alaska

COMMUNITY AND REGIONAL AFFAIRS

RECEIVED
Department of Law
Juneau, Alaska
DEC 30 1976
AM PM
7 8 9 10 11 12 1 2 3 4 5 6

Rod Pegues, Esquire
Assistant Attorney General

DATE: December 29, 1976

FILE NO:

TELEPHONE NO:

SUBJECT: Request for Opinion

TO: The Honorable Avrum Gross
Attorney General

Lee McAnerney
Commissioner

As you are undoubtedly aware, there is an effort being made by residents of the Fairbanks North Star Borough, a second-class borough, to reclassify that borough as a third-class borough. As a function of the reclassification process, the borough assembly must evaluate and issue findings relative to the ability of the borough to function subsequent to reclassification, AS 29.08.040(g) and AS 29.33.260. However, before it can perform that responsibility the assembly must know what the powers of a third-class borough are. The Fairbanks Borough Assembly believes, and we concur, that the powers of a third-class borough are not clearly defined in Title 29. Accordingly, this request for your opinion.

There is an unnumbered opinion dated August 8, 1968, signed by then Assistant Attorney General Robert E. Price which reaches certain conclusions relative to the powers of a third-class borough. Summarized, the opinion states that the only powers that can be exercised on an area-wide basis by a third-class borough are tax assessment and collection and education, but that the borough may on a service area or non area-wide basis, exercise all other municipal powers except planning and zoning, which may not be exercised at all. A copy of the subject opinion is attached.

Being somewhat familiar with Ch. 122, SLA 1968, I am inclined to disagree with the conclusions reached in the earlier opinion. As you know, the third-class borough concept was created for one purpose: to respond to the absence of a legal entity to assume the duties and responsibilities of the former Haines Independent School District which was dissolved in 1968. I do not believe that the Legislature intended to simply create another class of borough that was different from second and first-class boroughs only by virtue of the absence of the planning and zoning power and the inability to exercise powers on an area-wide basis. Moreover, it would seem that Mr. Price's conclusion that no municipal powers except education and tax assessment and collection may be exercised on an area-wide basis, is in direct conflict with Section 1, Article X, of the Alaska Constitution which calls for ". . . a minimum number of local government units . . ." Quite obviously, creation of a regional municipality lacking authority to provide services on a region-wide basis creates, not dissipates, the need for additional governmental structures.

After carefully and thoroughly reviewing the provisions of Title 29, pertaining to third-class boroughs, and it is my conclusion that third-class boroughs have

authority to exercise the education and tax assessment and collection powers only. It seems that the crux of this issue is the second sentence of AS 29.41.010(a), which provides that "Provisions of law relative to first and second-class organized boroughs apply with respect to third-class boroughs only to the extent they are consistent with this chapter." Because Chapter 41 mandates the exercise of the education and tax assessment and collection powers only, I read the subject sentence to mean that in exercising the education and tax assessment and collection powers, the third-class borough must operate substantially the same as a first or second-class borough. I do not, as Mr. Price apparently has, read the subject sentence to extend to the third-class borough all powers, duties, rights and responsibilities normally associated with first or second-class borough status so long as those powers, duties, rights and responsibilities are not in conflict with the provisions of Chapter 41.

AS 29.41.010(b) extends authority to third-class boroughs to establish service areas. This provision seems to me to mean that service areas may be established to provide a higher or lower level of education service than that provided on an area-wide basis; I do not read it to mean that a service area may be created to provide any municipal service.

Would you please review the 1969 opinion and AS 29.41, and let me know if you agree with my conclusions?

Attachments

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL / POUCH K, STATE CAPITOL — JUNEAU 99801

August 8, 1968

MEMORANDUM

RECEIVED
AUG 8 1968
LOCAL AFFAIRS AGENCY

TO: Larry Montgomery, Director
Local Affairs Agency
Office of the Governor

FROM: G. Kent Edwards
Attorney General

By: Robert E. Price
Assistant Attorney General

RE: Third Class Borough Law

This is in response to your memorandum of August 2 in which you requested the opinion of this department on several questions from John D. Gustafson, Presiding Officer of the Fairbanks North Star Borough Assembly. These questions are:

"1. Is a third class borough limited to the exercise of the two mandatory areawide powers of education and tax assessment and collection?

2. In what manner and to what extent may the third class borough exercise the power of flood control?

3. Would bonds be sold on an areawide basis or just on the established service area?"

ANSWER 1.

29.41.010
AS 07.17.020(a) states:

"The third class borough shall exercise the areawide powers of education and tax assessment and collection [as provided for second class boroughs in this title]" — IN THE MANNER

The reference in this section to the areawide powers the second class boroughs is to AS 07.15.310 (Scope of

29.33.010
— 370-330

27.33.030

Areawide Powers), AS 07.15.320 (Assessment and Collection) and
27.33.020 AS 07.15.330 (Education). The specific inclusion of Education (AS 07.15.330) and Tax Assessment and Collection (AS 07.15.320) as areawide powers of the third class borough infers the exclusion of other powers set out in AS 07.15 (Article 2. Scope of Areawide Powers), i.e., AS 07.15.340 (Planning and Zoning), 27.37.050 AS 07.15.350 (Additional Areawide Powers), and AS 07.15.360 (Dog Contro). See the discussion of the maxim "Expressio unius est exclusio alterius" in Southerland on Statutory Construction, Vol. II, § 4915. Therefore, the third class borough is limited to the exercise of the two mandatory areawide powers of education and tax assessment and collection.

ANSWER 2.

The third class borough may exercise the power of flood control either (1) on the basis of the exercise of the power of a second class borough in the area outside cities only or (2) on the basis of a service area, provided, that, in either case, the project complies with the statutory grant of power.

AS 07.17.010 states, in part: "Provisions of law relating to first and second class organized boroughs apply with respect to third class boroughs only if and to the extent they are consistent with this chapter."

First, on the question of non-areawide power of a third class borough, there is no explicit reference to it in AS 07.17. However, in accordance with the provision of AS 07.17.010 above cited, the third class borough has such non-areawide power becaus there is no apparent basis why this power would be inconsistent with AS 07.17. The third class power should comply with AS 07 - .15.720 (Powers of Second Class Borough) in its exercise of this power. A first class city has the authority for flood control under AS 29.10.117. On the authority of a borough to carry out a reclamation project, I attach to this memo for your considerati an informal opinion of the Attorney General on 12/30/65. It will be a technical question, of course, whether or not the borough ca undertake a flood control project through the use of a non-areawi power only.

Second, on the question of a service area of a third class borough, AS 07.17.020(b) states:

> "The third class borough may establish, operate, alter or abolish service areas as provided for second class boroughs in this title."

The reference to the power of second class boroughs over service

areas is to AS 07.15.050, which states:

> "(a) Service areas to provide special services within a first or second class borough may be established, operated, altered, or abolished by the assembly by ordinance.
>
> (b) The assembly may levy or authorize the levying of taxes, charges, or assessments in service areas to finance the special services. No special assessment may be levied except as provided by law for first class cities.
>
> (c) The assembly may provide for appointed or elected boards to supervise the furnishing of special services in service areas.
>
> (d) A new service area may not be established if the new service can be provided by an existing service area, or by annexation to a city, or incorporation as a city.
>
> (e) The assembly may delegate any of the powers prescribed in § 710 of this chapter to a service area. In a second class borough each delegated power must be approved by a majority of the qualified voters voting on the question who reside within the service area. The rate of taxation and the issuance of bonds shall remain subject to the approval of the assembly."

Further, on the same subject, the Alaska Constitution, Art. X, § 5 states:

> "Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services."

There is the inference in these quoted provisions that a service area may not encompass an area which is coterminous or substantially coterminous with the borough boundaries. The Final Report on Borough Government, prepared by the Alaska Legislative Council and the Local Affairs Agency and published in January, 1961, states, at p. 43: "The need may arise within a borough for services not required throughout its entire jurisdiction." Therefore, it was the thought of those who prepared the Borough Act of 1961 and the inference of the language of the provisions of that legislation itself that service areas were only to encompass an area less than the entire area of its jurisdiction. The provisions of the borough system in Alaska are unique and the decisions of other jurisdictions on the same question are not relevant to this opinion. Cf. McQuillin on Municipal Corporations, Vol. 14, § 38.52. See The Metropolitan Experiment in Alaska, edited by Ronald C. Cease and Jerome R. Saroff, 1968, pp. 11, 16, 42. It will be a technical question, of course, whether or not the borough can undertake a flood control project through the use of a service area which is not coterminous or substantially coterminous with the boundaries or area of the borough.

ANSWER 3.

AS 07.15.030 states in part:

> "First and second class boroughs may incur indebtedness in the same manner and to the same extent as first class cities
>
> * * *
>
> (3) on a service area basis for functions performed in a service area only; payment of debt principal and interest as well as other costs shall be limited to the service area, except that, subject to the election requirements of AS 07.30.010(b), the full faith and credit of the entire borough may be pledged to guarantee payment of principal and interest."

This provision is applicable to third class boroughs because it is "consistent", in accordance with the principle of AS 07.17.010, with the service area power of AS 07.17.020(b).

Therefore, third class borough service area bonds must limit payment of debt principal and interest as well as other costs to the service area.

CKE/REP/er
Att.

February 23, 1977

Daily News-Miner
200 N. Cushman
Fairbanks, Alaska 99701

Dear Editor:

In yesterday's front page news "3rd Class Election: Still no date", you (or who?) stated "The Third Class Borough Committee, which collected the signatures, has asked for a change in the law so that it specifically states that service areas for powers besides education are allowed."

This statement is far and away from the truth. The fact is that a Third Class Borough has the specific power to establish, operate, alter or abolish service areas in the same manner as provided for Second Class Boroughs to exercise those powers applicable to all municipalities (which include flood control, recreation, libraries, fire protection, etc.) There is no such thing as a service area for education. Education and tax assessment and collection must be exercised by a Third Class Borough on an area wide basis in the same manner as provided for Second Class Boroughs. This is the law, plain and clear!

The Third Class Borough Committee has asked its Fairbanks legislators to clarify the law, not to change it, so that the governor and his aides, his attorney general in specific, must agree with the law.

On January 5, 1977, the attorney general issued an opinion requested by the Department of Community and Regional Affairs. That opinion of the attorney general stated: "The Third Class Borough's sole function is to provide education."

It is impossible for me not to believe this opinion by our appointed attorney general was made with full knowledge that it was not according to law and would not be upheld by our courts. The sole function of the opinion was, and is, to mislead the residents of the Fairbanks North Star Borough and thereby discourage them from voting in favor of Third Class reclassification of the borough.

Can the attorney general do this? True, it is the function of the courts to interpret the law, but they won't until an actual case or controversy exists. As stated by Assistant Attorney General Rod Peguses on a recent television interview, an actual case or controversy will not exist until the Third Class Borough comes into existence and the State or some group attempts to prevent the new borough from exercising its municipal powers.

Because the court will not interpret the law until after an actual case or controversy has arisen, the only alternative method of enjoining the publication of this clearly erroneous opinion of the attorney general is to pressure our governor to require the attorney general to re-evaluate his opinion. This is why the Third Class Borough Committee went to Juneau. We wanted to make the legislator aware of the problem and to clarify existing legislation, not to change powers already existing in Third Class Boroughs.

Very truly yours,

FALKE WOLFGANG
Box 1166, Fairbanks, Alaska

FW:nw

P.O. Box 1166
Fairbanks, Ak. 99707
March 17, 1977

Daily News-Miner
200 N. Cushman
Fairbanks, Alaska 99701

Dear Editor:

In response to Mr. Wm. F. Humpheries letter to the editor of 3-2-77: Under a third class borough what would become of the borough powers such as animal control and borough transit?

Under present law, those powers, as well as all municipal powers, will be continiued by the new third class borough in the same manner as they are provided by the second class borough.

Under a new third class borough administration of coarse there could, and I am confident that there will, become before the voters the question in which form the people wish to have those powers administered. Public hearings shall be held for each power in question to establish boundaries for service areas throu-out the borough and the people in each area and in each city then determen by vote if they wish to have those services to be continued. Sound's fair, doesn't it?

This is another reason why a third class borough indeed would be able to serve the people of Fairbanks and its souraunding areas so much better than our present administration.

Very truly yours,

Wolfgang Fahke

A couple questions

322 2nd St., Graehl
Fairbanks
March 2, 1977

Dear Editor:

Following are a couple of questions maybe you or someone on the Third Class Borough Committee could answer.

Under a third class borough what would become of important borough powers such as animal control (takes care of loose and vicious dogs), and borough transit? I think that many persons who now oppose public transportation because of the higher tax load, or other reasons, may be very glad to have borough transit around when President Carter's energy conservation proposals are unveiled and become law this Spring! I am quite sure oil companies will be ordered to make much more home heating oil and much less gasoline. I'm sure the President and Congress will feel that warm homes are more important than unrestricted private auto driving in Alaska and the U.S.A. Then borough transit will become much more important to many people than it is now.

William F. Humpheries

Room 620
Judith Pinero

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99707

M E M O R A N D U M

TO: Butch Stein, Borough Assemblyman

FROM: Ronald A. Garzini, Staff Director RAG

SUBJECT: Third Class Borough

DATE: January 27, 1977

I have put together some things which you should be aware of when discussing the declassification of the Fairbanks North Star Borough from second to third class with our legislators. I have kept to the facts as well as I can with my obvious bias.

It appears that the major objections to the present second class Borough arise from zoning administration and enforcement and the expansion of the borough budget with no obvious increase in service. I think you could point out to our legislative delegation our efforts at straightening out our present zoning problems and, in fact, the impetus for the third class movement began at a zoning hearing where we were attempting to resolve some of the problems.

The spread sheet entitled "Initial Allocations of the Borough Budget" pretty well shows the percent dedicated to each program in the Borough. It's interesting to note that if you eliminate the programs that would not exist in a third class Borough, you would only remove 15% from the existing Borough budget. (Certainly over time that could change.)

Some specific thoughts are:

1. With a third class Borough, the mayor of the municipality is selected from the Assembly rather than elected at-large. I frankly think the people of the Fairbanks area prefer having a separately elected mayor who they can hold accountable for administration. I am sure you realize that with the workload the present Assembly has and the workload the present

School Board has, combining these two workloads would be unbelievably difficult. The Board/Assembly would be the Board of Equalization, School Board, tax collector, service area coordinator, and central treasurer, etc.

2. Assessment and Collection of Taxes

a. The third class borough assembly would hold the central treasury for Fairbanks local government. Having a board, whose primary function is education, hold the central treasury for municipal governments in an area is highly irregular and I'm sure it's not good management by any existing precedent.

b. We presently have fifteen service areas and three more underway. If a third class borough were to come into being, I predict we would have fifty service areas in short order and just dealing with the fifteen we have is becoming a major problem. We are presently working with ninety service area commissioners.

3. Education - The school board would cease to exist with a third class Borough and the workload of the school board/assembly would once again include handling their insurance, their engineering, data processing, assessing, and all the other functions we provide for education. I feel that these additional duties thrust upon the education function would prevent the elected body from spending the time they really should on educational matters. The Superintendent would have duties unheard of in municipal experience.

4. Flood Control - The Borough is obligated for the maintenance of the flood levee. We own all the land within the levee; we are obligated to 1% of the final cost of the project, and we are responsible for land acquisition, rights of way, relocation, and coordination. We are responsible for protecting the levy and works by controlling surface activity adjacent to them. A third class Borough service area for flood control would be phenomenally complex, extremely dull to the average citizen, and probably something the State of Alaska would unwillingly assume if a third class Borough were formed.

5. Planning and Zoning - The responsibility for subdivisions; i.e, platting, it appears, would go to the State Division of Lands. It would be interesting to see how third class Borough people would like to relate to state government types for approval of their subdivisions. My impression is that the only thing third class Borough people like less than Borough employees is state and federal employees. We are undertaking a major effort presently to relocate our landfill. We expect that the proper place for the landfill will turn out to be above the flood plain, outside the city. Presently the operation of our solid waste program runs about $300,000 per year. I assume the State of Alaska would not like to operate the landfill; I doubt if the City of Fairbanks would like to bear the capital expense, which we estimate at two million dollars, to establish a solid waste disposal system for the Fairbanks area.

There is need for planning coordination with the Highway Department and the State Division of Lands in the area of transportation and water and sewer planning, as well as hydrological and soils coordination with the appropriate state and federal agencies. We have a strong input into the development of state roads and trails within the Fairbanks area. I can't see the formation of a service area to provide a vehicle for local input; therefore, I assume the state, again, would have to bear the burden of determining what the public sentiment is through hearings and employee growth. The two cities would definitely need to create planning and zoning departments.

6. Animal Control - I cannot envision the Fairbanks area without an Animal Control program. With over 50% of the population now outside the City of Fairbanks, and with the majority of our collections now being outside the city limits, I personally don't think that having the city run an Animal Control program would be very effective. It would be like taking a cup of water out of a bowl. The dogs would just drift in from the outlying areas. We are presently catching 500 animals per month and expect this year, if present trends continue, to dis-

pose of 4,000 animals. Rabies is on the increase in Alaska and we expect to hold two free rabies clinics this year to do what we can to prevent rabies getting started in the interior.

7. Parks & Recreation - As Chairman of the Parks & Recreation Committee, I'm sure you are more aware than most of the level of recreation activity that the Borough has in the area. The City, which has a tax base one-third the size of the Borough's would be sore pressed to continue the level of service we now provide. In addition, a number of our activities in recreation have long term agreements in them. Specifically, Fairbanks Lions Park - the Lions are putting up $25,000 per year for four years for the Borough to develop the facility. Most of our BOR grants have a 25 year contract inherent with them (I wonder if we would have to give the money back.) An attached sheet shows an inventory of our park properties.

8. Solid Waste - We presently have a North Pole Solid Waste Transfer Station which has been extremely successful and well received; and we have a Salcha Landfill. I am sure that these would become individual service areas. Our main concern, however, lies with the current Fairbanks landfill which must be moved and the tax base of the City of Fairbanks would probably not be able to deal effectively with the capital costs of re-establishing a new landfill.

9. Air Pollution - We presently spend on air pollution only what we get from State and Federal agencies. Our program costs us nothing locally; therefore, eliminating it would save us nothing. However, the ability of local people to govern the air quality enforcement program and bring some local sensibility to it, we feel, is a highly desirable asset. Our local pollution control commission has the authority to grant variances from the regulations which we propose when the situation is appropriate. I have no doubt the State of Alaska or the Federal government would very quickly leap in and do just what we are doing or more in the way of air quality control.

10. Public Transportation has been voted on by the people in the Fairbanks area twice. It received approximately 55% of the vote in a borough-wide election, and approximately 60% in a city election. Our ridership and support from the public has increased dramatically. We presently plan starting July 1 to serve our rural areas where it is feasible. We have spent state grant money to buy equipment and I assume we would have to sell it. I also predict that we would have a transit service area, because the people appear to consistently vote yes in elections regarding transit.

11. Library - We expect this summer to open up the Fairbanks Regional Library which was overwhelmingly voted on by the people of Fairbanks. It is a beautiful structure, one which we should be proud of (fig trees and all). It is a 47,000 square foot building with a 5.9 million dollar cost and, I'm sure, an operating budget of at least three-quarters of a million dollars. Designed to serve all of Northern and Central Alaska, I frankly doubt that the City of Fairbanks can afford, with its current financial problems, to operate this facility. If they were to charge us to check out books, I doubt very many people would check out books at $1.50 apiece.

12. Local Service Roads. We currently receive, as a result of state bond issues, money for local borough roads. This funding level has averaged a half a million dollars per year and the Planning Commission and the Borough Assembly have a great deal to say about where and in what priority our roads are built. I assume the roads would continue to be built, however, I see state government being involved in this decision making process in our absence.

13. Finances - For the past couple of years, we have made a concerted effort to develop a substantial savings account so that we could deal with fire protection and the heavy cost of capitalization when area-wide or non-area-wide fire protection came to pass. Our billion dollar tax base is really the only hope the foothills have of meeting the capital costs of adequate fire

protection.

The City of Fairbanks is presently trying to establish user fees for the water and sewer system and finding it very difficult. Experience has shown that the costs of collecting user fees quite often exceeds the funds collected. For instance, our Parking Management Study shows that if the city took the parking meters out, they would actually save money. I can't imagine attempting to apply user fees to Parks and Recreation facilities, summer playgrounds, the landfill, the library, animal control; with the city establishing city resident rates and borough resident rates in an attempt to equitably share the burden for the level of service requested by our 60,000 citizens. We presently have a five year lease on our building and we are in our first year; the building would certainly be far to large for a third class Borough.

I think a great deal can be said at this time in the way of criticism of our present second class borough. It is certainly an inferior form of government for the Fairbanks area; it's a very unresponsive form of government for an area this size; suffice to say a third class borough would be worse. I personally view the only logical form of government for an area with our characteristics would be a first class borough or unified municipality. Within such a governmental structure, service areas could be designed so that people only paid for the level of service they receive; whereas a resident of the City of Fairbanks might receive a high level of service and a 20 mill tax rate, a resident of 50 Mile Steese Highway might well only have a 4 mill tax rate since he receives little service beyond education. A classic example of our problem is the fact that we presently have the financial ability to provide fire protection to the foothills, and it appears the the people want fire protection in the foothils, however, due to the innumerable problems - including the third class borough controversy - we are unable to do anything. Area-wide fire protection is the only sensible approach, however, our major concern is what will the reaction be of the city residents if we do what we really know we should do.

We should be doing something about roads outside the city limits also, and duplicating the city's public works staff is ridiculous. We already have too many managers and assistants, finance directors, attorneys, purchasing agents, labor relations experts, computers, etc. Financially, we're in excellent shape and looking to lowering taxes (since we have no power to provide services) while the city is laying off workers.

In conclusion, a third class borough with fifty service areas is not the solution, nor is continuing as we are. I hope this limited analysis is of some aid in your briefing.

RAG:cmo

cc Department Heads
cc Borough Assemblymen

FAIRBANKS NORTH STAR BOROUGH
Initial Allocations per original Borough Budget - 7/1/76
Ordinance No. 76-20

ACCOUNT	APPROPRIATION	OTHER REVENUE	LOCAL TAX	PER CENT OF LOCAL TAX
Education	$ 6,092,476	$ -0-	$ 6,092,476	46%
Assembly Reserve *	1,063,895	-0-	1,063,895	8
Assembly	214,290	-0-	214,290	2
Mayor's Office	230,885	-0-	230,885	2
Transit**	45,000	-0-	45,000	0
Impact Information	62,000	-0-	62,000	0
Elections	27,300	-0-	27,300	0
Finance***	1,432,117	17,000	1,415,117	11
Assessing	507,783	-0-	507,783	4
Law	123,665	-0-	123,665	1
Planning & Zoning	498,568	125,900	372,668	
Engineering	220,180	-0-	220,180	2
Environmental Services	596,679	163,400	433,279	3
Town & Village Assoc.	34,914	-0-	34,914	0
Community Service	55,900	-0-	55,900	0
Animal Control	273,299	16,000	221,299	2
Parks & Recreation	537,756	304,900	232,856	2
Library	385,913	5,000	380,913	3
North Pole Library	98,796	-0-	98,796	0
Unallocable****	-0-	1,385,000	(1,385,000)	-(10)
Capital Outlay	743,135	743,135	-0-	0
Debt Service	3,829,419	1,000,000	2,829,419	21
	$ 17,037,970	$3,760,335	$ 13,277,635	100%

*Contains reserves for transit, wage settlements, swimming pools
**Local cost this year expected to be $51,000
***Contains rent, insurance, central duplication, communications, ($23,000 day care) etc
****Interest income, tobacco tax, land sales, mineral revenues, etc. Not able to apply to any specific department

FUNCTIONS OF FAIRBANKS NORTH STAR BOROUGH

FUNCTION	DATE OF ASSUMPTION	
Assessment and Collection of Taxes	January 1, 1964	Mandatory with formation of Borough
Education	January 1, 1964	Mandatory with formation of Borough
Planning & Zoning	January 1, 1964	Mandatory with formation of Borough
Animal Control	Election - October 5, 1965	
Flood Control	Election - October 5, 1965	
Hospital	Election - June 21, 1966 (not exercised at present)	
Library	Election - June 21, 1966	
Fireworks Control	February 8, 1968 (29.48.020)	
Air Pollution Control	May 14, 1970 (29.48.035)	
Disaster and Civil Defense	August 27, 1970 (29.48.035)	
Construction and Maintenance of Local Service Roads	A.S. 19.30.251 (SLA 1971)	
Garbage and Solid Waste Disposal	September 28, 1972 (29.48.030) (transfer from cities)	
Parks & Recreation	Election - October 3, 1972	
Public Transportation System	June 20, 1974 (29.48.030) Election - October 7, 1975	

FAIRBANKS NORTH STAR BOROUGH
PARKS AND RECREATION DEPARTMENT

PROPERTY INVENTORY

PARKS	LOCATION	FACILITIES	ACRES
Birch Hill Park	Birch Hill	I,N,U,V,W	439.69
Fairbanks Park	Lathrop St/16th Ave/22nd Ave	F,G,H,M,O,R,T,X	159.00
Growden	2nd Ave/Crosson/Wilbur	A,B,C,L,P,S	73.00
Peirce Park	University Ave/Geist Rd	I,N,U,W	21.81
Allridge Park	Cowles/24th Ave.	A,S,X	10.14
Nussbaumer Park	Haines/E Street	A,L,P,X	4.46
South Fairbanks Park	22nd Ave/Kellum/Gilmore	U,W	3.62
Griffin Park	Wendell/Chena River	P,S,Y	3.00
Wien Park	Airport Way	Z	3.00
Lazelle Coasting Hill	Lazelle Road	E	2.31
Baseball Park	19th Ave/Gillam	B	2.22
Bluebell Park	Bluebell/16th	A,P,Z	1.35
Noble St. Park	12th Ave/Noble St	A,Z	1.04
Bentley Park	South Tip Chena River	A,P	1.00
Baranof Park	Baranof/E/F Sts.	A,P	0.60
Mercier Playground	22nd/Mercier St	A	0.30
Graehl Park	Near Wendell St Bridge	A,K	0.30
Riverside Park	Island Homes/Slater Dr	P,Z	0.50
North Pole Park	North Pole	A,C,N,P,X	10.00
Ringstad Park	Crosson/Stewart Sts.	U,W	3.00
Aurora Playground	Central/Dogwood	A	0.20
Bjerremark Playground	Bjerremark (B35,L50)	U	0.40
Graehl Playground	Second Ave (B18,L15)	U	0.40
Johnston Playground	Tamarac/Noyes Slough (B5,L6)	U	0.40
Lemeta Playground	Kathryn/Noyes Slough	U	0.20
Townsite Park	4th/3rd/Clay/Cemetery	U	5.00
Two Sites - Chena River & Pikes Landing Road		K,U	5.00
South Bank Chena River - East of Wendell St. Bridge		A,K,X	0.50
Lions Playground	15th/Turner	A	0.20
Hamilton Acres Park	Hamilton/Glacier	W	13.44
Slaterville Park	Slater/Church	U	1.80
Noyes Slough Park	College Road/Noyes Slough	U	24.99
Kendall Subdivision	Mattie Lane/Bobana Rd.	U	2.00

FACILITIES KEY

A - Playground
B - Baseball Field
C - Camper Park
D - Day Camp
E - Coasting Hill
F - Football Field/Track
G - Skating Rinks
H - Hockey Rink
I - Cross Country Ski Trail
J - Historical Site
K - Boat Launch Ramp
L - Little League Baseball Field
M - Meeting Room
N - Nature Trail
O - Park/Recreation Division Offices
P - Picnic Area
Q - Soccer Field
R - Recreation Center
S - Softball Field
T - Tennis Courts
U - Undeveloped
V - Summer Camp
W - Wilderness
X - Restrooms
Y - Horseshoe Courts
Z - Landscaped Area

Alaska State Legislature

POUCH Y, STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

Feb. 8, 1977

Mr. Richard Brown, Chr.
Third Class Borough Committee
SR Box 10657
Fairbanks, AK 99701

Dear Richard:

Your Fairbanks Caucus met Feb. 1, 1977, to discuss the problems confronting the Third Class Borough Committee.

We agreed with Senator John Butrovich -- the Attorney General's opinion notwithstanding -- that the legislative intent of Senate Bill 328 in 1968 was to establish a third class borough with service areas which could self-impose powers beyond education, tax assessment and collection.

We further agreed to seek legislation from two directions. First, Senator John Huber will draft a bill designed to allow local option on some areawide borough powers under Title 29, Chapter 33 (Areawide Borough Powers & Duties). His bill would permit voters in the borough to exempt themselves from Sec. 29.33.090 (Zoning). Next, Representative Charles Parr will draft a bill designed to clarify the authority of third class boroughs under Title 29, Chapter 41 (Powers of Third Class Boroughs). The idea would be to give the force of law to the intent expressed by Senator Butrovich in SB 328.

Both Senator Huber and Representative Parr have stated they will review drafts of their bills with our entire Fairbanks Caucus before introduction to allow co-sponsors. At that time, each of us will make individual decisions on the bills.

Thank you for appearing Jan. 28th at our caucus luncheon. We understand your concern on this matter.

Sincerely,

Sen. John Butrovich

Rep. Fred Brown

Sen. Glenn Hackney

Rep. Steve Cowper

Sen. John Huber

Rep. Charles Parr

Rep. Don Bennett

Rep. Sally Smith

Rep. Larry Carpenter

HB
342

Questionnaires

1. Are people in your village talking about OCS? Yes -- 47%, No -- 42%, Don't know -- 11%

   If people in your village are talking about OCS, what kind of things are they saying?
   - --- "Evil to be unalterably opposed to"
   - --- Concern over fishing and industry locations
   - --- Concern over Washington, D. C. position on 200-mile fishing limit
   - --- Where will they drill and what about oil spills?
   - --- What about: health care, housing, economic impact, seafood?
   - --- Concern over life style impact, renewable resources, environment
   - --- "Don't want anything to do with OCS for fear of hurting subsistence"
   - --- "That ice too dangerous for industry -- don't want no drilling on our land"
   - --- "When will it come and what are we going to do?"

2. Have you been to any other meetings on OCS? Yes -- 35%, No -- 65%
   If you have been to other meetings on OCS, what type of information did you learn?
   - --- Few specifics
   - --- Yakutat information
   - --- "I just feel like I'm wasting my breath"
   - --- Mostly general information
   - --- Offshore drilling technical information
   - --- That there's lots of grave concern about being overwhelmed by development
   - --- Western civilization bullshit

3. Have you seen any slides or films on OCS? Yes -- 30%, No -- 70%

4. Have any of the following people visited your village recently to talk about OCS?

Federal government:	Yes -- 14%,	No -- 73%,	Don't know -- 13%
State government:	Yes -- 20%,	No -- 73%,	Don't know -- 7%
Regional corporation:	Yes -- 13%,	No -- 74%,	Don't know -- 13%
Oil company:	Yes -- 13%,	No -- 75%,	Don't know -- 12%
Other: (Borough planners, Kodiak Borough)	Yes -- 13%,	No -- 75%,	Don't know -- 12%

5. How do you feel about OCS in relation to the following?

		Good	.....	.....	Bad
a.	Jobs	29%	17%	29%	25%
b.	Profit to corporation	25%	25%	50%	
c.	Cultural impact	10%	5%	17%	68%
d.	Subsistence life style	9%		24%	67%

6. How would you rate your need for more information on the topics listed?

		Need info desperately	Would be very useful	Could use it	No need
a.	Offshore facility	40%	43%	13%	4%
b.	Joint venture arrangements	40%	34%	13%	13%
c.	How to stop OCS	36%	42%	11%	11%
d.	Onshore facilities	62%	25%	10%	3%
e.	Powers of a city (taxing, zoning, etc.)	45%	40%	15%	
f.	Funding sources	73%	21%	6%	

7. If it was your decision to go or not to go along with OCS development in your village area:
   - a. Do you need more information before deciding? Yes -- 95%, No -- 5%
   - b. Are you ready now to say yes, go ahead? Yes -- 2 responses, No -- 2 responses
   - c. Are you ready now to say no, we don't want it? Yes -- 2 responses, No -- 0 responses

8. Do you feel the state is doing enough to assist villages in OCS planning? Yes -- 17%, No -- 78%, Almost -- 5%

9. Who should use the available federal and state monies to develop an OCS plan for your area?

   Federal government -- 2%
   Regional corporations -- 29%
   State government -- 5%
   Subregional associations -- 16%
   Village -- 43%

10. Do you feel follow-up activities to the meeting would be useful? Yes -- 100%, No -- 0%

Don Gilman Kenai Pen. Boro

weakest area of bill - ~~commission~~ (council)
is members too large
bill is mandated planning & zoning
→ provide for Monies to Municipalities

Peter ~~Hendrith~~ Hubbarth - Sea Alaska

Don't enact bill until ANCSA Corps. receive land →→ but have selected?

Don't implement bill till ANCSA Corps. receive land -

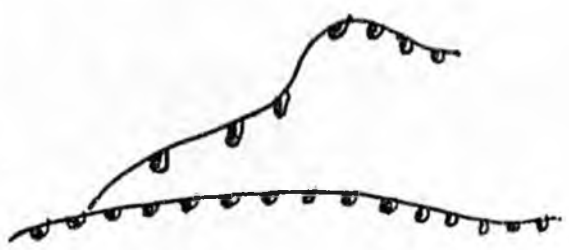
large private owners ~~don't want~~ dis-enfranchised in coastal planning.

Composition council - all selected by boro. - Make 1 member from each coastal policy district, rather than local elected officials -

Lee Sharp - JNO

membership on council wd. be burden on munis.

Glen akins Coastal Mgmt. Proj.



Charlie re contractors

not agreed: interest on dist.
to impose views
rehab. urban facility
smaller
define "community"
p. 8, line 24: delete
effective after 1/1/72

3rd Ca.

V. DalPiaz - ACS -

1. Max. local participation for planning - but statewide resp.
   suggests voting at large mems. on council
2. Public hearings for dist. c.m. plans - Comm. hearings recorded
3. Protection, enhancement emphasis, not development
   No interim protec. while plans being formulated in act now -
4. Shd. be under DNR, not CoRA

M. DeMan

1. Coastal policy council - state members shd. advise public board -
2. Remember property rights of land owners
3. Shd. be planning for something

The State Affairs Committee has had SENATE JOINT RESOLUTION NO. 20 (requesting establishment of a Farmers Home Administration state office in Alaska) under consideration and the committee recommends it do pass. The report was signed by Senator Willis, Co-Chairman, and concurred in by Senators Kerttula, Huber and Ray. SJR 20

SENATE JOINT RESOLUTION NO. 20 was referred to the Rules Committee.

The Resources Committee has had SENATE BILL NO. 196 (regulation of shellfish pots) under consideration and the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 196, entitled: SB 196

"An Act relating to the regulation of shellfish pots and buoys used in the taking of king crab."

and that the committee substitute do pass.

The report was signed by Senator Poland, Chairman, and concurred in by Senators Tillion, Croft, Huber, Meland, Colletta and Butrovich.

SENATE BILL NO. 196 was referred to the Rules Committee.

Fiscal note accompanying SENATE BILL NO. 196 appears in Senate Supplement No. 31 to today's journal.

The Community and Regional Affairs Committee has had SENATE BILL NO. 220 (management of coastal resources of the state) under consideration and a majority of the committee recommends it do pass with the following amendment: SB 220

Page 2, Line 28: Change "eight" to "nine"
Page 3, Lines 3 & 4: Delete "the area of the North Slope Borough and"
Page 3, Line 6: Add new section "(B) the North Slope Borough:" and reletter accordingly

The report was signed by Senator Orsini, Chairman, and concurred in by Senators Hackney and Willis. Senator Ferguson signed "no recommendation".

Letter of Intent by the Community and Regional Affairs Committee appears in Senate Supplement No. 31 to today's journal.

SENATE BILL NO. 220 was referred to the Finance Committee.

SB 220 The President stated the journal would reflect that Senator Ferguson dissents from the Letter of Intent by the Community and Regional Affairs Committee.

SB 227 The Resources Committee has had SENATE BILL NO. 227 (regulating procedures on appplications for permits for use of state's air, land, or water resources) under consideration and a majority of the committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 227 and that the committee substitute do pass. The report was signed by Senator Poland, Chairman, and concurred in by Senators Tillion, Meland, Butrovich and Colletta. Senator Huber signed "no recommendation".

SENATE BILL NO. 227 was referred to the Rules Committee.

CS HB 233 am The State Affairs Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 233 amended (land under the Alaska Native Claims Settlement Act) under consideration and a majority of the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 233, entitled:

"An Act relating to selection of state land and federal land withdrawal and classification; and providing for an effective date."

and that the Senate Committee Substitute do pass with the following amendment:

Page 2, Line 1: delete "Office of the Governor" and insert "Department of Natural Resources"

The report was signed by Senator Kerttula, Co-Chairman, and concurred in by Senators Huber and Willis. Senator Ray signed "no recommendation".

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 233 amended was referred to the Resources Committee.

CS HB 234 am The State Affairs Committee has had COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 234 amended (special appropriation for Steering Council for d-2 lands) under consideration and a majority of the committee recommends it be replaced with SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 234, entitled:

"An Act making special appropriations for the work of the Steering Council for Alaska Lands; and providing for an effective date."

AMENDMENT #1

OFFERED IN THE SENATE: BY: Resources Committee

TO: _____ SENATE BILL No. 220

HOUSE BILL No. _____

PAGE: 2 LINE: 28

Sec. 44.19.891. ALASKA COASTAL POLICY COUNCIL.

After (1) substitute new language as follows:

Eight public members appointed by the Governor from a list comprised of At least three names from each region, nominated by the municipalities of each region. The nominees shall

02-001B

STATE
of ALASKA

MEMORANDUM

TO: Senator Poland
Senator Orsini
Representative Rudd
Jack Chenoweth
Ron Lind
Fran Ulmer

DATE : March 25, 1977

FROM: Murray Walsh
Alaska Coastal Management Program
Division of Policy Development and Planning
Office of the Governor

SUBJECT: SB 220/HB 342: Fiscal Note

We have prepared a fiscal note for SB 220/HB 342. Since the bill will complement and augment an existing program, we have tried to present a basic understanding of the present and near future financial expectations of the Alaska Coastal Management Program, rather than just showing the expected increases that would result from passage and implementation of SB 220/HB 342.

We hope this information is useful and instructive to you, and please call on us for further explanation or clarification of the fiscal or any other aspects of the coastal program.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 220 / HB 342
Title "An Act relating to the management of coastal resources of the state"
Requested by The Senate Rules Committee by request of the joint Administration-Legislative Committee on coastal management Date 3/7/77

II. FISCAL DETAIL
Agency Affected Office of the Governor (DPDP) and Dept. of Comm. & Reg. Affair
Program Category Affected Coastal Zone Management
Budget Request Unit(s) Affected 01-47-6-02-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
OTHER (Specify)						

POSITIONS

FULL TIME	4	4	4	4	4	4
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

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

A. Assumptions.

1. Passage of the bill will make federal approval under section 306 of the Coastal Zone Management Act of 1972, and award of additional funding under that section, possible; and this should occur in June of 1978.
2. No increase in state cash appropriations will be needed to match the incoming federal grants. The larger federal grants can be matched with local participation and state agency in-kind services.
3. Only four new positions in state government (3 in CRA, 1 in DPDP) should be needed to implement the bill. Almost all of the bill's provisions can be met with the existing personnel now in place in various state agencies as a result of the existing Alaska Coastal Management Program (ACMP). The new positions will be needed because of the substantial new role of local governments and the needs of the new council.

IV. DATE 3/23/77 PREPARED BY ~~Murray R. Walsh~~
AGENCY ~~DPDP, Governor's Office~~
PHONE 465-4973

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

33-001 (Rev. 10/76)

III. Analysis, Continued

B. Program Summary.

The purpose of a fiscal note is usually to show what increases in state staff or expenditures can be expected as a result of legislation. In this case, SB 220/HB 342 would become the centerpiece of an existing program which began in the summer of 1974. The program, which is called the Alaska Coastal Management Program (ACMP) just as in the bill, has changed in many respects since it began, but the overall goal of wise use and protection of the coastal resources has never changed nor has the programmatic goal of federal approval under section 306 of the Coastal Zone Management Act of 1972 changed.

Analysis by the ACMP staff in the Office of the Governor, the Dept. of Law, and the federal Office of Coastal Zone Management shows that the proposed bill should make it possible for ACMP to be federally approved with little difficulty if the bill is enthusiastically administered. This approval would permit larger federal CZM grants to be made to the state. So, while the face sheet of this note is filled out according to the instructions for fiscal notes, we provide a more thorough look at the ACMP budget on the following charts. Grant application and BRU data, as well as ACMP staff experience and expectation have been melded to form general budget charts for fiscal years 1977, 78, and 79. The figures are reliable insofar as general allocations and magnitude; but they are not exact since there are many unknowns. The figures for FY 77 are also rough since they are drawn from two separate grant applications and a possible supplemental application.

The first chart might be thought of as the "pre-bill situation." Since FY 77 will end just after passage of the bill, there will be little of the bill reflected in the FY 77 chart. This is not awkward, since many of the bill's provisions were anticipated. The major difference from FY 77 to FY 78 and beyond will be the amount of local government involvement, which was only voluntary, and rather novel at the start of FY 77.

The second chart, for FY 78, is a projection of program development expenditures as the implementation of the bill begins. There is much to do: Local governments must be provided with enough funds to get their programs underway, and the Council will have quite a job in getting organized and establishing its guidelines and procedures. Additionally, the ACMP office will be pursuing approval of the program by the end of the fiscal year, and this will involve substantial time and money.

The third chart can be thought of as the first year of "regular" program administration. By this time the larger Sec. 306 grants will be available and local programs should be well underway. Also, some local governments may be done with developing their programs, and thus be eligble for administration grants with which to maintain their programs. This last topic

is not addressed in the proposed legislation, but making grants of CZM 306 funds for regular municipal and borough administration of local coastal programs is certainly permitted and encouraged in the national CZM program.

The first and second charts will be largely unchanged whether or not SB 220/HB 342 passes or not, except that the funds for local grants in the second (FY 78) chart might be less because the local demand would probably not be as high without the existence of a bill like SB 220/HB 342.

The third chart (FY 79) may not be valid at all if the bill does not pass because there is considerable uncertainty over whether ACMP could be federally approved without the help of SB 220/HB 342, or something similar.

Chart One-Fiscal Year 77.

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Cash Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 200,000
Program Elements	100,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	350,000
Assistance to Local Gov't	225,000
State Agency Projects	525,000
	$1,450,000

Chart Two-Fiscal Year 78

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 225,000
Program Elements	75,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	625,000
Assistance to Local Gov't	75,000
State Agency Projects	400,000
TOTAL	$1,450,000

Chart Three-Fiscal Year 79 (If approval under Sec. 306 of the Coastal Zone Management Act has been achieved, and the federal funding is thereby available.)

Approximate ACMP Receipts:*

Federal:	$2,000,000
State Appropriation:	250,000
TOTAL	$2,250,000

Approximate ACMP Expenditures:

ACMP Office Use:	
Public Participation:	$200,000
Program Elements:	75,000
Grant and Contract Adm	75,000
Program Development Grants to local government:	700,000
Program Administration Grants to local gov't:	600,000
Assistance to Local gov't:	100,000
State Agency Projects:	500,000
TOTAL	$2,250,000

* The receipts shown here are those monies under ACMP Office control only. The federal grants do require state matching shares, of which the annual ACMP appropriation is a part. The rest of the match is made up from local and state agency in-kind contributions to the program. Grants to local governments usually require that the local government contribute some value to its own program in cash or in kind, and this contribution is used as part of the overall match for the federal funds. The match ratio now is 4 federal dollars for every 1 state dollar. The state ususally has no trouble finding enough matching share, and this is why we do not expect to ask for any larger annual appropriation than $250,000 per year.

C. Personnel.

SB 220/HB 342 will cause a dramatic increase in local involvement in ACMP. Thus, we see the need of at least three mid-range planners in addition to the existing CRA staff to handle the increased demand for grants and services. All other aspects of SB 220/HB 342 have been forseen except the Alaska Coastal Policy Council, and the ACMP office will need a para-proffessional administrator to attend to the needs of the Council. All these people can easily be paid from the present program revenue.

SECTION-BY-SECTION ANALYSIS

SB 220 - HB 342

(An Act Relating to the Management of the Coastal Resources of the State)

In this analysis --

Council means the	Alaska Coastal Policy Council
Program means the	Alaska Coastal Management Program
District Program means the	District Coastal Management Program
Service Area means the	Coastal Resource Service Area

Area which Merits Special Attention	Defined in section 46.35.210(1)
Coastal Resource District	Defined in section 46.35.210(2)
Use of Direct and Significant Impact	Defined in section 46.35.210(5)
Uses of State Concern	Defined in section 46.35.210(6)

Major Economic Activity	Defined - 46.35.160(b)
Village	Defined - 46.35.180(d)

* Section. 1.

Sets out the legislative findings which show that

- The development of valuable resources which exist along Alaska's coast may outstrip the capabilities of coastal communities to deal with the impacts of accelerated development in the coastal areas; and that there is
- Great need for sound water and land use planning along the coast which would allow for development and use of the resources while at the same time protecting the natural and scenic values of the coast;

* Sec. 2

Sets out the legislative policy which provides that

- The coastal resources of the State should be preserved, protected, restored and enhanced as necessary, but also developed and used, for the benefit of this and future generations; that
- Coordinated planning and decision making among the various levels of governments and citizens of the State should be encouraged; that
- A management program, which would set out the State's policies, objectives and procedures regarding the coast should be developed; that
- Such a management program provide for the resolution of conflicts which may arise between public and private coastal resource activities as well as those which may have a <u>direct and significant impact</u> upon the coastal areas of the State; that

- Such a management program provide for participation by the public, local governments, and agencies of the State and Federal governments in the development and implementation of the program; that
- Such a management program utilize existing governmental structures and authorities; and finally that
- State agencies comply with the policies, and the guidelines and standards adopted by the Alaska Coastal Policy Council.

* Sec. 3

Adds new sections to Chapter 19 (Office of the Governor) of Title 44 (State Government) which would establish the Alaska Coastal Policy Council to carry out the State' policies.

Sec. 44.19.891

(a) Creates the Alaska Coastal Policy Council within the Governor's Office. The council would consist of 15 members; eight would be public members, appointed by the governor, and seven would be Administration members. The eight public members would have to be mayors, or members of assemblies or councils of incorporated local governments from one of eight designated coastal regions. The seven Administration members would be the Director of DPDP, and the Commissioners of the Departments of Commerce and Economic Development, Community and Regional Affairs, Environmental Conservation, Fish and Game, Natural Resources, and Transportation and Public Facilities.

(b) The public members would serve two year terms and could be reappointed. Their terms would be staggered.

(c) The Council would select co-chairmen from among its membership, one from the public members and one from the Administration designees.

(d) Members of the Council would be allowed to select one person as a permanent alternate to represent them at Council meeting.

(e) Four public members and three designated members would constitute a quorum.

However, one or more members would be able to hold hearings.

Decisions of the Council would be by majority vote of those present and voting.

(f) Council members would be entitled to per diem and travel expenses, and

(g) A vacancy among the public members would be filled by appointment of the Governor for the unexpired portion of the term.

Sec. 44.19.892

Sets out the powers of the Council, which would include

- Applying for and accepting of grants, contributions, and appropriations, including Federal monies which would become available for coastal planning and management.
- Contracting for services.
- Consulting and cooperating with all parties concerned with or having jurisdiction over coastal planning and management.

Sec. 44.19.893

Sets out the duties of the Council, which would include

- Developing guidelines and standards for the preparation and approval of the Alaska Coastal Management Program.
- Establishing continuing coordination among the various State agencies to facilitate the development and implementation of the Alaska Coastal Management Program, as well as
- Initiating an interagency program of comprehensive coastal resource planning for each of the eight coastal regions represented on the Council.
- Providing, on a continuing basis, data and information to Coastal Resource Districts to carry out their planning and management functions under the Alaska Coastal Management Program.
- Submitting annually to the Legislature those portions of the Alaska Coastal Management Program approved or amended by the Council during the preceding year.

Sec. 44.19.894

Designates the staff of the Office of Coastal Management within DPDP to be the staff to the Council in carrying out its duties.

* Sec. 4

Adds a new chapter to Title 46 (Water, Air and Environmental Conservation) to develop the Alaska Coastal Management Program.

Sec. 46.35.010

((a) (Provides that the Council approves the Alaska Coastal Management Program.)

(b) Provides that portions of the Alaska Coastal Management Program could be approved by the Council as they are developed.

(c) The Council would review the Program, and when appropriate revise it to

- Add newly approved District Coastal Management Programs;
- Intergrate newly approved District Coastal Management Programs, and/or revisions and amendments of District Coastal Management Programs with existing programs, and/or with plans developed by State agencies.
- Add new or revised State statutes, policies, regulations or other appropriate material.
- Review the effectiveness of implementation of District Coastal Management Programs.
- Consider new information acquired by the State and by Coastal Resource Districts.

(d) All reviews and revisions by the Council would have to be in accordance with the guidelines and standards adopted by the Council.

Sec. 46.35.020

Lists the eight objectives of the Alaska Coastal Management Program. They include

- The use, management, restoration and enhancement of the overall quality of the coastal environment.
- The development of industrial or commercial enterprises consistent with the social, cultural, historic, economic and environmental interests of the people.

- The orderly, balanced utilization and protection of the resources of the coastal areas consistent with sound conservation and sustained yield principles.
- The management of coastal land and water uses in such a manner that those uses which are dependent on a coastal location (economically and/or physically) are given a higher priority than those uses which do not require a coastal location.
- The protection and management of signficant historic, cultural, natural and aesthetic values, and natural systems or processes within the coastal area.
- The prevention of damage to or degradation of land and water (reserved for their natural values) as a result of inconsistent land or water usages (adjacent to that land).
- The recognition of the need for a continuing supply of energy to meet the requirements of the State and the nation, and
- The full and fair evaluation of all demands on the land and water in coastal areas.

Sec. 46.35.030

Provides for the creation of Coastal Resource Districts to develop District Coastal Management Programs. The District Coastal Management Program would be based on a comprehensive resource use plan, or a comprehensive statement of needs, policies, objectives and standards which would govern the use of the various resources in the Coastal Resource District. Each District Program would have to be consistent with the guidelines and standards of the Alaska Coastal Management Program, and would include

- The delineation of the boundaries of the Coastal Resource District.

  A listing or definition of land and water uses and activities which would be subject to a District Coastal Management Program.
- The policies and regulations which would be applied to the land and water uses and activities which would be subject to a District Coastal Management Program.
- A description of the uses and activities which would be proper and those which would be improper within the boundaries of a Coastal Resource District.
- The policy which would be applied, and the procedures which would be used to determine which proposals for land or water uses or activities would be allowed.
- The designation of areas in a Coastal Resource District which merit special attention, and the criteria which would be applied for their use.

Sec. 46.35.040

Specifies the duties of the Alaska Coastal Policy Council. Among these would be

- The development, identification and definition of guidelines and standards for use by Coastal Resource Districts and State agencies within six months of the effective date of this Act. (These guidelines and standards, developed by the Council, would essentially cover the same items listed in the previous section (46.35.030).)

  In addition, the guidelines and standards which would be developed by the Council would be used to measure the progress

Coastal Resources Districts are making in developing and implementing their own District Programs.

- The development of an ongoing program which would provide technical and financial assistance to the Coastal Resource Districts in the development and implementation of their District Programs.
- The review and approval of District Programs.
- The initiation of a process for identifying and managing, uses of State, regional and/or district concerns within specific coastal areas.
- The development of procedures and/or guidelines for coordination and cooperation with Federal agencies which manage and use Federal lands in coastal areas.

Sec. 46.35.050

Provides that Coastal Resource Districts would be required to complete and submit to the Council for approval a District Program within 30 months of the effective date of this Act, or within 30 months of certification of the results of a Coastal Resource District's organization, whichever would occur later.

Sec. 46.35.060

(a) Provides that if certain portions of a District Program submitted to the Council for approval were not in compliance with the provisions of the Act, the Council could still approve those portions which were consistent.

(b) Those portions of a District Coastal Management Plan which would or could not be approved by the Council because of deficiencies would be mediated. Such mediations would include public hearings in the affected Coastal Resource District, and meetings between the Council and Coastal Resource District officials to resolve the differences and correct the deficiencies.

(c) If differences could not be resolved by mediation the Council would then call for a public hearing, and the differences would be resolved in accordance with the Administrative Procedure Act (44.62). The Council would be required to enter its findings, and then could require that

- The affected District Program be amended to be consistent with the Act, or that
- The Program be revised to accommodate a use of State concern.

(d) Designates the Superior Court as the court which would have jurisdiction to enforce orders of the Council.

Sec. 46.35.070

(a) Provides for the standards the Council would have to follow in approving or disapproving a District Program. The Council must approve a District Program if it is consistent with the Act and the guidelines and standards adopted by the Council.

(b) Even if a District Program were not consistent, the Council would have to approve it if it were determined that strict adherence to the guidelines and standards

- would result in violation of another law, or

- would cause substantial harm to another value in the Coastal Resource District, or that
- the inconsistency is of a technical nature and would not result in substantial harm.

(c) This section also provides that the Council would have to approve a restriction or exclusion (of a District Program) of a use of State concern, if it found that
- The Coastal Resource District had consulted with the appropriate State agencies; that
- The restriction or exclusion was based on the fact that no suitable alternative site was available; and that
- The restriction or exclusion was based on an analysis which showed that the proposed use would have been incompatible with the proposed site.

(d) Under this section a decision by the Council would have to be made within 90 days.

Sec. 46.35.080

Provides that the Alaska Coastal Management Program would take effect upon adoption of a concurrent resolution by a majority of each house, or by a vote of the majority of each house at a time the houses are convened in joint session to confirm executive appointments.

Sec. 46.35.090

(a) Provides that District Programs (approved by the Council for a Coastal Resources District) which do not have planning and zoning authority would be implemented by the appropriate State agencies.

(b) Those Coastal Resource Districts who exercise planning and zoning authority would implement their own Programs (once they had been approved by the Council).

Sec. 46.35.100

(a) Deals with compliance and enforcement of District Programs. It provides that muncipalities and State agencies would administer land and water use regulations in conformity with approved Programs.

(b) The sections states that if it were found that a District Program was not being enforced, implemented or complied with, the Council would convene a public hearing to consider the matter. After the hearing the Council could order the affected Coastal Resource District and/or State agency to take the necessary actions to enforce, implement or comply with an approved District Program.

(c) In determining whether an approved District Program is being enforced, implemented or complied with by a Coastal Resource District which exercises planning and zoning authority, the Council would find in favor of the respective Coastal Resource District if

- Zoning or other regulations had been adopted or were being enforced;
- Variances had been granted which complied with the elements of the District Program, or which had been approved by the Council; and

- Procedures and standards of the Act had been followed and considered by the Coastal Resource District.

(d) In determining whether a State agency was enforcing, implementing, or complying with a District Program with respect to its exercise of regulations or control of the resources, the Council would find in favor of the State agency if the

- Use or activity for which the permit, license, or approval had been granted was consistent with the District Program, and if the
- Requirements imposed by State statute, regulation, or local ordinance applicable to the use or activity were consistent with the District Program.

((e) The Superior Court would have jurisdiction to enforce orders of the Council.)

Sec. 46.35.110

Would provide for the establishment of Coastal Resource Service Areas with powers granted to perform the duties required in this Act, in the unorganized borough.

Sec. 46.35.120

(a) Provides for the organization of Coastal Resource Service Areas in those Regional Education Attendance Areas which contain part of the coastline.

(b) The section further provides that the Commissioner of the Department of Community and Regional Affairs could, after public hearings, consolidate two or more REAAs into a single Coastal Resource Service Area if

- A substantial portion of the coastal area in question belonged to or was administered by the Federal Government; i.e., an area over which the State could not exercise control as to its use; or if
- There was the likelihood that an area in the unorganized borough which covered more than one REAA might be incorporated.

(c) The section also provides that a determination for a possible consolidation of two or more REAAs (for the above stated reasons) would have to be made prior to organizing a Service Area, but no later than six months after the effective date of the Act.

Sec. 46.35.130

(a) Provides for the three forms of organization of a Coastal Resource Service Area. It could be accomplished either by
- Submission of a petition to the Council by the number of voters equal to 15 percent of the number of votes cast in the last general election; or it could be accomplished by
- Submission of a resolution to the Council by a city council, or a traditional governing body of not less than 25 percent of the number of cities and villages located within the Service Area; or it could be done at the
- Direction of the Council whenever it appeared that a major economic development activity would occur in the Service Area. (Major economic activity is defined in Sec. 46.35.160(b)).

(b) The Lt. governor would conduct an election on the question of organization of a Service Area within 60 days (but no later than 90 days) after the receipt of a petition or resolution, or at the direction of the Council.

Sec. 46.35.140

(a) Provides that each Service Area would have an elected board which would have the same powers, duties and functions (to develop and implement a program) as those required of a Coastal Resource District.

(b) The Board would have seven members, which would be elected at large, except that

(c) The Commissioner of the Department of Community and Regional Affairs could (after consultation with residents of a Service Area) divide Service Areas into sections for the purpose of nominating and electing board members. (In accordance with AS 14.08.051(a)). Such division could also be requested in the petitions or resolutions submitted by Service Areas, or at the direction of the Council for organization of Service Areas as noted earlier. (Sec. 46.35.130(a))

Division into sections could also be proposed at any time by members of the respective Service Area boards. However, if such divisioning were to be proposed by a Service Area, it would have to be approved first by a majority of the qualified voters voting at the next regular election, or a special election called for that purpose.

If a division into sections for the purpose of nominating and electing board members were to be approved, it would take effect at the next regular election of Service Area board members.

(d) The term of office for Service Area board members would be three years. Board members could be reelected. Terms would be staggered.

(e) The Lt. governor would have to hold elections, with the first election to be held not less than 60 nor more than 90 days, after certification of the results of a Service Area organization election.

(f) Subsequent elections would be held annually on the same date as the election for board members of REAAs.

(g) Subsection (g) of this section provides for the appointment of a board member to fill a vacancy on a Service Area board. (According to AS 14.08.041(a))

(h) Recall of Service Area board members is subject to the same provisions as a recall for municipal officials. (Under AS 29.28.130 - 29.28.250).

(The Lt. governor would receive and review recall petitions, as well as conduct recall elections.)

Sec. 46.35.150

Provides that all elections in the Service Areas be administered by the Lt. governor as provided for in the Alaska Election Code. (In addition, it provides that the Lt. governor may adopt regulations as necessary, and that all election costs would be borne by the State.)

Sec. 46 35.160

(a) Provides for the organization of a Service Area at the direction of the Council whenever it appeared that a major economic development activity would occur in a Service Area, or in waters adjacent to a Service Area which had not been organized. The Council would have to hold at least one public hearing in the affected area before an election could be held by the Council.

((b) Defines "major economic development activity".)

Sec. 46.35.170

(a) Provides that if residents of a Service Area were to reject organization, and the Council found after public hearings that a major economic development activity was or would be occurring the Council could direct the Department of Community and Regional Affairs to prepare a District Program for submission to the Council and the Legislature.

(b) In addition, the Department of Community and Regional Affairs would complete a District Coastal Management Program for a Service Area which had been organized, but which had

- Failed to make substantial progress in preparing an approvable District Program within 18 months of organization, or which had
- Failed to submit for approval a District Program within 30 months of organization.

The preparation of a District Program by the Department of Community and Regional Affairs would be accomplished in consultation with the affected Service Area. The section further

provides that the District Program would reflect the expressed concerns of the residents of the Service Area to the maximum extent possible.

(c) However, subsection (c) provides that before the Department of Community and Regional Affairs could complete a District Program, the Council would be required to meet with members of the Service Area board to determine if they could complete a District Program on their own within the time frame established in subsection (b) of this section (i.e., 18 or 30 months).

Sec. 46.35.180

(a) Provides that a District Program would have to be submitted for review to each city or village within the Service Area before adoption by the board.

Within 60 days the council of a city, or the residents of a village could either approve, or enter their objections to the District Program.

(b) If a city or village failed to approve portions of the District Program, the governing body would have to advise the Service Area board (or the Department of C&RA) of its objections, as well as suggest alternatives.

The Service Area board would accept new material from a city or village (which would be consistent with the guidelines and standards adopted by the Council) and the District Program would be modified accordingly.

(c) Objections by a city council would be confined to elements of the District Program which would be within the corporate limits of the city. The objections of a village council would be confined to those elements of the District

Program which would be within the village and/or a two mile radius of the village.

((d) Defines "village".)

Sec. 46.35.190

(a) A city which is within the coastal area, but which is not part of a Service Area could include itself in that Service Area if its governing body consented to the inclusion.

(b) The initiation of mutual agreements and cooperative or joint administration of functions between a municipality and a Service Area is encouraged.

Sec. 46.35.200

Provides that upon adoption of the Alaska Coastal Management Program State departments, boards, and commissions would have to review their statutory authority, administrative regulations and applicable procedures to determine if any deficiences or inconsistencies existed which would prevent them from complying with the statewide Program. State agencies would be required to take whatever actions were necessary to insure that they would be in full compliance with the statewide Program. This would include the preparation and submission of recommendations to the Council for needed legislation within six months from the effective date of the Program.

Sec. 46.35.210

Contains the defintions' section (pp. 21, 22, 23, 24), which includes definitions of

(1) Area which merits special attention

(2) Coastal Resource District

(3) Use of direct and significant impact

(4) Uses of State concern

* Sec. 5

Adds a new section to Chapter 47 (Department of C&RA) of Title 44 (State Government).

The section provides for various kinds of assistance for the development, implementation and maintenance of District Coastal Management Programs by the Department of Community & Regional Affairs.

* Sec. 6

Provides that the Administrative Regulation Review Committee would have to review the administrative regulations adopted by the various executive departments dealing with the State's coastal areas. The Committee would have to make recommendations by January 20, 1979 for annulment of regulations which in the Committee's opinion would not meet the intent of the Alaska Coastal Management Program. These recommendations would have to be transmitted to the first session of the Eleventh Alaska Legislature.

* Sec. 7

Provides for an effective date clause.

TECHNICAL AMENDMENTS TO SB 220 and HB 342 --

Page 2, line 10: Between "coastal" and "of" insert "land and water"

Page 2, lines 28 and following: Revise to read:

(1) eight public members shall be appointed by the governor; the governor shall select the mayor or one member of the assembly or council of a municipality from each of the following general regions:

Page 4, line 8: Substitute "Transportation and Public Facilities" for "Public Works"

Page 5, line 14: After "coastal" delete "area"

Page 6, line 13: Amend to read: "The Alaska Coastal Management Program"

Page 7, line 17: Delete "historical", insert "historic"

Page 8, line 6: Delete "in meeting", insert "to meet"

Page 8, line 13: Amend to read:

...based upon a municipality's existing comprehensive plan or a new comprehensive resource use plan or comprehensive statement of needs...

Page 9, line 9: Amend to read:

(1) by regulation, adopt under the provisions of the Administrative Procedure Act (AS 44.62), within six months of the effective date of this Act, for the use of and application by coastal resource districts and state agencies for carrying out their responsibilities under this chapter, guidelines and standards for...

Page 10, line 7: Delete ", regional and district"

Page 13, line 16: Amend to read: "...is not being implemented, enforced or complied with,..."

Page 13, line 21: Amend to read: "...considers necessary to implement, enforce or comply with..."

Page 13, line 25: Delete "planning", insert "zoning"

Page 15, line 28: Delete "governing body", insert "village council"

Page 19, line 27: Delete "and residents of a village", insert "or traditional village council"

Page 19, line 29: Delete "residents of a village", insert "or traditional village council"

Page 20, line 18: Delete "village", substitute "traditional village council"

March 17, 1977

TO: LISA
FROM: JUDITH

RE: CZM

The following are the major changes made from the HCR 123 working draft FYI.

p.2 (6) new addition clarifies still further the policy of the state Coastal Zone Management program as the sole coordinating agency for coastal zone management in the state.

p.3 Membership includes specific appointments from local areas along the coast. This was one of the agreements as a result of HCR 123 and the efforts to get a blend of local and state-level control.

P.5 Line 23 (2) to include an interagency program of comprehensive coastal resource planning for each geographic region from which council appointments are selected.

p.6 Line 25 Reviews and revisions to the CZM program were previously to be done annually but [annually] was deleted in the new draft.

p.6 Line 26-28 (1) & (2) New language speaks to coordination with the district CZM programs.

p.10, Sec. 46.35.060.(b)
Gives greater powers to the Alaskan Coastal Policy Council to oversee and monitor district coastal management programs - once again an administration concern to maintain control at the state-level.

p.19, Sec.46.35.180. (a)
New language requiring greater local area input and approval by the area residents affected by a district coastal management program within 60 days after submission for review.

p.24, Sec. 44.47.095. Sec.5.
New section mandating review by the Administrative Regulation Review Committee of all state executive departments which affect the resources and use of the resources of the state's coastal area.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 30, 1977

FILE NO. SB 220/HB 342

SUBJECT: House Bill 342, Management of the Coastal Resources of the State

The Honorable Lisa Rudd, Chair
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

The Legislative Committee of the City and Borough of Juneau has reviewed and considered HB 342 and supports the general approach taken in the bill to management of our coastal resources. The committee supports maximum local participation in the policy making and enforcement aspects of coastal resource management and to that end requests that minor changes be considered which would help maximize local government input, participation and response under the bill.

The membership of the Alaska Coastal Policy Council is made up of seven state department or division heads who have been appointed to their position by the governor or one of his appointees. In addition, the governor appoints eight persons of his choosing from various regions who are elected local government officials. Thus, the governor appoints all fifteen of the council members. The appointment of the eight elected local government officials is made without the advice and consent of either the legislature or the local municipalities. In order to insure that the viewpoint of local government is represented by local government members who reflect the policies of the local governments involved, the appointing power as to the public members should be shifted to the local governments involved. It could be completely shifted to the local governments if the language between lines 28 and 29 on page 2 and lines 1 and 2 on page 3 is deleted and replaced by the following language:

> (1) eight public members, who shall be the mayor or member of the assembly or council of a municipality shall be appointed. One public member shall be appointed from each of the following general regions:

Following line 24 on page 3, add the following language which would be a continuation of (1):

Initially, and upon a vacancy or upon or prior to the expiration of the term of an incumbent, public members shall be appointed for the term or unexpired term in the following manner:

(A) Upon notification to municipalities in a general region by the governor or the council of a vacancy or a prospective vacancy in the seat representing the general region, the assembly or council of each municipality therein may, by motion or resolution, nominate its mayor or a member of its assembly or council to fill the vacancy. Upon making such a nomination, the municipality shall notify the governor and each of the other municipalities within the region of its nomination. If, subsequent to the making of such nominations, a majority of the municipalities within the general region adopt resolutions selecting one of the nominees as the region representative, such person shall be deemed appointed to the council.

(B) The person appointed shall notify the governor, the council, and each municipality in the region of the appointment. The person selected shall include with such notice a copy of each of the resolutions selecting that person as the representative of the general region.

(C) If the governor has not received notification of an appointment under (A) and (B) within 90 days of the last date upon which notice to a municipality was sent by the council or the governor, the governor shall appoint a public member for that general region from among the nominations supplied him under (A).

The procedure suggested above could be altered, however, the two elements which are essential to this procedure are:

1. That the representative for the general region should be appointed by the municipalities which will be the front line for enforcement of the coastal resources management program, and

2. That in the event the municipalities are not able to agree, the governor be limited in his appointments to the public member seats to persons who have been nominated by municipalities.

Other references to the appointment of public members by the governor which appear in the bill should be deleted or changed to conform to the change proposed above. Lines 1 and 2 of page 5 should be changed to read as follows:

> (a)(1) of this section, the alternate designated under (d) shall serve until a replacement who shall serve for the unexpired portion of the term has been appointed in accordance with the procedures set forth in (a)(1) of this section.

Municipalities are the key to the implementation of the Alaska coastal management program. By providing municipalities with an opportunity to select their representatives for the council, the state will be taking a step in the direction of creating greater credibility of the state program, encouraging the fullest possible local input to and cooperation with the council and providing an environment in which local enforcement of the district coastal management program can be expected to be the most vigorous. In addition, allowing municipalities to select their representative in each general region will probably help insure a better balance on the council between those who represent state interests and those who most accurately reflect local needs and interest.

While the municipality has not taken a position relative to the following points I believe they are points which might be appropriate for committee discussion.

1. There appears to be a conscious effort not to specify which agency or body has the responsibility for developing the Alaska coastal management program. While it is the council which initially approves the program, it does not clearly appear that the council has any responsibility for developing or assembling the program. It develops guidelines for the preparation of the program; it reviews the program, and it approves the program in part or in whole. Section 46.35.010 on page 6 clearly gives the council the power to review the program but merely provides that the program be revised when appropriate without noting what body or agency has the revisory power. Subsection (c)(1) of subject section provides that the council add newly approved district management coastal programs to the Alaska coastal management program.

2. Proposed sections 60 and 70 set forth the procedure for council approval of district coastal management programs. Proposed section 80 provides that the Alaska coastal management program adopted by the council takes effect upon its approval by the state legislature. Thus, it would appear that district coastal management programs would, by their incorporation in the Alaska coastal management program, be subject to legislative approval Section 90, however, indicates that council approval is all that is needed for the district coastal management program of a district which exercises zoning or other resource control. Thus, while it is not really clear in the proposed legislation, it does appear that if the state is to be responsible for implementation of a district coastal management program, that program must be approved by both the council and the legislature while council approval is all that is necessary for a district which exercises zoning or other resource controls. If the foregoing reading is accurate as to legislative intent, then changes should be made to the language in section 10(c)(1) which appears to provide for the incorporation of approved district programs into the Alaska program which then receives legislative approval. In addition, the language at lines 12 and 13 on page 13 should be changed so that after the word "programs" in line 12 it would read "which have received final approval by the council or the legislature, as required, and are in effect." Language of this nature would help remove the ambiguity of whether or not both council and legislative approval are required for both state enforced and locally enforced programs. If, on the other hand, it is the intent of the legislature that district programs which are to be implemented through local zoning and other resource controls should be fixed in concrete through the mechanism of legislative approval, section 100 should be redrafted to remove the very strong implication that legislative approval is not needed except where state implementation is contemplated.

3. Returning to page 7, it does not appear in the list of objectives that the interests of the region or district are to be considered. If these are deemed appropriate for consideration, the addition of the phrase ", the region and the district" at the end of the sentance ending on line 18 on page 7 would incorporate such standards.

4. It would appear from reading section 30 starting on page 8, and in particular subsections (5) and (6), that implementation of the district coastal management program is contemplated through a mechanism which is

similar to conditional use procedures in conventional zoning programs. If it is contemplated that each use of land or water regulated under the district program is to be regulated as a conditional use, this aspect of the legislation could be subject to attack as many courts do not hesitate to overturn ordinances which purport to be zoning ordinances but under which all or almost all land uses are subject to the conditional use procedure. Such courts seem to balk at the idea that the legislative or regulatory body can decide on a case-by-case basis whether each or most uses under a general zoning will be allowed. Such an approach can be likened to spot zoning for each use. Of course, if there are sufficient standards that there is little discretion as to whether or not an application for a particular use is to be granted, such procedures are less vulnerable to attack.

5. At pages 10 and 11, the bill contemplates a mediation process which is to be utilized as to those district programs or parts thereof which are not approved by the council. The committee may want to consider whether it would be more appropriate to give the coastal resource district an opportunity to revise all or certain parts of its plan to bring it into compliance with council requirements before forcing the district into mediation. While the conventional concept of mediation involves a neutral third party who attempts to obtain agreement between the disputants, it appears that section 60(b) contemplates that the council itself acts as mediator. This appears to be something more akin to negotiation than mediation. However, it appears that in either event the coastal resource district is not in much of a position to resist changes requested by the council as the council has the ultimate authority to order the program amended. It must be admitted, however, that this is a commendable effort to provide a vehicle for the resolution of disputes between inferior and superior agencies prior to the superior agency invoking its power of a final and formal disapproval.

In closing, the municipality encourages the committee to increase or strengthen the authority and role of municipalities in the coastal resource management scheme.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

cc: Representatives Smith, Anderson, Miles,
Ose, Snider, Kelly, Lethin and Phillips
Don Berry, Executive Director
Alaska Municipal League

GLSmmb

Proposed Amendments to House Bill 342:

Sec. 46.35.130. Page 15, line 21 amended to read;

ORGANIZATION OF COASTAL RESOURCE SERVICE AREA.

Sec. 46.35.140. Page 16, line 10 amended to read;

COASTAL RESOURCE SERVICE AREA BOARDS.

Page 16, line 15(b) amended to read;

A coastal resource service area board shall contain seven members.

Page 16, line 27 amended to read;

proposed at anytime by the members of the coastal resource service area board.

Page 17, lines 3,5,13,18,22 and 25 in each case "coastal area board" to be amended to read; coastal resource service area board.

Page 18, line 7, amended to read;

coastal resource service area board elections.

Page 18, Sec. 46.35.170 (a) amended to read;

(a) If an area designated in sec. 120 of this chapter is not organized as a service area and [IF RESIDENTS OF A COASTAL RESOURCE SERVICE AREA REJECT ORGANIZATION OF THE SERVICE AREA AT AN ELECTION CALLED FOR THE PURPOSE] and the council finds, after public hearings, that major economic development activity has occurred or will occur within the [SERVICE] area, the council may direct the Department of Community and Regional Affairs to prepare and recommend for consideration by the council and for submission to the legislature a district coastal management program for the [SERVICE] area. Preparation of the program shall, to the maximum extent consistent with this chapter, reflect the expressed concerns of the residents of the service area.

Page 19, (b) amended to read;

(b) If/a coastal resource service area board organized under sec. 130 of this chapter fails [AT THE REQUEST OF THE COUNCIL, THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS SHALL COMPLETE THE DISTRICT COASTAL MANAGEMENT PROGRAM IN ACCORDANCE WITH THIS CHAPTER AND THE GUIDELINES AND STANDARDS ADOPTED BY THE COUNCIL FOR A COASTAL RESOURCE SERVICE AREA WHICH HAS BEEN ORGANIZED BUT WHICH HAS FAILED] to make substantial progress in the preparation of an approvable district coastal management program within 18 months of certification of the results of an organization election or fails to submit [HAS NOT SUBMITTED] for approval to the council a program within 30 months of certification of the results of its organization election, the department, at the request of the council, shall

complete the district coastal management program in accordance with this chapter and the guidelines and standards adopted by the council. Preparation of the program shall be conducted in consultation with the coastal resource service area board and shall, to the maximum extent consistent with this chapter, reflect the expressed concerns of the residents of the service area.

Page 19, (c)line 19, amended to read;

meet with the members of the coastal resource service area board...

STATE
of ALASKA

MEMORANDUM

TO: Senator Poland
Senator Orsini
Representative Rudd
Jack Chenoweth
Ron Lind
Fran Ulmer

DATE : March 25, 1977

SUBJECT: SB 220/HB 342: Fiscal Note

FROM: Murray Walsh
Alaska Coastal Management Program
Division of Policy Development and Planning
Office of the Governor

We have prepared a fiscal note for SB 220/HB 342. Since the bill will complement and augment an existing program, we have tried to present a basic understanding of the present and near future financial expectations of the Alaska Coastal Management Program, rather than just showing the expected increases that would result from passage and implementation of SB 220/HB 342.

We hope this information is useful and instructive to you, and please call on us for further explanation or clarification of the fiscal or any other aspects of the coastal program.

Girdwood Com. Council
Sewall Faulkner
Dana Brockway
Chris von Imhof

Box 4-1503
Anch. 99509
Frank

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 220 / HB 342
Title "An Act relating to the management of coastal resources of the state"
Requested by The Senate Rules Committee by request of the joint Administration-Legislative Committee on coastal management Date 3/7/77

II. FISCAL DETAIL
Agency Affected Office of the Governor (DPDP) and Dept. of Comm. & Reg. Affair
Program Category Affected Coastal Zone Management
Budget Request Unit(s) Affected 01-47-6-02-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
OTHER (Specify)						

POSITIONS

FULL TIME	4	4	4	4	4	4
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

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

A. Assumptions.

1. Passage of the bill will make federal approval under section 306 of the Coastal Zone Management Act of 1972, and award of additional funding under that section, possible; and this should occur in June of 1978.
2. No increase in state cash appropriations will be needed to match the incoming federal grants. The larger federal grants can be matched with local participation and state agency in-kind services.
3. Only four new positions in state government (3 in CRA, 1 in DPDP) should be needed to implement the bill. Almost all of the bill's provisions can be met with the existing personnel now in place in various state agencies as a result of the existing Alaska Coastal Management Program (ACMP). The new positions will be needed because of the substantial new role of local governments and the needs of the new council.

IV. DATE 3/23/77 PREPARED BY Murray R. Walsh
AGENCY ~~DPDP, Governor's Office~~
PHONE 465-4973

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

33-001 (Rev. 10/76)

III. Analysis, Continued

B. Program Summary.

The purpose of a fiscal note is usually to show what increases in state staff or expenditures can be expected as a result of legislation. In this case, SB 220/HB 342 would become the centerpiece of an existing program which began in the summer of 1974. The program, which is called the Alaska Coastal Management Program (ACMP) just as in the bill, has changed in many respects since it began, but the overall goal of wise use and protection of the coastal resources has never changed nor has the programmatic goal of federal approval under section 306 of the Coastal Zone Management Act of 1972 changed.

Analysis by the ACMP staff in the Office of the Governor, the Dept. of Law, and the federal Office of Coastal Zone Management shows that the proposed bill should make it possible for ACMP to be federally approved with little difficulty if the bill is enthusiastically administered. This approval would permit larger federal CZM grants to be made to the state. So, while the face sheet of this note is filled out according to the instructions for fiscal notes, we provide a more thorough look at the ACMP budget on the following charts. Grant application and BRU data, as well as ACMP staff experience and expectation have been melded to form general budget charts for fiscal years 1977, 78, and 79. The figures are reliable insofar as general allocations and magnitude; but they are not exact since there are many unknowns. The figures for FY 77 are also rough since they are drawn from two separate grant applications and a possible supplemental application.

The first chart might be thought of as the "pre-bill situation." Since FY 77 will end just after passage of the bill, there will be little of the bill reflected in the FY 77 chart. This is not awkward, since many of the bill's provisions were anticipated. The major difference from FY 77 to FY 78 and beyond will be the amount of local government involvement, which was only voluntary, and rather novel at the start of FY 77.

The second chart, for FY 78, is a projection of program development expenditures as the implementation of the bill begins. There is much to do: Local governments must be provided with enough funds to get their programs underway, and the Council will have quite a job in getting organized and establishing its guidelines and procedures. Additionally, the ACMP office will be pursuing approval of the program by the end of the fiscal year, and this will involve substantial time and money.

The third chart can be thought of as the first year of "regular" program administration. By this time the larger Sec. 306 grants will be available and local programs should be well underway. Also, some local governments may be done with developing their programs, and thus be eligible for administration grants with which to maintain their programs. This last topic

is not addressed in the proposed legislation, but making grants of CZM 306 funds for regular municipal and borough administration of local coastal programs is certainly permitted and encouraged in the national CZM program.

The first and second charts will be largely unchanged whether or not SB 220/HB 342 passes or not, except that the funds for local grants in the second (FY 78) chart might be less because the local demand would probably not be as high without the existence of a bill like SB 220/HB 342.

The third chart (FY 79) may not be valid at all if the bill does not pass because there is considerable uncertainty over whether ACMP could be federally approved without the help of SB 220/HB 342, or something similar.

Chart One-Fiscal Year 77.

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Cash Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 200,000
Program Elements	100,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	350,000
Assistance to Local Gov't	225,000
State Agency Projects	525,000
	$1,450,000

Chart Two-Fiscal Year 78

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 225,000
Program Elements	75,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	625,000
Assistance to Local Gov't	75,000
State Agency Projects	400,000
TOTAL	$1,450,000

Chart Three-Fiscal Year 79 (If approval under Sec. 306 of the Coastal Zone Management Act has been achieved, and the federal funding is thereby available.)

Approximate ACMP Receipts:*

Federal:	$2,000,000
State Appropriation:	250,000
TOTAL	$2,250,000

Approximate ACMP Expenditures:

ACMP Office Use:	
Public Participation:	$200,000
Program Elements:	75,000
Grant and Contract Adm:	75,000
Program Development Grants to local government:	700,000
Program Administration Grants to local gov't:	600,000
Assistance to Local gov't:	100,000
State Agency Projects:	500,000
TOTAL	$2,250,000

* The receipts shown here are those monies under ACMP Office control only The federal grants do require state matching shares, of which the annual ACMP appropriation is a part. The rest of the match is made up from local and state agency in-kind contributions to the program. Grants to local governments usually require that the local government contribute some value to its own program in cash or in kind, and this contribution is used as part of the overall match for the federal funds. The match ratio now is 4 federal dollars for every 1 state dollar. The state ususally has no trouble finding enough matching share, and this is why we do not expect to ask for any larger annual appropriation than $250,000 per year.

C. Personnel.

SB 220/HB 342 will cause a dramatic increase in local involvement in ACMP. Thus, we see the need of at least three mid-range planners in addition to the existing CRA staff to handle the increased demand for grants and services. All other aspects of SB 220/HB 342 have been forseen except the Alaska Coastal Policy Council, and the ACMP office will need a para-proffessional administrator to attend to the needs of the Council. All these people can easily be paid from the present program revenue.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

THE ALASKA COASTAL MANAGEMENT PROGRAM

OVERVIEW

INTRODUCTION

The Alaska Coastal Management Program is a state-initiated effort, supported by federal funds, to coordinate programs affecting coastal resources at all levels of government. Its aim is to promote more effective and efficient use of governmental management responsibilities at state and local levels, strengthen citizen involvement, and develop stronger communications and coordination among local, state, and federal land managers.

INITIATION OF THE PROGRAM

In the summer of 1974, the State applied for federal funding under the terms of the national Coastal Zone Management Act of 1972. These funds were made available to Alaska and other coastal states to assist in the "development" of a program to achieve the ends listed above.

The first phase: The process of coastal program development began in the Department of Environmental Conservation with emphasis on uses of scientific information to promote wiser management decisions. This work was to (1) aid the formulation of resource plans within departments, (2) assist permit review processes, (3) provide a basis for making state decisions on resource allocation, and (4) serve as a foundation for resource management policy.

Current status: As the work proceeded, it became clear that many additional activities were needed for the program formulation process. Principle among these was the need to identify decision-makers at the local, state, and federal levels; determine how these individuals and agencies work together; and assess the effectiveness of authorities available to them in managing coastal resources. In addition, efforts were needed to increase the amount of technical and financial assistance provided to municipal governments for planning and management activities. With these and similar considerations in mind, the Governor designated his Division of Policy Development & Planning as lead agency in February 1975.

THE NATIONAL "COASTAL ZONE MANAGEMENT ACT"

Intent of the Act: The Coastal Zone Management Act of 1972 established broad national policies for the protection and wise use of coastal resources, and encourages states to further these policies by:

> " ... developing land and water use programs for the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance." [Sec. 302(h), P.L. 92-583]

The coastal area was singled out due to its national importance, and in response to the disproportionate pressures of resource use and population being experienced there.

Implementation of the Act: While Congress recognized the need for all levels of government to seek wiser management of coastal resources, the state, as middleman between national and local interests, was designated to take the lead in promoting this effort.

Options in Authority: States are given considerable flexibility for achieving the intent of the federal Act. Where an overabundance of small local governments has spawned conflicting and piecemeal resource management, a state might choose to create regional decision-making bodies or increase the state's role in key decisions. In other areas, a state might best serve the intent of the Act by improving the efficiency and accountability of its existing state and local structures and regulatory processes. Other states might benefit from a streamlining effort, to create a single body or bodies responsible for managerial or regulatory functions which had become overly dispersed through years of single-purpose legislation.

Options in Timeframe: Additionally, states are given a broad time range within which to work. While a program must be "developed" within three years, each state can choose its own pace for making site-specific resource use decisions. Highly developed states might find it essential to formulate an actual "plan", in which permissible, restricted, and priority uses are mapped out along the entire coast. Others might wish to make these decisions for only the most critical areas by using new or existing laws to protect areas (such as state parks) and promote wise development (such as facility-siting). Still others might choose to institute only the process for making site-specific decisions as needed in the future. In these states, emphasis is placed on identifying the management decisions already in place, and ensuring that laws and policy development mechanisms are sufficient to handle future needs.

Options in Boundaries: The Act requires each state to identify its "coastal zone", so as to ensure effective management of activities affecting coastal waters and adjacent shorelands. Within this area, federal funds can be used to support state and local management authorities identified as part of the program. Some of these authorities may apply to only portions of the "coastal zone", such as the State tidelands permitting system, state game refuge designations, or borough zoning ordinances. While some authorities may apply inland as well, federal funds can only be used in the designated zone. Additionally, some states may choose to insititute a new regulatory tool or planning body with jurisdiction over this zone.

The "Carrot": Two elements of the federal Act encourage state participation. First, federal funds are available on a 2:1 matching basis for program design and implementation. These implementation funds follow the three years of program development. Second, states engaged in program implementation acquire a stronger role in federal decisions affecting activities in the coastal area. In addition, amendments to the Act now pending in Congress would provide millions of dollars of non-matching "OCS Impact Funds" to states and municipalities participating in coastal management and threatened by potential Outer Continental Shelf petroleum development. Such funds could be used to construct public facilities and provide services to meet the pressures caused by accompanying population increases. It should be noted that the Act only "encourages" state participation. No penalty or federally-conducted program occurs if a state chooses not to participate.

ALASKAN PROGRAM: ORGANIZATION, PURPOSE, CONTENT, BUDGET

ORGANIZATION

Coastal Management Policy Committee: Overall direction is provided by this committee, consisting of the Commissioners of Commerce & Economic Development, Community & Regional Affairs, Environmental Conservation, Fish & Game, Highways, Natural Resources, Public Works, and the Director of the Division of Policy Development & Planning.

Alaska Coastal Management Program Office (ACMP): This office, within the Division of Policy Development & Planning, responds to the guidance of the Policy Committee. It provides staff coordination among state agency efforts; and is responsible for ensuring that local governments, federal agencies, citizens, and other interests are involved in determining how Alaska will meet the intent of the federal Act. Five professional staff positions were established in July of 1975 to coordinate program development through 1977.

State Agencies: Most of the specific tasks and background work necessary in developing a coastal management program are carried out by state agencies and other organizations with expertise in various fields. These agencies include those represented on the Policy Committee.

Local Governments, Federal Agencies, Citizens, and Other Interests: While the state government is charged by the federal Act to take the lead in program development, it can only be successful by using the expertise and obtaining the advice of all those affected by coastal resource management.

PURPOSE

The State is addressing four major elements for improving the management of coastal resources in Alaska and meeting the intent of the federal Act. These are:

(1) Policy Review: to ensure that needed policies are in existance to assist local, state, and federal programs affecting coastal resources;

(2) Coordination of Management Activities: to coordinate existing management activities and recommend necessary administrative and legislative improvements at all levels of government;

(3) Public Participation in Decision-making: to strengthen the involvement of citizens in decisions affecting the use of coastal resources; and

(4) Support of Management with Information: to promote the development of a sound, interdisciplinary information base to support policy development, public participation, and management activities.

CONTENT

The State is addressing four main elements for improving the management of coastal resources in Alaska and meeting the intent of the federal Act. These elements coincide with the goals listed above, and are:

Policy Review
Coordination of Management Activities
Public Participation in Decision-making
Support of Management with Information

Policy Review: Existing policies must first be gathered and assessed before interested governmental agencies and citizens can suggest improvements to meet pressing issues. Policies will be extracted as expressed in the Alaskan Constitution, judicial decisions, state, federal, and local laws and regulations; functioning plans and programs, and other sources. Compilations of State laws and regulations, the Alaskan Constitution, and relevant judicial decisions were completed in December of 1975. The federal side will be completed in January 1976 and an overview of how local governments have exercized their authority will be completed in the spring. From this, policies will be extracted, comments solicited, and recommendations made. Additionally, the processes by which policies are formulated at all levels will be evaluated.

Coordination of Management Activities: The federal, state, and local legal summaries will provide the basis for work in this element. From this, existing management activities can be pin-pointed; the implementing bodies identified; and management practices and institutional relationships can be outlined. This provides the basis for identifying the key state and local authorities which constitute the legal framework of a "program" for managing coastal resources. In addition, a draft summary of these existing authorities and structures will be used in a preliminary review process beginning in July of 1976. Recommendations for intergovernmental coordination and administrative and legislative actions supplementing the legal framework can then emerge.

Public Participation in Decision-making: As public awareness must precede involvement, this has been the prime focus of activities to date. Two films were completed in January 1976 to stimulate interest in coastal area problems, and various information-distribution projects were initiated. Legislation was introduced by the Governor in January 1976 which, in addition to setting the tone for further program development, seeks to initiate assistance from local governments and citizens during Alaska's effort to meet the intent of the Congressional Act. Comment generated by the legislative hearings process of last Session and the interim has helped the Administration understand which approaches to coastal management Alaskans do not wish to follow, as well as pointing out the issues for which positive steps should be taken. Finally, while the range of interests must be involved in developing an Alaskan approach to coastal management, the program itself must ensure a strong public and intergovernmental role in resource management decisions. To accomplish this end, the legal summary previously mentioned points out the existing level of public involvement in numerous state and federal resource programs. An assessment and recommendations can then follow.

Support of Management with Information: During Alaska's three years of program development, emphasis is placed upon supplementing the existing information base to meet the most pressing management needs. This was the major focus of activity during the first year and a half of program development. Projects were completed and are continuing in state agencies to provide the primary management agencies with the information most needed in current management tasks. These projects include various resource and social inventories and impact studies, of a statewide or regional scale. Products of these efforts will be circulated in early 1976 to other government agencies and private groups with interest in their use.

BUDGET

From July 1974 through September 1975 Alaska received $600,000 from the U.S. Department of Commerce for program development. This was matched by $300,000 of donated services from state agencies. From October 1975 through September 1976 the State will receive $300,000 from the federal government, and will match this with $125,000 in cash and $325,000 in donated services. Alaska additionally will receive a special supplement to prepare for OCS impacts. This $300,000 grant will be matched by State cash and donated services, and local government services for passed-through funds.

Division of Policy Development & Planning
Office of the Governor
State of Alaska

January, 1976

April 15, 1977

TO: LISA
FROM: JUDITH

RE: Update on Coastal Zone Management

For your information the following items are attached:

(a) Amendments adopted to date

(b) The most current fiscal note and the original

(c) Memorandum from Elke Kallab included in the members files regarding the proposed amendment to delete "regional and district". This was amended 4/13/77.

(d) Due to questions raised by some of the committee members regarding the composition of membership and selection process of the Council, a meeting was held to arrive at new language to meet those concerns.

Similar concerns were also raised in testimony by Roger Allington of Sealaska and Virginia del Piaz of the Alaska Conservation Society. Representative Miles had also prepared language to address these conerns. What is attached is Representative Miles' and Virginia del Piaz's proposed amendments which are in the members' files.

Jack Chenoweth and Elke Kallab prepared the next attachment and presented it at the meeting (4/14/77). Those in attendance were the following: Senator Poland, Senator Croft, Senator Tillion, Representative Anderson, Elke Kallab, Jack Chenoweth and myself. The proposal was not received too favorably as it changes the emphasis of selection of membership to the Council to be based on governmental unit and the majority preferred the geographical representation that is currently in the bill.

After much discussion the amendment adopted by Senate Resources was considered to be the best compromise. Rep. Anderson was not completely convinced but said that if he could not arrive at something better he would be willing to go with the language adopted by Senate Resources as he was hopeful that HB 342 would move out of House Community & Regional Affairs Committee on Monday. The adopted Senate amendment in question is attached.

The final attachments reflect your concerns with some portions of the bill which I discussed with Jack and Elke and prepared for your review.

AMENDMENTS TO HB 342 - ADOPTED 4/6/77

Page 2, line 10: Between "coastal" and "of" insert "land and water"

Page 4, line 8: Substitute "Transportation and Public Facilities" for "Public Works"

Page 5, line 14: After "coastal" delete "area"

Page 6, line 13: Amend to read: "The Alaska Coastal Management Program"

Page 7, line 17: Delete "historical", insert "historic"

Page 8, line 6: Delete "in meeting", insert "to meet"

Page 8, line 13: Amend to read:

...based upon a municipality's existing comprehensive plan or a new comprehensive resource use plan or comprehensive statement of needs...

Page 9, line 9: Amend to read:

(1) by regulation, adopt under the provisions of the Administrative Procedure Act (AS 44.62), within six months of the effective date of this Act, for the use of and application by coastal resource districts and state agencies for carrying out their responsibilities under this chapter, guidelines and standards for...

AMENDMENTS TO HB 342 - ADOPTED 4/13/77

Page 10, line 7: Delete ", regional and district"

Page 13, line 16: Amend to read: "...is not being implemented, enforced or complied with,.."

Page 13, line 21: Amend to read: "...considers necessary to implement, enforce or comply with..."

Page 13,line 25: Delete "planning", insert "zoning"

Page 15, line 28: Delete "governing body", insert "village council"

Page 19, line 27: Delete "and residents of a village", insert "or traditional village council"

Page 19, line 29: Delete "residents of a village", insert "or traditional village council"

Page 20, line 18: Delete "village", substitute "traditional village council"

02 C018

STATE
of ALASKA

MEMORANDUM

TO: Recipients of Fiscal Note for
SB 220/HB 342

DATE : April 11, 1977

FROM: Murray R. Walsh
Deputy Coordinator
Alaska Coastal Management Program
Office of the Governor

SUBJECT: Additions to Fiscal Note

We were asked to define some of the budgetary terms used in the Fiscal Note for SB 220/HB 342, and I have added pages 5 and 6 to do that. Attached is a complete copy of the expanded note.

There may yet be other questions or uncertainties about this note and we will be happy to answer any inquiries or supplement the note even further.

Murray

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 220 / HB 342
Title "An Act relating to the management of coastal resources of the state
Requested by The Senate Rules Committee by request of the joint Administration-Legislative Committee on coastal management Date 3/7/77

II. FISCAL DETAIL
Agency Affected Office of the Governor (DPDP) and Dept. of Comm. & Reg. Affa
Program Category Affected Coastal Zone Management
Budget Request Unit(s) Affected 01-47-6-02-00-00

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	1,000.0	1,000.0	1,000.0	1,000.0
OTHER (Specify)						

POSITIONS

FULL TIME	4	4	4	4	4	4
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

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

A. Assumptions.

1. Passage of the bill will make federal approval under section 306 of the Coastal Zone Management Act of 1972, and award of additional funding under that section, possible; and this should occur in June of 1978.
2. No increase in state cash appropriations will be needed to match the incoming federal grants. The larger federal grants can be matched with local participation and state agency in-kind services.
3. Only four new positions in state government (3 in CRA, 1 in DPDP) should be needed to implement the bill. Almost all of the bill's provisions can be met with the existing personnel now in place in various state agencies as a result of the existing Alaska Coastal Management Program(ACMP). The new positions will be needed because of the substantial new role of local governments and the needs of the new council.

IV. DATE 3/23/77 PREPARED BY Murray R. Walsh
AGENCY DPDP, Governor's Office
PHONE 465-4973

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

33-001 (Rev. 10/76)

III. Analysis, Continued

B. Program Summary.

The purpose of a fiscal note is usually to show what increases in state staff or expenditures can be expected as a result of legislation. In this case, SB 220/HB 342 would become the centerpiece of an existing program which began in the summer of 1974. The program, which is called the Alaska Coastal Management Program (ACMP) just as in the bill, has changed in many respects since it began, but the overall goal of wise use and protection of the coastal resources has never changed nor has the programmatic goal of federal approval under section 306 of the Coastal Zone Management Act of 1972 changed.

Analysis by the ACMP staff in the Office of the Governor, the Dept. of Law, and the federal Office of Coastal Zone Management shows that the proposed bill should make it possible for ACMP to be federally approved with little difficulty if the bill is enthusiastically administered. This approval would permit larger federal CZM grants to be made to the state. So, while the face sheet of this note is filled out according to the instructions for fiscal notes, we provide a more thorough look at the ACMP budget on the following charts. Grant application and BRU data, as well as ACMP staff experience and expectation have been melded to form general budget charts for fiscal years 1977, 78, and 79. The figures are reliable insofar as general allocations and magnitude; but they are not exact since there are many unknowns. The figures for FY 77 are also rough since they are drawn from two separate grant applications and a possible supplemental application.

The first chart might be thought of as the "pre-bill situation." Since FY 77 will end just after passage of the bill, there will be little of the bill reflected in the FY 77 chart. This is not awkward, since many of the bill's provisions were anticipated. The major difference from FY 77 to FY 78 and beyond will be the amount of local government involvement, which was only voluntary, and rather novel at the start of FY 77.

The second chart, for FY 78, is a projection of program development expenditures as the implementation of the bill begins. There is much to do: Local governments must be provided with enough funds to get their programs underway, and the Council will have quite a job in getting organized and establishing its guidelines and procedures. Additionally, the ACMP office will be pursuing approval of the program by the end of the fiscal year, and this will involve substantial time and money.

The third chart can be thought of as the first year of "regular" program administration. By this time the larger Sec. 306 grants will be available and local programs should be well underway. Also, some local governments may be done with developing their programs, and thus be eligble for administration grants with which to maintain their programs. This last topic

is not addressed in the proposed legislation, but making grants of CZM 306 funds for regular municipal and borough administration of local coastal programs is certainly permitted and encouraged in the national CZM program.

The first and second charts will be largely unchanged whether or not SB 220/HB 342 passes or not, except that the funds for local grants in the second (FY 78) chart might be less because the local demand would probably not be as high without the existence of a bill like SB 220/HB 342.

The third chart (FY 79) may not be valid at all if the bill does not pass because there is considerable uncertainty over whether ACMP could be federally approved without the help of SB 220/HB 342, or something similar.

Chart One-Fiscal Year 77.

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Cash Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 200,000
Program Elements	100,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	350,000
Assistance to Local Gov't	225,000
State Agency Projects	525,000
	$1,450,000

Chart Two-Fiscal Year 78

Approximate ACMP Receipts:*

Federal:	$1,200,000
State Appropriation:	250,000
TOTAL	$1,450,000

Approximate ACMP Expenditures:

ACMP Office Use...	
Public Participation	$ 225,000
Program Elements	75,000
Grant and Contract Adm.	50,000
Grants to Local Gov'ts	625,000
Assistance to Local Gov't	75,000
State Agency Projects	400,000
TOTAL	$1,450,000

Chart Three-Fiscal Year 79 (If approval under Sec. 306 of the Coastal Zone Management Act has been achieved, and the federal funding is thereby available.)

Approximate ACMP Receipts:*

Federal:	$2,000,000
State Appropriation:	250,000
TOTAL	$2,250,000

Approximate ACMP Expenditures:

ACMP Office Use:	
Public Participation:	$200,000
Program Elements:	75,000
Grant and Contract Adm:	75,000
Program Development Grants to local government:	700,000
Program Administration Grants to local gov't:	600,000
Assistance to Local gov't:	100,000
State Agency Projects:	500,000
TOTAL	$2,250,000

* The receipts shown here are those monies under ACMP Office control only. The federal grants do require state matching shares, of which the annual ACMP appropriation is a part. The rest of the match is made up from local and state agency in-kind contributions to the program. Grants to local governments usually require that the local government contribute some value to its own program in cash or in kind, and this contribution is used as part of the overall match for the federal funds. The match ratio now is 4 federal dollars for every 1 state dollar. The state ususally has no trouble finding enough matching share, and this is why we do not expect to ask for any larger annual appropriation than $250,000 per year.

C. Personnel.

SB 220/HB 342 will cause a dramatic increase in local involvement in ACMP. Thus, we see the need of at least three mid-range planners in addition to the existing CRA staff to handle the increased demand for grants and services. All other aspects of SB 220/HB 342 have been forseen except the Alaska Coastal Policy Council, and the ACMP office will need a para-proffessional administrator to attend to the needs of the Council. All these people can easily be paid from the present program revenue.

D. Budgetary Terms Defined

The terms used in the three budget charts for the Program Summary in (B) above may not be familiar to everyone, so descriptions are provided below for better understanding of the Alaska Coastal Management Program activities and expenditures.

"ACMP Office Use" means the funds expended directly from the Alaska Coastal Management Program Office within the Division of Policy Development and Planning in the Office of the Governor. The other funds are spent by other state agencies or passed through to local governments. The ACMP Office applies for the entire amount and arranges contracts with the other state agencies. The next three terms are more specific activities undertaken by the ACMP staff.

"Public Paticipation" There are basically two objectives of public participation: The first and current effort is to learn as much as possible from the public about Alaskan coastal affairs, and in return to acquaint the public as much as possible with the nature of ACMP. The second objective, which will begin soon, is to enable thorough public review, understanding, and comment on the policies and other more specific details about the program, which have only now begun to solidify. Both objectives are pursued with a community workshop series, a monthly newsletter, a group of special interest representatives, an array of slide programs, brochures, films, etc, and by staff visits to communities and group meetings. There are presently two staff people working on public participation, with help from others. Much of the work is done by contractors. People from other state agencies assist as well.

"Program Elements" This refers to a series of tasks whose purpose is to lead to approval of ACMP under Section 306 of the federal Coastal Zone Management Act. Many of the duties that the Council would perform with passage of SB 220/HB 342 are complemented by ongoing program elements, which include assembling a unified policy base, defining land and water uses of state concern, listing and defining special areas in the coast which need extra attention in management, coordinating the array of state authorities, organizing the array of state procedures for better management, coordinating and consulting with federal agencies, and eventually producing a program document which unifies and describes all these elements. This work is done by two and a half staff people with some contracted assistance.

"Grant and Contract Administration" This is the task of applying for and managing the large sums of money that flow into the program. Grant applications require forcasting the often uncertain program needs over a year or more in the future, and balancing the many demands for the use of the funds. Then, a number of contracts with agencies and consultants must be consummated, coordinated, kept track of, reported on, and eventually audited. One and one-half staff people do this work. The grants are audited every year.

"Grants to Local Governments" The ACMP Office contracts with the Dept. of Community and Regional Affairs to provide funds for local planning efforts. Some of this activity is specifically related to planning for OCS development impacts on the communities, and the rest is for general coastal management planning. If the bill passes, this same mechanism would be used to support the local planning effort called for in the bill. A matching share is usually required of the local governments in return for grants, but this is only 20% of the value of the project and can be in-kind services as well as cash. When the ACMP is approved under section 306, we will be able to provide funds for administration of local programs as well as for the planning.

"Assistance to Local Governments" In addition to the direct grants, CRA assists local governments by providing individual and general staff and consultant assistance. Often, a local government will need help for a project, but the size of the project does not warrant hiring a local planner. The job may only take three months. In cases like this, CRA will provide professional staff assistance to the local government. In other cases, several local governments may be faced with the same kind of problem, and help can be provided to all with a CRA staff project or a consultant project. The product or report is then given to the local governments which need it. Whatever the situation, this form of assistance is basically just support to local planning by means other than direct grants. A final example is a project by two or local governments want to work together on a project, and CRA can relieve both of paperwork difficulties if a contractor is to be used.

"State Agency Projects" These are tasks undertaken by state agencies at the request of ACMP or at the agency's own initiative. In the former case, ACMP needed information on the biophysical relationship of the marine waters to the specifica uplands of Alaska. The Dept. of Fish and Game was contracted for this work. The result will assure adequate program coverage of the important processes of nature. In other cases, an agency may look ahead to its duties related to ACMP and ask for funds to conduct a study or inventory. In all cases, the ACMP Office assures that the project will be of value to ACMP and in most cases, also of value to local governments.

"Program Development Grants to Local Government" and " Program Administration Grants to local government" are both terms that are subsumed under "Grants to Local Government."

Coastal Management in Alaska: Reality or Rhetoric

Glenn Akins

There is a line from an old country song that goes, "If you can't hunt, don't howl; if you can't bite, don't growl." The same thought is expressed, perhaps better, on a hand-lettered sign in a Western Montana saloon. It reads, "Talk's cheap, but it takes a dollar to buy whiskey."

In the past two years, there has been a great deal of talk about coastal management here in Alaska. In some other states the discussions have extended over several years. The question before us all now is, "What has happened as a result of all the hearings, planning, and legislative battles?" In Alaska, or elsewhere, is coastal management for real, does it mean something? Is it all talk, or does it have "bite"?

This question was uppermost in the minds of representatives of the western states' coastal management programs who met in Juneau in August to ask each other, nervously, "Is coastal management taken seriously in your state?"

The consensus was that coastal management is working. Basically the intent of the original legislation is to reduce overlaps and conflict between the numerous state, local, and federal agencies responsible for coastal resources. The Coastal Zone Management Act assigned the role of developing an overall plan to the states, but provided for delegation of planning and enforcement to local governments, if the state so wished. Although the Act emphasizes striking a balance between conservation and development, its real purpose is to recognize that the coast is a "special place." Where land and water meet, there are special opportunities for economic development and special needs for environmental protection.

Using the federal program as a tool, some states have made remarkable progress in preserving and developing, in a more orderly fashion, their coastal areas. In Washington State the coastal program is being applied to tanker movement in Puget Sound, control of the entry of ocean vessels into residential Lake Washington, and consolidation of refinery development on the Olympic Peninsula. The Washington program resulted from state legislation. It has been actively supported by Governor Evans, and in June, 1976, became the first program to be approved by the U.S. Secretary of Commerce.

In Oregon, the state's plan is complete and is being reviewed by coastal citizens. Federal approval is expected soon. The program includes a detailed system for developing and preserving the state's 16 coastal estuaries. The South Slough of Coos Bay has been designated an Estuarine Sanctuary at the urging of many who live in the vicinity. State and federal funds have been used to buy the area's watershed.

In California over a million people voted to establish the state's coastal program in 1972. In August of 1976, the Legislature (with Governor Brown's support) voted to retain and implement the program. The California Coastal Plan will be carried out primarily by local governments.

California, Washington and Oregon have demonstrated "bite" in their coastal programs. And that has resulted most directly from cooperation between state and local governments. Hawaii and Alaska are still attempting to come up with a process acceptable to the wide variety of economic, cultural, and political groups which dominate the states' political lives. One thing is certain. The programs developed in Alaska and Hawaii will have to be broad in the issues addressed, and specific regarding the controls to be applied. Only then can the threat be removed from the promise.

The Alaskan Proposal

Alaskans are debating issues of major national and international significance. Offshore oil development, the national interest (d) (2) lands, surface mining, extended fisheries jurisdiction, Native land selections, coastal easements, and tanker traffic are just a few of the concerns before Alaska's citizens, the Governor, the Legislature, and Congress.

Is there an approach, a method, by which we could use the tool of coastal management to help resolve these issues without creating a host of new problems?

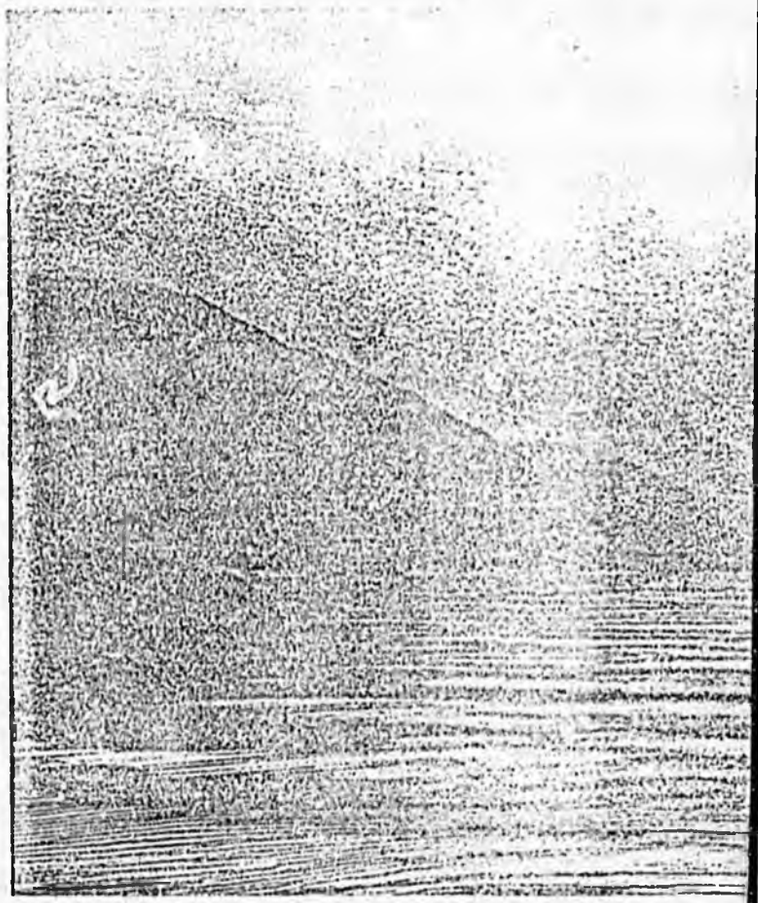
The answer is, clearly, yes. The period of preparation has been difficult. Misunderstandings have been created and not yet resolved. But those potentially affected by the federal offshore lease schedule, those requiring some predictability for making investments in coastal resource development are demanding action.

Action has not been forthcoming over the past two years. Three major coastal management bills have died in Committee. However, last session some progress was made. House Concurrent Resolution 123 passed, establishing a committee of four legislators and four representatives of the Administration. The Resolution came from the House Resources Committee and staff, and recommendations from ACS lobbyist Sharron Lobaugh. Final language was set in the Senate Resources Committee by Senator Katherine Poland and Commissioner Guy Martin.

The Administration looks to this joint committee to help frame new coastal legislation. Under the approach formulated by the cabinet-level Coastal Management Policy Committee the State hopes for a legislative proposal which would explain the following:

1) The Role of the State

The proposal would define those instances (such as the siting of a port or LNG plant) which would require some



direct action by the State, or response by a State agency. Attached would be a list of existing state laws and regulations which make up "coastal management". It would be possible to determine then that the siting of energy facilities was "in" the coastal program, and that limited entry, for example, was "out".

2) The Role of Local Governments

The shoreline is a "special place" in a political sense as well as an environmental one. While coastal and offshore waters fall under state and federal jurisdiction, the shoreline and uplands are primarily the concern of local governments and private landowners.

In recent years much has been made of the growing role of the State in land and water use management. But is is clear that most impacts of OCS development, forest practices, or similar decisions affect people in their immediate environment, their villages, cities, and boroughs. It is these localities which must be the focal point of management.

If a decision is truly "statewide" such as seeking alteration of the federal OCS lease schedule, then it is properly a State matter. If a decision affects several communities, it is "regional" and therefore a State, or perhaps better, a borough matter. If it affects only a village, then it is a concern only of that village, unless outside help is requested.

3) The Role of the Public

A legislative proposal should make clear that public participation is a requirement, not an option, for all decisions which involve impacts on local communities and use of public resources. Local governments conducting planning or coastal management efforts should be required to provide opportunities for public recommendations early in the program, not just in hearings at its end.

Environmental organizations and interest groups concerned with jobs and economic development have a special role. These groups should demand an accounting or estimate of environmental and economic consequences of policies, decisions, and proposals being set out at the State or local level. These groups should take the lead in examining how State programs are allocating funding and demand that a certain amount be provided for public review and input.

4) Procedures

At present, there is no complete or approved coastal plan, or program in Alaska. The State is currently attempting to develop one. Most of the detailed coastal planning is being prepared by state agencies such as the Department of Community and Regional Affairs and the Department of Fish and Game. Coordination of these efforts is the responsibility of the Coastal Management Policy Committee, chaired by Dr. Robert LeResche, Director of the Governor's Division of Policy Development and Planning (DPDP) and served by a small staff in DPDP.

Any legislative proposal for Alaska should provide for designation of a permanent lead agency and spell out how that agency will deal with local governments, federal agencies, and the resolution of disputes and appeals.

Alaska will submit a coastal management program for federal approval sometime in late 1977 or early 1978. The option for introducing legislation this upcoming legislative session or the next still remains open.

Where Do We Go From Here?

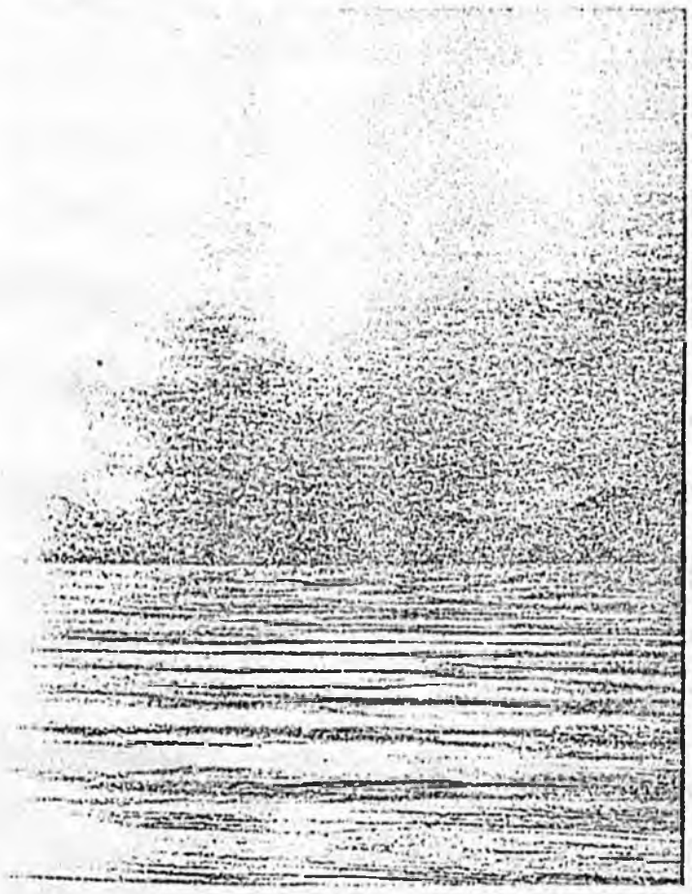
In the other Pacific Coast States, coastal management programs owe their existence to public support. In the end the programs serve those who captured them and made sure their interests were provided for. It surely will be no different in Alaska. A management program can serve equally well the public, the bureaucracy, special interests, or no one. Demanding a role, formal or otherwise, is the right, even the responsibility of any public or private group interested in coastal management.

The environmental impetus behind coastal management is not quite what it once was. The original federal legislation was triggered by the deterioration of the nation's estuarine waters. But the bill was modified before passage to a broader application, anticipating federal land use legislation. The 1976 Amendments further broaden the Act and introduce the administration of the $1.2 billion Coastal Energy Impact Fund. The old image of a state zoning plan of the coast, with precise and definite restrictions on wetlands and estuarine waters, with new controls for shorelines, has grown somewhat obsolete.

At the state level, the environmentalist perspective will be necessary to assure that management policies are developed which provide full consideration of public costs and benefits in major siting and development decisions.

But it is at the community and borough levels that major coastwide contributions can be made. Alaska is at a critical point in the formation of local management programs. An open-minded understanding and purposeful involvement of the environmental community in establishing local plans and ordinances is perhaps one of the most encouraging possibilities for sound management of Alaska's coastal resources in the future.

Providing accountability for management decisions is surely the principal benefit of a State coastal management program. In the coming months all Alaskans concerned about coastal resources should take a moment to assess the costs and benefits of supporting the State's coastal management effort. Much is available from the program, but the benefits will not be realized unless citizens and influential interest groups demand an accounting of those opportunities that are being seized and those that are being lost.



NEIL JOHANNSEN

Glenn Akins, a member of ACS, is the Coordinator of the Alaska Coastal Management Program.

FOUR

from "Alaska Current-ly" publication of the Coastal Management Program March 1977

RECENT PROGRESS IN THE COASTAL PROGRAM

Since the last issue of the Alaska Currently, the Alaska Coastal Management Program has secured a third program development grant, and is now well underway with the tasks set out in the third year grant application. Some of these are:

1) Policy Development. This task is an effort to unite and aggregate the existing State policies on a variety of coastal issues, and, if necessary, to come up with new policy on issues where it is needed. The first step of aggregating State policy has been taken by Alaska Coastal Management Program staff and the result of the effort is now being examined and expanded by several State agencies. A draft set of policies will be available for public inspection at the end of April. After April, the results of public review and the public participation project will be added to the draft policies and a new draft will be circulated.

2) Public Participation. Aside from starting up publication of this newsletter, the public participation effort is undertaking two other projects. These are reviewed in the article in this issue entitled "Public Participation in Coastal Management."

3) Other Program Projects. Other program projects such as coastal zone boundary determination, wildlife inventory, land management system development, and identification of authorities are all proceeding on schedule. By the end of April, we expect to have a rough draft document that summarizes all of the current and past work projects and which unites them into a program framework.

4) Local Government. On the local government side, about a dozen local governments are close to completing grant arrangements and will be starting various coastal projects of their own in the near future. For fiscal 1977, grants will be awarded to the Municipality of Anchorage, City and Borough of Juneau, Kenai Peninsula Borough, Ketchikan Gateway Borough, North Slope Borough and the City of Unalaska. These grants will probably be extended into fiscal 1978. Others that have expressed interest in possibly undertaking a program are the City and Borough of Sitka, and the Cities of Dillingham. Kotzebue, Nome, Skagway and Wrangell. For more information on this, contact Mark Stephens or Paul Carr, Department of Community and Regional Affairs, Juneau.

Please contact Glenn Akins or Murray Walsh of the Alaska Coastal Management Program if you are curious about the details of any of these projects.

* * *

COASTAL MANAGEMENT LEGISLATION

It seems likely at publication time that a coastal management bill will be introduced in the legislature this year. The bill is the result of the work of a committee established by House Concurrent Resolution 123 during the last session.

The "123" Committee was chaired by Senator Kay Poland and DNR Commissioner Guy Martin. Other committee members included Senator Clem Tillion, and Representatives Sam Cotten and Nels Andersen, Commissioners Don Harris and Lee McAnerney, and Dr. Robert LeResche of the Governor's Office.

The Committee met during the fall and developed a draft coastal zone management (CZM) bill which was mailed to coastal communities and Native groups in late November, 1976. After review by state agencies, coastal communities, federal agencies and the Legislative Council, the Committee discussed final revisions to the bill before a possible introduction by the Senate Resources Committee.

The bill has three main parts. First, boroughs and organized communities (and service areas in the unorganized borough) are required to develop local coastal management plans for review and approval by the Alaska Coastal Management Council. The Council is composed of local and state government officials appointed by the Governor. Second, state agencies must issue permits and conduct regulatory activities consistent with approved local programs. Finally, the State will use coastal management guidelines and approved local plans to assure that federal agencies respect state and local views regarding protection and development of coastal resources.

At stake is the receipt of millions of dollars in federal funds for coastal planning and management for local governments and state agencies, and eligibility for local communities to receive grants and loans to offset impacts from offshore oil development. More importantly, the coastal management bill will establish a better means for coordinating the actions of the state and federal agencies and local governments in dealing with offshore and coastal resource development.

For further information, contact Glenn Akins, ACMP, 465-3574.

* * *

PUBLIC PARTICIPATION IN COASTAL MANAGEMENT

In order for coastal management to be effective, the public must be informed about resource decison-making to the maximum possible extent. As well, the public must be given every opportunity to comment on, criticize and be vocal in the decision-making process as it relates to uses of coastal resources. The rules and regulations published by the Department of Commerce pursuant to Section 305 of the Coastal Zone Management Act state that

> public participation is an essential element of development and administration of a coastal zone management program. Through citizen involvement in the development program, public needs and aspirations can be reflected in use decisions for the coastal zone, and public support for the management program can be generated.

-more-

How does this involve you? Currently, the Alaska Coastal Management Program staff is working on methods to solicit public input and encourage public participation in the development of a coastal management program for the State. We have settled for the time being on three ways to interact with the public.

First of all, workshops will be held around the State between now and the early part of summer. One is scheduled for Sitka on Saturday, March 12. We would like to hold as many as five or six other regional workshops, plus other evening sessions for persons that cannot attend the regional sessions.

The workshops will allow local citizen participation, giving them an opportunity to voice concerns about local issues that state and federal agencies are involved in. Letters have been sent to 35 coastal communities, asking if they would be interested in having a workshop in their area. Representatives of the Coastal Management Program and other state agencies would be present at these meetings.

As another means of informing the public, a "contact committee" is being organized. Members of this committee will be representatives of various major Alaskan interest groups. Letters of invitation to be a part of the contact committee have been sent to the Alaska Chamber of Commerce, the Alaska Municipal League, the Alaska Federation of Natives, the Alaska Center for the Environment, the Alaska Visitor's Association, the United Fishermen of Alaska, the Alaska Oil and Gas Association, the Alaska Miner's Association, the Alaska Logger's Association and the Alaska Rural Development Council. The contact committee won't function as a formal advisory body, but will be kept informed by mailings and personal contact with ACMP staff members as to state coastal management developments, so that committee members can keep their groups informed. We are open to suggestions for additional representation on the committee.

Our third public participation method will be the revamping of the Alaska Currently, a monthly newsletter that has been put out by ACMP staff in the past. It will serve as a medium not only for us to get information on current events to you, but for getting articles, editorials, information and viewpoints to as many other persons, groups, legislators and government agencies as possible. We invite interested persons to write to

Alaska Currently
Alaska Coastal Management Program
Pouch AD
Juneau, AK 99801

with comments about coastal management, so that others may share your concerns.

We here at ACMP are taking our responsibility for public participation very seriously. We hope you will help insure that our efforts are successful by attending workshops and by voicing your concerns to us, so that coastal management in Alaska will reflect your way of life.

* * *

ALASKA COASTAL INFORMATION CENTER

The Alaska Coastal Management Program is trying to establish an office that would provide information on request concerning management of coastal resources.

Only a well-informed public can cope adequately with the high-pressure tactics of large oil companies, rapid community growth, and other problems brought by coastal resource developments. The ACMP has recognized the need and demand for an information services center to facilitate decision-making on coastal zone issues and conflicts. Because of its recent commitment to active public participation, th ACMP staff also wants feedback from the public in coastal communities - an educated commentary usually has more impact than uneducated rhetoric or even impassioned pleas. Presently, the Alaska Environmental Information and Data Center (AEIDC) handles public and agency inquiries for information about the State of Alaska. But AEIDC is not funded to seek out public information requests.

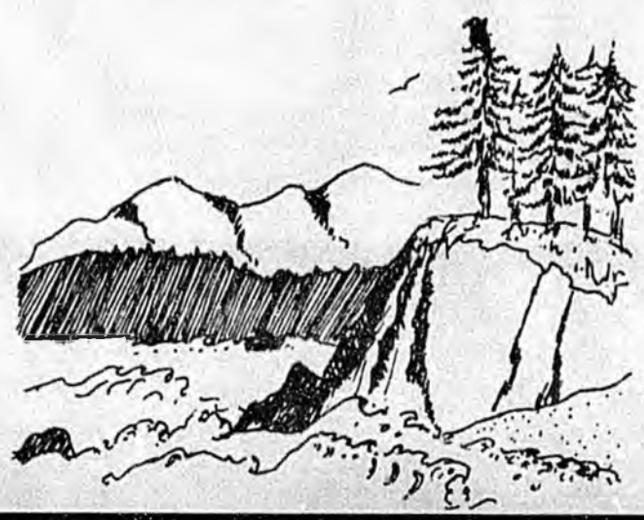
The Office of Coastal Zone Management (OCZM) in Washington, D.C is currently funding the development of eight Regional Coastal Information Centers (RCIC's) for use by coastal states down south. However, no RCIC is planned for Alaska despite the fact that Alaska has over one-third of the total U.S. tidal shoreline.

Recently, however, the AEIDC has submitted a proposal for the development of an Alaska Coastal Information Center (ACIC). The ACIC would be part of the AEIDC in Anchorage, but would be primarily responsible to the Alaska Coastal Management Program staff in Juneau.

The ACMP staff feel this would be the most ideal situation possible. The ACIC would utilize the information retrieval equipment and expertise of the AEIDC, including their interdisciplinary scientific staff. Funds spent in setting up the ACIC would not be wasted, but rather would be used to supplement the job initiated by the AEIDC.

The ACIC would follow the lead of the AEIDC in publishing a comprehensive bibliography, but would concentrate on Alaska coastal zone information. It would also use the AEIDC referral file to redirect questions to experts (including "old-timers") who carry a wealth of current and historic knowledge about Alaska's coast in their heads. Bibliographies would be sent to communities for public distribution, and a monthly article in the Alaska Currently would keep users informed on new contacts, publications and other information sources available.

* * *



STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM April 11, 1977

SUBJECT: Coastal Management Bill - HB 342

TO : The Honorable Lisa Rudd
Alaska State Representative

FROM : Elke Kallab
Research Analyst

You will recall that you and your Committee withheld approval last Thursday of one of the technical changes suggested by the staff (both Administrative and legislative) which occurs on page 10, line 7 of HB 342.

I am enclosing a memorandum by Jack Chenoweth to the HCR 123 Committee with attachments, dated October 6, 1976, which addresses itself to the very question of what should be the State's responsibilities in managing coastal areas and what should be left to local and/or regional governmental entities. I have marked the relevant section with red ink. I hope this material will be helpful to you in your upcoming deliberations regarding this particular change.

I would also like to mention that the earlier drafts of HB 342 did not include any reference to "regional and district" concerns. A copy of the work draft is enclosed for your information. The words were added at some later point without anyone knowing the reason for the addition.

EK:cm

Encl.

cc: Jack Chenoweth

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

October 6, 1976

SUBJECT: Consideration of the Circumstances Under Which the State, Rather than a Community or Regional Government, Should Make Decisions Affecting Coastal Resources.

TO: Members of the Committee Established Under HCR 123 to Consider Coastal Zone Legislation

FROM: Jack Chenoweth, Legislative Counsel

At our September meeting, you asked that an effort be made to identify and discuss those elements of a coastal zone program which could be most beneficially handled at one or another of several levels of government. The attached is a first effort to respond to that request.

We would propose, at the outset, to differentiate between those matters wherein the state would have authority to "override" decisions taken by local government as to commitment of coastal zone resources and those which would be left in the first, if not exclusive, instance to a sub-state government unit (city, borough, or regional service area of the unorganized borough). Areas of state concern would be specifically identified in the statute; all other concerns and uses (i.e., those not identified) would be presumed to be left to the local entity.

A second enclosure examines one alternative structure for regional participation in the unorganized borough where no such structure now exists. We would not presume to determine that a particular concern would be better handled, say, at the level of a city government versus the regional (borough or regional service area) level, but suggest that these determinations could be taken care of in context between the city council or traditional council, on the one hand, and the regional entity on the other. The Kenai Peninsula Borough might defer a decision as to construction of a dock to the city or village affected; in another area, perhaps, the community might encourage recommendations or decisions concerning that same kind of facility from the regional service area board or borough planning commission.

Speediset © Moore Business Forms, Inc.

The intent of this first working paper is to give recognition to, and describe generally, the responsibilities and roles of each level of government. One caveat should be offered: this first draft does not contemplate any dilution or diminution of the authority of the several state agencies having responsibility for the issuance of permits in favor of decisions or recommendations which may be forthcoming from any local governments concerned. In some instances, the commitment of resources by local government at the present time might warrant such substitution. But, for most of the state, local and regional governments cannot now find the resources to initiate and sustain over time substitution and enforcement of local authority over those uses, authority which is left to the several agencies. Examination and possible redirection of authority to identify and adopt standards and enforce them should be a consideration as you review this discussion.

JC:jm
Attachments

DIVISION OF DUTIES AND FUNCTIONS:

Boroughs, first class cities of the unorganized borough, and [new] regional service areas having a land use planning and land use control function would be recognized as having principal responsibility for the initiation and administration of the elements of a planning and management program. As to the greater number of functional concerns, a municipal or regional primary interest would be recognized, with state involvement generally limited to the review of locally-adopted management plans, issuance of permits consistent with plans adopted, and the definition of guidelines or, perhaps, standards of performance. The definition of what would constitute permissible land and water uses within the coastal waters, the determination of priority of uses in particular areas, and the development and enforcement of controls on use would be, first, placed at a substate level.

The state, in recognition of certain requirements, would retain authority to override or supersede as to approval for particular use, generally identified by category in state statute. The specific delineation would preclude state override as to all other uses or functions not listed. Those functions or concerns, and the rationale for their inclusion in the category, would include:

(1) Those uses tied to specific provisions of the state constitution, responsibility for which remains with the state:

- the identification and preservation of critical habitat areas;
- state-selected or state-owned lands;
- protection or guarantee of access to navigable waters;

(2) Those matters or uses which are of greater-than-regional impact, or which go to the development of a more viable or more balanced statewide economy:

- provision for interregional and state transportation needs;
- major economic development projects (industrial, petroleum, or mineral); supporting facilities and services, such as energy distribution systems;

(3) Those matters and concerns in the state-owned three mile limit but outside the jurisdiction of a municipality or region;

(4) Those matters and uses where federal constitutional or statutory concerns override:

- maintenance of nagivation aids;
- federally-owned lands;
- energy-facilities siting.

Except for these categories of uses or concerns, all other functions would recognize a regional or municipal primary interest. Chief among these, by way of example, would be:

- the general conservation of coastal and marine ecosystems;
- responsibility for waste disposal;
- maintenance of air and water quality;
- protection of environments in certain areas required for maintenance of traditional manners and lifestyles.

So, as to those "Uses of Direct and Significant Impact" identified by the Alaska Coastal Management Program on the attached pages, unless the particular activity contemplated could "fit" within one of the specific categories identified in statute as one of state concern, the determination of the local government (borough, first class city, or regional service area) as to whether to recognize or deny recognition of the use intended would follow from the local government's earlier determination of allowable uses, expressed in its land use plan and master program. As to those wherein a state override is recognized, no decision by the state to overturn a decision taken by a local government should be made in the absence of adherence to some review process, including provision for public hearing and judicial or legislative review.

USES OF DIRECT AND SIGNIFICANT IMPACT

Many uses and activities are conducted in Alaska's coastal area. Of these, the following are considered as having, or potentially having, a direct and significant impact on the coastal waters: (UDSI means a use or activity of direct and significant impact)

1. Any pier, dock, landfill, bulkhead, piling, jetty, groin, or other shoreline structure or defense work which serves more than two single-family houses.

2. Any dredging, dumping, or fill activity taking place at, or below zero feet (sea level).

3. Any commercial or industrial structure or any portion or appurtenance thereof which lies within 200 feet, (measured horizontally in all directions) of the Extreme High Tide line, or in, or over the marine waters themselves.

4. Any residential structure containing more than two dwelling units or any group of more than two single-family homes, or any plat or subdivision for more than five residential lots.

5. Any plat, plan, subdivision, or program for an industrial or commercial park, complex, or other form of such development.

6. Any water, sewer, gas, oil, electricity, or other type of utility or energy transport or transmission line or pipe which is in, on, or over the marine waters or part of which may fall within 200 feet of the Extreme High Tide line.

7. Any road, railroad, ferry dock, tramway, shipping lane or other transportation device or designation in the marine waters or within 200 feet of Extreme High Tide.

8. The leasing of land, or bedland, by any public or semi-public agency for the purpose of mining, drilling or any other form of mineral extraction whether exploratory or otherwise, is a UDSI, as is the actual conduct of any such mineral extraction activity.

9. The creation or expansion of any outfall into the marine waters, or into streams which feed marine waters where any detectable change in water quality could reasonably be predicted.

10. Forest and agricultural practices resulting in water quality problems or changes.

11. Any energy facility within one mile of Extreme High Tide.

"LOCAL GOVERNMENT" ORGANIZATION:

Provide for the [optional] [mandatory] establishment of regional service areas for coastal zone planning, preparation of a master plan, and use controls in coastal areas.

Provide for a representation mechanism: at the option of residents of the area involved, there could be a board for this purpose [if so, determine manner of selection, organization, etc.], or the elected educational service area board could perform in this capacity.

Allocation of authority in general:

(1) Boroughs (including unified governments);

(2) First class cities of the unorganized borough;

(3) Regional service areas established;

(4) The state, in conjunction with second class cities and traditional councils, where no regional service area served the unorganized borough.

Authority to devise and implement a master program, to prepare and maintain a comprehensive map and other elements of a general land use plan, to adopt and enforce use regulations, provide exceptions and to enforce (or secure state enforcement) of same; responsibility t serve as a clearinghouse for projects and permit applications in advance of approval by state agencies.

Reexamine powers presently granted to second class cities in this field, perhaps redefining or limiting these to provide for cooperative exercise with regional service area or borough assistance. Provide for regional service area delegation on a case- or village-basis of elements of responsibility to second class cities, following the provisions for same with respect to borough-city planning relationships as in AS 29.

Limitations on regional service area performance:

Regional service areas may not act in the area of planning or control without informing and securing the consent of

- the council of a second class city;

- the traditional governance structure of an unincorporated community, subject, perhaps, to the further requirement that there may be a village meeting or referendum in the community to resolve problems or conflicts;

- where necessary, the lands-in-trust (14(c)(3)) trustee of the Department of Community and Regional Affairs (AS 44.47.150(b)).

"Local Government" Organization
(continued)

Initial reliance on interlocal cooperative agreements among communities and/or between regional service area boards and cities within or adjacent to them. Mandatory use of interlocal agreements as to the exercise of extraterritorial jurisdiction (AS 29.48.037). Provide for authority for the transfer or assumption of functions among or between substate levels of government.

and implementation of district coastal management programs;

(3) undertake review and approval of district coastal management programs in accordance with this chapter;

(4) initiate, as necessary, a process for identifying and managing uses of state concern within specific areas of the coast;

(5) develop procedures or guidelines for consultation and coordination with federal agencies managing land or conducting activities potentially affecting the coastal area of the state.

Sec. 46.35.050. ACTION AND SUBMISSION BY COASTAL RESOURCE DISTRICTS. Each coastal resource district shall make substantial progress, in the opinion of the council, toward completion of an approvable district coastal management program and shall complete and submit to the council for approval its program within 30 months of the effective date of this Act, or within 30 months of certification of the results of its organization election, whichever is later.

Sec. 46.35.060. REVIEW AND APPROVAL BY COUNCIL. (a) If, upon submission of a district coastal management program for approval, the council finds that the program is substantially consistent with the provisions of this chapter and the guidelines and standards adopted by the council and does not arbitrarily or unreasonably restrict or exclude uses of state concern, the council may grant summary approval of the district coastal management program, or may approve portions of the district program which are consistent. An approved district coastal management program shall take effect upon adoption by the coastal resource district and approval by the council, except that programs prepared by coastal resource service areas under sec. 110 of this chapter or by the Department of Community and Regional Affairs under sec. 160 of this chapter shall be submitted for review by the legislature and shall take effect 45 days after the convening of a regular legislative session unless disapproved by a concurrent resolution adopted by a

and implementation of district coastal management programs;

(3) undertake review and approval of district coastal management programs in accordance with this chapter;

(4) initiate, as necessary, a process for identifying and managing uses of state, regional, and district concern within specific areas of the coast;

(5) develop procedures or guidelines for consultation and coordination with federal agencies managing land or conducting activities potentially affecting the coastal area of the state.

Sec. 46.35.050. ACTION AND SUBMISSION BY COASTAL RESOURCE DISTRICTS. Each coastal resource district shall make substantial progress, in the opinion of the council, toward completion of an approvable district coastal management program and shall complete and submit to the council for approval its program within 30 months of the effective date of this Act.

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THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

the alaska native foundation
515 "D" Street ■ Anchorage, Alaska 99501 ■ 274-5638

Testimony on SB 220

Submitted to Senate Natural Resources Committee on March 29, 1977, at the request of Sen. Kay Poland, Chairwoman.

My name is Michael H. DeMan. I am the director of the Alaska Native Foundation's Village Management Assistance Program. I am by birth and choice a coastal Alaskan, and through my position at the Foundation, and previous work in state and local government, have traveled quite extensively in rural Alaska. The Foundation's involvement -- and mine -- with the coastal zone management, and its attendent OCS development issue, began last year. While ANF has limited resources to work with -- or perhaps because of that fact -- we try to stretch dollars as far as possible. And in dealing with coastal management and OCS -- we've seen our money go pretty far. We didn't look for the CZM/OCS issue -- rather it came to us, for two reasons:

1. As an organization working with villages, we received numerous questions about CZM and OCS from village leaders which we couldn't answer; so
2. ANF, together with the Alaska Native Human Resources project, set out to determine what CZM/OCS needs were not being met. Information and discussion seemed to be needed most strongly, so an OCS Awareness seminar was held in February. Funded in part by the State, the Kellogg Foundation and the BIA, more than 80 residents from coastal communities attended.

As a result of that Seminar and other work with the villages, ANF has come to the realization that CZM/OCS is only a portion of a much larger need for all of rural Alaska. The following

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outline proposes a workable solution for government -- for all rural Alaskans.

1. There is a need for regional and sub-regional planning for rural Alaska (unorganized borough), which is not filled by an existing organizational structure.

2. This need could be met under the service area concept (Chapter 29-03-020) but it is unrealistic to expect existing small cities and villages to deal with major forces affecting their lives on an area wide basis. City annexation of lands in question is not the answer. The planning need is of a much broader nature.

3. The service area concept should be rewritten to allow cluster groups of communities to share planning and zoning administration and powers outside their respective cities. This would give service areas a structure to deal with such forces and concepts as: Coastal zone management, rural energy needs, economic development, large scale agriculture projects, inter-village transportation systems and communications, and other regional or sub-regional planning needs.

4. State and federal governments also need certain structures to interface with to make important decisions and determine policy directions. As the saying goes, what is everyone's responsibility, is no one's responsibility. So it is with the unorganized borough and planning.

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5. The first step for rural Alaska is important. Too many times, the structure of present local governments has been super-imposed over an already totally mixed bag of organizations which evolved haphazardly to meet special situations. Although everyone agrees planning should come first, no one provides for it in a comprehensive non-burdensome way. We have that opportunity now.

6. Instead of forming planning structures and areas in reaction to government or private industry's ventures into rural life, which may overlap -- or which are designed for one purpose but used for another -- let's design planning structures and applications based on what is there now, in terms of inter-village relationships. All new projects emanating from without or within, then, would be able to deal with a planning organization which has defined goals, objectives, and responsibilities.

7. This service area should not be super-imposed, though outside guidance may be needed -- and welcomed. Rather, after careful development and pre-planning by the local people concerned, it should be voted upon by those people within the designated service area.

8. These service areas should then be allocated planning funds to cope with their priorities.

In order to accomplish the goal of development of a planning

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structure for rural Alaska, the following must first take place:

1. Develop the boundaries of existing geographically-homogenous planning units, i.e., the cluster groups. An example would be the Nunivak-Nelson Island group of six villages.

2. Identify existing governmental, non-governmental, economic, and other applied boundaries presently in use in rural Alaska.

3. Define the rationale and purpose for each boundary.

4. Design a "Service Area Powers" concept, which allows a step-by-step approach to governmental responsibilities starting with overall planning. These service areas should not put additional strain on limited local expertise, which is already over-extended in many locations.

5. Re-examine the existing structure of the Department of community and Regional Affairs.

6. Identify money necessary to accomplish the above on a multi-year basis.

If these service areas are designed in a sound, effective way in close partnership with the people who will administer -- and in turn, be affected by such administration -- then sound decisions can be made in planning the physical, social and economic future of rural Alaskans.

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I know this is a major proposal but coordination is vital for a rural people presently smothered by conflicting responsibilities, districts, jurisdictions, and general state overlap. Such coordination must come from you because you know the people best; you live there, and you make the laws.

the alaska native management report

published twice-monthly by the alaska native foundation

VOLUME 6 NUMBER 3 FEBRUARY 15, 1977

VILLAGERS VIEW PROBLEMS OF OCS

In meetings, over coffee and in group discussions, they said again and again how much it reminded them of "the old days during the land claims struggle." Then it was the land, and a land freeze kept the situation in abeyance until a final decision could be made. Now there is talk of a new freeze, a "sea freeze," to not allow any oil development until a final decision is made on who controls the subsistence resources of off-shore areas.

With powers provided through ANSCA, Alaska's coastal residents have a chance at succeeding with this new cause: Managing the changes inherent in the planned development of Alaska's extensive Outer Continental Shelf petroleum reserves.

Representatives from 61 village corporations, 120 people in all, gathered at Anchorage's Ramada Inn, February 4-6, for a conference on OCS, sponsored by the Alaska Native Foundation with assistance from the Kellogg Project of the University of Alaska, the Dept. of Community and Regional Affairs, the Governor's Coastal Zone Management Office and the Bureau of Indian Affairs.

The conference, entitled the "Management of Change," focused on three major topics.

1) What changes can villages expect with OCS development?

2) What are the legal rights with regard to development which affects a community or region?

3) How can villages best use all resources to plan for and manage the change to the benefit of local residents?

Questionnaires filled out by conference partici-

OCS, *Cont. on p. 2*

LMAs TALK TRESPASS, NAVIGABILITY

Dan Alex of Eklutna was reelected chairman of the Land Manger's Association at its regular monthly meeting on February 4. The LMA adopted several by-laws changes designed to bring more village land managers and others directly concerned with Native land matters into the organization.

Lloyd Sutton, Native Liaison officer with BLM, reported on trespass on Native lands, and on efforts of BLM to deal with While BLM is making some creditable efforts in the matter of occupancy trespass (squatters), they fall short because of limited resources in the area of recreational trespass. Both types of trespass have become matters of grave concern to Native corporations on their land.

The complex issue of navigability and its effect on land entitlements was discussed in some depth. Phil Wallick, land manager for Calista, said that from 18% to 22% of Calista's land selections will be under water; it is easy to see the problem if they are forced to select very much of this underwater land. The village of Atmauthluak, he said, is the classic example, with 56% of the area under water.

There is need for a test case in Alaska to determine some ground rules for navigability.

The Land Managers looked at several bills on forest practices now in the state legislature and recommended that AFN support the concept of a Division of Forestry as proposed in HB 10.

Processing of Native groups should be done under the rules which applied at the time they made application for that status, and LMA recommended that AFN take some action in support of this policy.

The Association also asked that AFN vigorously campaign for a Native representative on the Easement Task Force.

* * *

EKLUTNA NOT CLASS REPRESENTATIVE

Eklutna, Inc. is definitely not to be considered the representative of the entire class of Alaska Native village corporations, says a U.S. District court judge.

In January, Eklutna had been served with a summons from the Alaska Public Easement Defense Fund naming their village corporation as representing the class in the easement lawsuit, although an earlier order had stipulated that they are not. In response to a letter asking for clarification, Judge James A. von der Heydt issued another order on January 31, 1977 affirming that: "...any reference to Eklutna's capacity as class representative is stricken...", and ordering that the plaintiffs mail a copy of the order to all village corporations served with the amended complaint.

From this point on, each village, including Eklutna, will represent only itself in the increasingly complicated easement lawsuit.

OCS, *Continued from page 1*

pants before the meetings began indicated that people in about half the coastal communities were talking about OCS, and while the other half felt a vague unease about the subject, they didn't know enough to discuss it. Several villagers had been to other meetings on OCS; few representatives of either state or federal governments, oil companies or other organizations had visited communities to talk about the subject.

Much of the conference looked specifically at how communities already impacted by OCS have dealt with it. Most affected so far is Yakutat, and many sessions were chaired by representatives from that area, namely Byron Mallott, Sam Demmert, Attorney Dave Wolf, and Vern Wiggins and Bob Sharp from Tryck, Nyman and Hayes, land planners for Yakutat. Also prominent were Kodiak and English Bay representatives, because these three communities together form specific role models for villages not yet hit by OCS: English Bay has chosen no development at all; Kodiak wants the economic benefits of development, and has formed a partnership with its villages and the borough, and like Yakutat, is trying for the two: To minimize the impact on its lifestyle and culture, and gaining financially.

Kay Poland, State Senator from Kodiak, outlined important legislation which would emphasize the importance of local and sub-regional control over OCS development.

Saturday featured representatives from the State, Federal government and oil industry. Ed Hoffmann, head of BLM's OCS office in Anchorage, said that new procedures may be on the way with the Carter Administration, with greater emphasis on public hearings in the affected regions.

State speakers Commissioner Guy Martin, Sandy Sagalkin, Glenn Akins, Kevin Waring and Jim Wiedeman discussed various roles of their agencies, passing on a good deal of information. But the villagers, through their questions at the sessions and in their questionnaires after the conference, had a message for the State, too. Few thought available monies should go to the State for planning for OCS (it should go to the regions and villages, they thought) and by a 4 to one margin, villagers thought the State hasn't done enough to assist local areas with OCS information and planning.

Somewhat skeptical (a few downright unfriendly) participants kept oil industry representatives Jim Hart of ARCO, Joe Homer from EXon and Waco Shelley of Mobil, busy answering questions on all facets of their companies' activities, from the technical end of OCS development to overall policy decisions and philosophy.

Speaking more directly to the questions of cultural impact and subsistence lifestyles were Anthony Vaska from KCC in Bethel, Linda Ellanna from Anchorage Community College and Pat Wennekens from the Arctic Environmental Information and Data Center.

Two view points on planning came during the banquet speeches: Eben Hopson, Sr., mayor of the North Slope Borough, urged closer planning and international legislation for peoples along the Arctic coasts, so they can control what happens off their shorelines. John Hope from the Juneau BIA office outlined funding available through the Indian Self Determination Act to villages for OCS planning.

During the three days, special "closed" sessions allowed only those people from affected areas to sit down together and discuss in depth specific information and ask questions about planning for their individual villages or areas. Nearly all participants found this to be an extremely effective method of dealing with the complicated and often-emotional OCS issue.

The questionnaires at the meetings' end showed villagers felt their communities were not ready to make any decisions on OCS yet, needing more information before deciding on any course of action. And they want to know more about OCS: It was unanimous that follow-up activities are needed, such as meetings and workshops in the villages and/or regions; additional funding for local areas to plan together and then develop the resources to carry out those plans. The goal is to manage--successfully--the changes that OCS development means for the lifestyles and futures of coastal village residents.

ANF plans follow-up information on the conference in the form of newsletters and a final report. If you are interested in receiving this material, let us know: Write ANF—OCS Information, 515 D Street, Anchorage, Alaska 99501

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Richard Janson is president of the Alaska Native Foundation. Emil Notti is chairman of the board of directors. The executive board includes: Notti, Janson, Victor Fischer, Ralph Perdue, Vincent Schuerch, Roy Huhndorf, and Richard Stitt. Other members of the board are: Boris Koshrak, Byron Mallott and Larry Merculieff.

Village Corporations

Acreage Entitlements; Enrollments; Regional 12(b) and 14(h)(8)

Editor's Note: The following tables show Village Corporations (including those under appeal and in litigation, and also those merged with their regions), their 14(a) entitlements, and figures for the regional allocations under 12(b) and 14(h)(8). These figures were published in the *Federal Register* on Feb. 2, 1977. They are subject to appeal to ANCAB for thirty days after that date.

SECTION 14(a)

Under provisions of ANCSA, the surface estate of 22 million acres will go to the village corporations. The original selection by the villages will be on the basis of provisions of Section 14(a) of the Act, which gives them land in accordance with the village's enrollment as of December 18, 1970. It is therefore important to know the exact enrollment of each village as of that date. The Act gave BIA till December 18, 1973 to come up with the figures, which it did but the figures were conditional on the correction of errors, results of enrollment appeals, etc. In mid-January final figures were sent to the regions by the Acting Director, along with the resultant entitlement figures for Section 14(a).

SECTION 12(b)

After selection of 14(a) entitlements by the villages, the balance of the 22 million acres is to be conveyed to eleven regions (excluding Sealaska and the 13th), on the basis of population, to be reconveyed to the villages on the basis of historic use, subsistence needs and population. The 12(a) acreage is also computed in the following tables.

SECTION 14(h)(8)

2 million acres were set aside by Section 14(h) for such purposes as cemeteries, historic sites, group selections, etc. The balance of the 2 million acres is to go to the regions on the basis of population, and these figures are computed in the following tables.

Ahtna, Inc.
Drawer G
Copper Center, Ak. 99573

Section 12(b)

Pop.	*Percentile*	*Acres*
1,090	1.811142682	33,325

Section 14(h)
Initial Share-- Acres

Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
1.415418977	2,831	14,625

	Pop.	*Acres*
Cantwell Yedatene-Na Corp., Cantwell, Ak 99729	72	69,120
Cheesh-Na Inc., Chistochina, Ak 99586	32	69,120
Chitina Native Corp., P.O. Box 206, Glennallen, Ak 99588	237	115,200
Kluti-Kaah Corp., Drawer G, Copper Center, Ak 99573	258	115,200
Gakona Corp., Gakona, Ak 99586	35	69,120
Sta-Ken Corp., Gakona, Ak 99586	106	92,160
Mentasta Inc , Mentasta Lake, via Tok, Alaska 99780	97	69,120
Tazlina Inc., Box 225, Glenallen, Ak 99588	121	91,160

Aleut Corporation
833 Gambell St.
Anchorage, Ak. 99501

Section 12(b)

Pop.	*Percentile*	*Acres*
3,361	5.584633534	102,757

Section 14(h)
Initial Share-- Acres

Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
4.364424937	8,729	43,986

	Pop.	*Acres*
Akutan Corp., Akutan, Ak	106	92,160
Atxam Corp., Atka, Ak	145	91,160
Attu Corp., Attu, Ak	11	0 *
Belkofski Corp., Belkofski, Ak	33	69,120
False Pass Corp., False Pass, Ak	66	69,120
King Cove Corp., King Cove, Ak	345	115,200
Nelson Lagoon Corp., Nelson Lagoon, Ak	54	69,120
Chaluka Corp., Nikolski, Ak	74	69,120
Sanak Corp., Pauloff Harbor, Ak	26	69,120
Tanag Corp., St. George, Ak	223	115,200
Tanadgusix Corp., St. Paul, Ak	540	138,240
Shumagin Corp., Sand Point, Ak	401	138,240
Qunalashka Corp., Unalaska, Ak	269	115,200
Unga Corp., Unga, Ak	54	69,120

* *Found ineligible as a Village by Secretary Decision of December 17, 1974. Would not meet minimum population of 25 for minimum entitlement of 69,120 acres.*

Arctic Slope Region
Box 129
Barrow, Ak. 99723

Section 12(b)

Pop.	*Percentile*	*Acres*
3,911	6.498512869	119,537

Section 14(h)
Initial Share-- Acres

Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
5.078627173	10,157	51,184

	Pop.	*Acres*
Nunamiut Corp., Anaktuvuk Pass, Ak 99721	132	92,160
Atkasook Corp., Atkasook/Mead River, Ak	71	69,120
Ukpeagvik Inupiat Corp., P.O. Box 427 Barrow, Ak 99723	2,031	161,280
Kaktovik Inupiat Corp., Kaktovik, Ak 99747	112	92,160
Kuugpik Corp., Nooiksut, Ak	212	115,200
Tigara Corp., Point Hope, Ak 99766	498	138,240
Cully Corp., Point Lay, Ak	89	69,120
Olgoonik Corp., Wainwright, Ak 99782	369	115,200

Bristol Bay Native Corp.
P.O. Box 198
Dillingham, Ak. 99576

Section 12(b)

Pop.	*Percentile*	*Acres*
5,525	9.180333317	168,918

Section 14(h)
Initial Share-- Acres

Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
7.174486099	14,349	72,307

	Pop.	*Acres*
Aleknagik Natives, Ltd., Aleknagik, Ak 99555	231	115,200
Far West, Inc., Chignik, Ak 99564	286	115,200
Chignik Lagoon Native Corp., Chignik Lagoon, Ak 99565	102	92,160
Chignik River, Ltd., Chignik Lake, Ak 99564	104	92,160
Saguyak Inc., Clark's Point, Ak 99569	111	92,160
Chogging Ltd., Dillingham, Ak 99576	931	161,280
Becharof Corp., Egegik, Ak 99579	170	92,160
Ekuk Natives Ltd., Ekuk, Ak 99576	39	69,120
Ekwok Natives Ltd., Ekwok, Ak 99850	112	92,160
Igiugig Native Corp., Igiugig, Ak 99613	37	69,120
Iliamna Natives Ltd., Iliamna, Ak 99606	75	69,120
Bay View, Inc., Ivanof Bay Ak 99502	47	69,120
Kokhanok Native Corp., Kokhonak, Ak 99606	105	92,160
Koliganek Natives Ltd., Koliganek, Ak 99576	131	92,160
Levelock Natives Ltd., Levelock, Ak 99625	100	92,160
Manokotak Natives Ltd., Manokotak, Ak 99628	226	115,200
Paug-Vik Inc.,Ltd., Naknek, Ak 99633	293	115,200
Newhalen Native Corp., Newhalen, Ak 99633	74	69,120
Stuyahok Ltd., New Stuyahok, Ak 99636	229	115,200
Nondalton Native Corp., Nondalton, Ak 99640	257	115,200
Pedro Bay Corp., Pedro Bay, Ak 99647	105	92,160
Oceanside Corp., Perryville, Ak 99648	130	92,160
Pilot Point Native Corp., Pilot Point, Ak 99649	147	92,160
Ohsenakale Corp., Portage Creek, Ak 99576	77	69,120
Meshik Corp., Port Heiden, Ak 99648	70	69,120
Qinuyang Ltd., South Naknek, Ak 99607	180	92,160
Togiak Natives Ltd., Togiak, Ak 99678	399	115,200
Twin Hills Native Corp., Twin Hills, Ak 99678	61	69,120
Ugashik Native Corp., Ugashik, Ak 99683	31	69,120

Bering Straits Native Corp.
P.O. Box 1008
Nome, Ak. 99762

Section 12(b)

Pop.	*Percentile*	*Acres*
6,919	11.496602030	211,537

Section 14(h)
Initial Share-- Acres

Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
8.984664130	17,969	90,550

	Pop.	*Acres*
Brevig Mission Native Corp., Brevig Mission, Alaska 99785	135	92,160
Council Native Corp., Council, Ak 99762	66	69,120
Elim Native Corp., Elim, Ak 99762	234	0 *
Golovin Native Corp., Golovin, Ak 99762	171	92,160
Inalik Native Corp., Diomede, Ak 99762	104	92,160
King Island Native Corp., Box 188, Nome, Ak 99762	205	115,200
Koyuk Native Corp., Koyuk, Ak 99753	184	92,160
Mary's Igloo Native Corp., Teller Ak 99778	109	92,160
Sitnasuak Native Corp., Box 905, Nome Ak 99762	2,054	161,280
Savoonga & Gambell Native Corps. Box 142, Savoonga, Ak 99769	842	0 *
Shaktoolik Native Corp., Shaktoolik, Ak 99771	207	115,200
Shishmaref Native Corp., Shishmaref, Ak 99772	310	115,200
Solomon Native Corp., Solomon, Ak 99762	38	69,120+
St. Michael Native Corp., St. Michael, Ak 99659	255	115,200
Stebbins Native Corp., Stebbins, Ak 99671	273	115,200
Teller Native Corp., Teller, Ak 99778	274	115,200
Unalakleet Native Corp., Box 100, Unalakleet Ak 99684	840	161,280
Wales Native Corp., Wales, Ak 99684	168	92,160
White Mountain Native Corp., White Mountain Ak 99784	202	115,200

* *These village corporations elected the option provided by section 19 of the ANCSA, thus they are ineligible to receive lands or other interests under sections 12 and 14 (a) of the ANCSA.*

† *Found ineligible as a Village by Secretary decision of Oct. 3 1974, case is in litigation. If finally determined eligible, entitlement would be 69,120 acres; no entitlement if finally found ineligible.*

Calista Corporation
516 Denali St.
Anchorage, Ak. 99501

Section 12(b)

Pop.	*Percentile*	*Acres*
13,444	22.338534138	411,029

Section 14(h)
Initial Share-- Acres

Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
17.457699749	34,915	175,945

	Pop.	*Acres*
Akiachuk, Ltd., Akiachuk, Ak 99551	332	115,200
Kokarmuit Corp., Akiak, Ak 99552	211	115,200
Alakanuk Native Corp., Alakanuk, Ak 99554	467	138,240
Nerklimute Native Corp., Andreafski, Ak 99658	84	69,120
Aniak Ltd., Aniak, Ak 99557	249	115,200
Atmautluak Ltd., Atmautluak, Ak 99559	119	92,160
Bethel Native Corp., Bethel, Ak 99559	1,726	161,280
Kongnikilnomuit Yuita Corp., Bill Moore's Slough via Kotlik, Ak 99620	46	69,120
Chefarnrmute Inc., Chefornak, Ak 99561	162	92,160
Chevak Corp., Chevak, Ak 99563	422	138,240
Chuloonawick Corp., Chuloonawick via Emmonak, Alaska 99581	27	69,120
Kipchaugbuk Ltd., Crooked Creek, Ak 99575	128	92,160
Igfijouag Corp., Eek, Ak 99578	200	115,200
Emmonak Corp., Emmonak, Ak 99581	477	138,240
Georgetown Corp., Georgetown via Red Devil, Ak 99656	45	69,120
Knitsarak, Inc. Goodnews Bay, Ak 99589	224	115,200

CALISTA, Continued....

	Pop.	Acres
Nunapigllurag Corp., Hamilton via Kotlik, Ak 99620	35	69,120
Sea Lion Corp., Hooper Bay, Ak 99604	623	161,280
Kasigluk Inc., Kasiglik, Ak 99609	309	115,200
Kugkaktlik Ltd., Kipnuk, Ak 99614	360	115,200
Qemirtalek Coast Corp., Kongiganak, Ak 99695	248	115,200
Kotlik Yupik Corp., Kotlik, Ak 99620	220	115,200
Kwethluk Inc., Kwethluk, Ak 99621	450	138,240
Kwik Inc., Kwigillingok, Ak 99622	229	115,200
Lime Village Corp., Lime Village via Sleetmute, Ak 99668	26	69,120
Lower Kalskag, Inc., Lower Kalskag, Ak 99626	170	92,160
Masereuliq, Inc., Lower Kalskag, Ak 99626	215	115,200
Nima Corp., Mekoryuk, Ak 99630	306	115,200
Azachorok Inc., Mountain Village, Ak 99632	488	138,240
Napaimute Ltd., Napaimute via Aniak, Ak 99557	47	69,120
Napakiak Corp., Napakiak, Ak 99559	260	115,200
Napaskiak Inc., Napaskiak via Bethel, Ak 99559	220	115,200
Newtok Corp., Inc., Newtok, Ak 99559	126	92,160
NGTA, Inc., Nightmute, Ak 99690	99	69,120
Nunapitchuk Ltd., Nunapitchuk, Ak 99641	325	115,200
Ohog, Inc., Ohogamiut via Russian Mission, Alaska 99567	22	0 *
Oscarville Native Corp., Oscarville, Ak 99559	53	69,120
Paimiut Corp., Paimiut via Hooper Bay, Alaska 99690	22	0 *
Pilot Station, Inc., Pilot Station, Ak 99650	321	115,200
Pitka's Point Native Corp., Pitka's Point, Ak 99658	89	69,120
Arvig, Inc., Platinum, Ak 99651	68	69,120
Quanirtuug, Inc., Quinhagak, Ak 99655	346	115,200
Red Devil, Inc., Red Devil, Ak 99656	35	69,120
Chauthbaluk Corp., Chauthbaluk via Aniak, Ak 99557	115	92,160
Russian Mission Native Corp., Russian Mission, Ak 99657	128	92,160
St. Mary's Native Corporation, St. Mary's, Ak 99658	297	115,200
Askinuk Corp., Scammon Bay, Ak 9962	192	92,160
Swan Lake Corp., Sheldon's Point, Ak 99666	131	92,160
Sleetmute Ltd., Sleetmute, Ak 99668	163	92,160
Stony River Ltd., Stony River, Ak 99673	81	69,120
Nunakauiak Yupik Corp., Toksook Bay, Ak 99637	281	115,200
Tulkisarmute Inc., Tuluksak, Ak 99679	183	92,160
Tuntutuliak Inc., Tuntutuliak, Ak 99680	211	115,200
Tununrmiut Rinit Corp., Tununak, Ak 99681	295	115,200
Umkumiute Ltd., Umkumiute via Nightmute, Ak 99581	27	69,120
Upper Kalskag Inc., Upper Kalskag, Ak 99607	159	92,160

* *These villages have insufficient population to be entitled to patent to any acreage under section 14 (a). Upon request, village eligibility status would be reconsidered and opportunity provided for the place to be considered as a group under section 14 (h) (2) of the ANCSA.*

Doyon, Ltd.
Doyon Bldg., 1st & Hall
Fairbanks, Ak. 99701

Section 12(b)

Pop.	Percentile	Acres

Section 14(h)

Initial Share-- Acres

Percentile	43 CFR 2653.1	Sec. 14(h)(8)
12.003791765	24,008	120,978

	Pop.	Acres
Alatna Endeavors, Inc., Alatna, Ak 99720	30	69,120
Aala Kaa Ka' Inc., Allakaket, Ak 99720	147	92,160
Central Native Corp., Anvik, Ak 99558	129	92,160
Beaver Kwitchin Corp., Beaver, Ak 99724	190	92,160
Tihteet 'Aii Inc., Birch Creek, Ak 99790	52	69,120
Chalkyitsik Native Corporation, Chalkyitsik, Alaska 99788	90	69,120
Danzhit Hanlaii Corp., Circle, Ak 99733	101	92,160
Dot Lake Native Corp., Dot Lake, Ak 99737	45	69,120
Hungwitchin Corp., Eagle, Ak 99738	100	92,160
Evansville, Inc., Evansville, Ak 99726	82	69,120
Gwitchyaazhee Corp., Fort Yukon, Ak 99740	737	161,280
Notaaghleedin Ltd., Galena, Ak 99741	344	115,200
Hee Ya Lindge Corp., Grayling, Ak 99590	178	92,160
Mendas Cha-Ag Native Corporation, Box 667, Delta Junction, Ak 99737	27	69,120
Deloycheet Inc., Holy Cross, Ak 99602	429	138,240
Hadohdlee Koga Inc., Hughes, Ak 99745	88	69,120
Bin Googa Inc., Huslia, Ak 99746	225	115,200
Takathlee-Londie Inc., Allag, Ak 99748	251	115,200
Mineelghaadza Ltd., Kyukuk, Ak 99754	163	92,160
Chamai, Inc., McGrath, Ak 99627	176	92,160
Bean Ridge Corp., Manley Hot Springs, Ak 99756	12	69,120
Seth-De-Ya-Ah Corp., Minto, Ak 99758	286	115,200
Toghotthele Corp., Nenana, Ak 99760	452	138,240
Donlee Corp., Nikolai, Ak 99691	93	69,120
Northway Natives Inc., Northway, Ak 99764	207	115,200
Nik'aghun Ltd., Nulato, Ak 99765	392	115,200
Baan o yeel kuo Corp., Rampart, Ak 99767	173	92,160
Dineega Corp., Ruby, Ak 99768	289	115,200
Zho-Tse Corp., Shageluk, Ak 99665	186	92,160
Dinyea Corp., 150 A St., No. 1, Fairbanks Alaska 99701	166	92,160
Gold Creek Ltd., Takotna, Ak 99675	38	69,120
Tanacross Inc., Tanacross, Ak 99776	167	92,160
Tozina, Ltd., Tanana, Ak 99777	590	138,240
Seseut, Inc., Telida, Ak 99627	25	69,120
Tetlin Native Corp., Tetlin, Ak 99779	125	0 *
Venetie Indian and Neets' ai Corp., Venetie, Ak 99781	303	0 *

* *These villages elected the option provided by section 19 of the ANCSA, thus they are ineligible to receive lands or other interests under section 12 and 14 (a).*

Koniag, Inc.	Section 12(b)		
P.O. Box 746	*Pop.*	*Percentile*	*Acres*
Kodiak, Ak 99615	3,394	5.639466294	103,736

Section 14(h) Initial Share-- Acres		
Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
4.407277072	8,815	44,418

Natives of Afognak, Inc., Box 14, Kodiak, Ak 99615		402	138,240
Aiakialik Inc., Box 1423, Kodiak, Ak 99615		28	0 (1)
Natives of Akhiok, Inc., Akhiok Rural Station, Akhiok, Ak 99615		93	69,120
Anton Larsen, Inc., Box 134, Kodiak, Alaska 99615	(2)	32	69,120
Ayakulik Inc., Box 746, Kodiak, Ak 99615	(3)	27	69,120
Bells Flats Natives Inc., Box 794, Kodiak, Alaska 99615	(4)	27	69,120
Kaguyak, Inc., Box 2694, Kodiak, Ak 99615		54	69,120
Karluk Native Corp., Box 746, Kodiak, Ak 99615		187	92,160
Nu-Nacht-Pit, Inc., Larsen Bay, Ak 99624		203	115,200
Litnik Inc., Box 86, Kodiak, Ak 99615	(5)	37	69,120
Kitoi Inc., Box 1423, Kodiak, Ak 99615	(6)	0	0
Old Harbor Native Corp., Old Harbor,		334	115,200
Ouzinkie Native Corp., Ouzinkie, Ak 99644		334	115,200
Port Lions Native Corp., Box 266, Port Lions, Ak 99550		115	92,160
Shuyak Inc., Box 733, Kodiak, Ak 99615	(7)	44	69,120
Uganik Natives Inc., Box 2521, Kodiak Ak	(8)	31	69,120
Uyak Natives Inc., Box 1321, Kodiak Ak	(9)	34	69,120
Leisnoi Inc., Box 641, Kodiak, Ak 996 3		309	115,200

(1) Found ineligible as a Village by Secretary decision of Sept. 9, 1974. If, through litigation, were to be found eligible, entitlement would be 69,120 acres.

(2) Found ineligible as a Village by Secretary decision of Oct 23, 1974, case now in litigation. If finally determined eligible, entitlement would be 69,120 acres; no entitlement if ineligible.

(3) Found ineligible as a Village by Secretary decision of Oct. 3, 1974, case now in litigation. If finally determined eligible, entitlement would be 69,120 acres; no entitlement if ineligible.

(4) Found ineligible as a Village by Secretary decision of Sept. 20, 1974, case now in litigation. If finally determined eligible, entitlement would be 69,120 acres; no entitlement if ineligible.

(5) Found ineligible as a village by Secretary decision of Oct 3, 1974, case now in litigation. If finally determined eligible, entitlement would 69,120 acres; no entitlement if ineligible.

(6) Found ineligible as a Village by Secretary decision of Aug. 29, 1974. Withdrew 12(a) application in June, 1975.

(7) Found ineligible as a Village by Secretary decision of Nov. 1, 1974, case now in litigation. If finally determined eligible, entitlement would be 69,120 acres; no entitlement if ineligible.

(8) Found ineligible as a Village by Secretary decision of Nov. 1, 1974, case now in litigation. If finally determined eligible, entitlement would be 69,120 acres, no entitlement if ineligible.

(9) Found ineligible as a Village by Secretary decision of June 18, 1974, case now in litigation. If finally determined eligible, entitlement would be 69,120 acres; no entitlement if ineligible.

Cook Inlet Region, Inc.	Section 12(b)		
1211 W. 27th Ave.	*Pop.*	*Percentile*	*Acres*
Anchorage, Ak. 99503	6,275	10.426532'99	191,848

Section 14(h) Initial Share-- Acres		
Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
8.148398239	16,297	82,122

	Pop.	*Acres*
Alexander Creek Inc., Box 1011, Eagle River, Ak 99577	37	69,120*
Chicl loon Moose Creek Native Assoc., Inc., 15 Primrose Street, Anchorage, Ak 99504	42	69,120
Eklut a Inc., Chugiak, Ak 99567	126	92,160
Knikatnu Inc., Box 1011, Eagle River, Ak 99577	28	69,120
Ninilchik Native Assoc., Inc., Box 173, Ninilchik, Ak 99639	207	115,200
Point Possession Inc., 1420 I Street, Anchorage	36	0 †
Salamatoff Native Assoc., Inc., Box 2582, Kenai, Ak 99611	129	92,160**
Seldovia Native Assoc., Inc., Box 185, Seldovia Ak 99663	255	115,200
Tyonek Native Corp., Tyonek, Ak 99682	303	115,200

** Found ineligible as a village by Secretary decision of Nov. 1, 1974, case now in litigation. If finally determined eligible, entitlement would be 69,120 acres; no entitlement if ineligible.*

† Found ineligible as a village by Secretary decision of Nov. 1, 1974,. If, through litigation, were to be found eligible, entitlement would be 69,120 acres.

*** Found ineligible as a village by Secretary decision of June 18, 1974, case now in litigation. If finally found eligible, entitlement would be 92,160 acres; no entitlement if ineligible.*

Chugach Natives, Inc.	Section 12(b)		
912 E. 15th Ave.	*Pop*	*Percentile*	*Acres*
Anchorage, Ak. 99501	2,106	3.499327053	64,388

Section 14(h) Initial Share-- Acres		
Percentile	*43 CFR 2653.1*	*Sec. 14(h)(8)*
2.734745290	5,470	27,569

Chenega Corp., Box 340, Cordova, Ak 99574	68	69,120
English Bay Corp., English Bay via Homer, Ak 99603	71	69,120
Eyak Corp., Box 111, Cordova, Ak 99574	327	115,200
Port Graham Corp., Port Graham via Homer, Ak 99603	190	92,160
Tatitlek Corp., Box 758, Cordova, Ak 99574	215	115,200

NANA Regional Corp. P.O. Box 49 Kotzebue, Ak. 99752	Section 12(b) Pop.	Percentile	Acres
	4,914	8.165096456	150,238

Section 14(h) Initial Share-- Acres Percentile	43 CFR 2653.1	Sec. 14(h)(8)
6 .381072342	12,762	64,310

Ivisaapaagmitt Corp. *, c/o NANA Regional Corporation, Inc.	166	92,160
Buckland Nunachiak Corp. *, do	159	92,160
Derring Ipnatchiak Corp. * do	162	92,160
Katyaak Corp. * do	341	115,200
Kivalina Sinuckmeut Corp. * do	191	92,160
Koovukmeut Corp. * do	63	69,120
Kikiktagruk Inupiat, Box 33, Kotzebue,	1,986	161,280
Noatak Napaaktukmeut Corp. * c/o NANA Regional Corp, Inc.	288	115,200
Putoo Corp. * do	486	138,240
Akuliak Inc. * do	478	138,240
Isinqmakmeut Inc. * do	163	92,160

* *Pursuant to section 6 of the Act of Jan. 2, 1976 (89 Stat 1148) these village corporations have merged with the NANA Regional Corp., Inc. For purposes of entitlements they are shown individually.*

Sealaska Corporation 811 W. 12th St. Juneau, Ak. 99801	Section 12(b) Pop.	Percentile	Acres
	16,826	n/a	n/a

Section 14(h) Initial Share-- Acres Percentile	43 CFR 2653.1	Sec. 14(h)(8)
21.849394227	43,688	220,206

Cape Fox Corporation, Saxman, Ak	620
Haida Corporation, Hydaburg, Ak	570
Huna Totem, Hoonah, Ak	868
Kake Tribal Corporation, Kake, Ak	552
Kavilko, Inc., Kasaan, Ak	121
Klawock Heenya, Klawock, Ak	597
Klukwan Corporation, Klukwan, Ak	251
Kootznoowoo, Inc., Angoon, Ak	620
Shaan-Seet, Inc., Craig, Ak	317
Yak-Tat-Kwaan, Inc., Yakutat, Ak	334

Under section 16 of the ANCSA, village corporations in the Sealaska Region receive an entitlement of 23,040 acres each. For the ten villages, this amounts to a total of 230,400 acres which will be applied in the entitlement formula under section 12(c) of the ANCSA.

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BANKER'S COMMENTS

Editor's Note: Written by Arnold Gietz, President and Chief Executive Officer of United Bank Alaska, this series tries to address not only the needs of companies and corporations, but of individuals also.

Management of a Business Enterprise

A prerequisite to success of a business enterprise is that it be growing, profitable, and well managed. This is valid whether the enterprise is a proprietorship, partnership, or corporation. This article will address only the area of management and further limit its scope to financial management.

Many new as well as established enterprises encounter serious difficulties through lack of adequate financial management. Probably the greatest single factor causing failure in new enterprises is the underestimating of the cost to be incurred prior to the business becoming profitable. When a business commences it has only an investment, expenses, and no income. It takes time to have income exceed expenses and this should be planned prior to opening a business. If this is not done, the business will falter and fail unless investors are willing to put up more money before any profits are realized.

United Bank Alaska lost over $300,000 during its first six months of operations and this was planned prior to opening the bank. In the second six months it recouped the loss and ended the year with a profit. This is cited only as a typical example of a new business. Had not the loss for the first six months been anticipated, the investors would have been requested to add additional capital to cover the loss. Generally an awkward situation, to say the least.

After a business has passed the break-even point and is profitable it will probably continue to grow. With growth comes a need for a larger investment in inventory, receivables, and possibly fixed assets. If retained earnings are inadequate to meet these needs, the business must look to borrowing and/or additional investment to finance the growth. Another alternative is leasing where capital is conserved and use of the equipment is possible without cost of ownership. Not all companies are eligible for leasing, but where eligible, it may be used on a sale-lease back basis which makes funds available for inventory and receivables or for acquiring new equipment.

Discuss your plans and forecasts with your banker and/or financial advisor before a problem exists and thereby avoid crisis and embarrassment.

ALASKA NATIVE MANAGEMENT REPORT
515 D Street
Anchorage, Alaska 99501

ADDRESS CORRECTION REQUESTED

DEC. 18, 1976 TO BE EASEMENT DATE

December 18, 1976 will be the cutoff date for the consideration of public easements across Native lands, according to a press release from the Bureau of Land Mangement. A directive from Ronald G. Coleman, Assistant Secretary of Interior, says that the reservation of streamside and periodic lakeside easements for recreational access to these waters will be based on use prior to that date, rather than the December 18, 1971 date desired by most Natives.

Most Natives believe that easements should be based on use at the time of the passage of the Alaska Native Claims Settlement Act, inasmuch as the Secretary of Interior was directed by that Act to "immediately" convey Native-selected lands.

Exceptions to Coleman's directive are: the 25-foot coastal easement, "present and future access to all public lands and resources", and in areas where Native land selections have not yet been made.

BLM is still actively seeking public information on access needs over Native-selected lands, according to the release.

Commented Byron Mallott, president of Alaska Federation of Natives, "It is just another erosion of our rights under the Act and points up the need to complete the interim conveyances as soon as possible."

IN BRIEF....

* *Correction:* Last issue we reported on the merger of four village corporations in the Doyon region, and mistakenly gave the name of the new corporation as MTNT, United. Its correct title is MTNT, Limited.

* Burton W. Silcock, co-chairman of the Joint Federal-State Land Use Planning Commission, will be leaving his post on the commission within a few weeks, due to his upcoming retirement from federal service.

* North Pacific Rim, the non-profit arm of Chugach Natives, Inc., has moved to a new location at 433 W. 9th Ave., Suite 200. This is at 9th and E streets. The phone number remains the same: 276-2121.

* On the subject of non-profits, Aleut League now goes by a new name: Aleutian/Pribilof Islands Association, Inc. Its office is located at 430 C Street, Suite 303, and the phone number is 278-3567.

PAYROLL TAX WORKSHOP

The Internal Revenue Service and the Small Business Administration will co-sponsor an Employer's Payroll Tax Workshop on Wednesday, March 2nd, from 9 a.m. to 1 p.m. in the former City Council Chambers located in the basement of the Loussac Library at 427 'F' Street in Anchorage.

The purpose of this workshop is to help employers understand payroll withholding record keeping. Detailed instructions and explanations will be given on how to prepare the various employer's tax forms and comply with depository requirements. Payroll recordkeeping systems will also be demonstrated.

Employers, bookkeepers and the general public are urged to attend. To register call IRS at 277-8741.

SOME DATES TO REMEMBER

February 23 Lower Cook Inlet Oil Lease Sale cancelled.

March 1 Cook Inlet Native Assn. (CINA) General Membership Meeting, election of five board members, CINA Bldg., 670 W. Fireweed, Anchorage

March 2. Payroll Tax Workshop. 9 a.m. to 1 p.m. Former City Council Chambers, basement of Loussac Library, 4th and F, Anchorage.

March 4: Toghatthele Corp. (Nenana) Annual Share-Holders Meeting.

March 12. Sitnasuak Native Corporation (Nome) Annual Shareholders Meeting. Nome Public School Multi-purpose room, 2 p.m.

March 19: Doyon, Ltd. Annual Shareholders Meeting, Traveler's Inn, Fairbanks.

March 25: Alaska Board of Fisheries meet begins. Juneau.

March 29: Alaska Board of Game meet begins. Juneau.

April 2. Nome.Bering Straits Native Corporation Annual Meeting.

HB
376

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING / POUCH SA – JUNEAU 99811

April 7, 1977

The Honorable Lisa Rudd
Chairman
House Community & Regional
Affairs Committee
Alaska State Legislature
Room 620 - Court Building
Juneau, Alaska

Re: House Bill No. 376

Dear Representative Rudd:

House Bill No. 376, an Act providing for property tax relief to homeowners and renters, was introduced in the House on March 21, 1977 and was referred to the House Community & Regional Affairs and Finance Committees.

For the consideration of the House Community & Regional Affairs committee, I am enclosing a Fiscal Note prepared by Mr. Gary L. Jenkins, Director, Audit Division, Department of Revenue, Juneau concerning the proposed legislation.

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Steve Cowper
Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Gary L. Jenkins, Director
Audit Division
Department of Revenue
Juneau, Alaska

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 376

Title An Act providing for property tax relief to homeowners and renters.

Requested by House Community & Regional Affairs Committee Date 4/6/77

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Fiscal Services

Budget Request Unit(s) Affected Audit and Administrative Services

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES		114.0	114.0	114.0	114.0	114.0
200	TRAVEL		10.0	10.0	10.0	10.0	10.0
300	CONTRACTUAL		14.3	14.3	14.3	14.3	14.3
400	COMMODITIES		2.2	2.2	2.2	2.2	2.2
500	EQUIPMENT		2.8	2.8	2.8	2.8	2.8
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		143.3	143.3	143.3	143.3	143.3

FUNDING (Thousands of Dollars)

GENERAL FUND		143.3	143.3	143.3	143.3	143.3
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME		10	10	10	10	10
TEMPORARY						

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

Based on the experience of the State of Oregon which has implemented identical legislation, the above staffing would be required to handle the additional taxpayer assistance and return processing and audit. Currently, approximately 12% of their returns are claims for property tax refund with no Oregon tax due. In our case, this would mean that we would receive approximately 24,000 additional returns over what we would normally receive.

This bill would result in a substantial loss of revenue to the State. Based on the 1975 individual income tax returns filed there would be a loss of revenue of $37,600,000.

IV. DATE 4-6-77 PREPARED BY Gary Hendricks

AGENCY Department of Revenue, Audit Division

PHONE 465-2320

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

33--001 (Rev. 10/76)

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF HUMAN DEVELOPMENT
Senior Citizens Programs

April 20, 1977

The Honorable Lisa Rudd, Chairperson
Alaska State House of Representatives
Community and Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Representative Rudd:

The Anchorage Municipal Senior Citizens Advisory Commission met today and voiced strong opposition to the fact that House Bill 376 would provide tax relief based on income limitations.

Sincerely,
Rose Palmquist/lb

Rose Palmquist, Chairperson

LB:RP:kc

HB
377

100% of true value -

Does present law provide for penalties?
If so, is there any limitation?
It am[illegible] the opinion state shd. not set or limit or mandate penalties.

Introduced: 3/21/77
Referred: Community & Regional Affairs

IN THE HOUSE BY McKINNON

HOUSE BILL NO. 377

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to penalties for delinquent property taxes."

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

* Section 1. AS 29.53.180(a) and (b) are amended to read:

(a) If the taxpayer is required to pay the entire tax on the due date set by the assembly, a penalty not to exceed 10 per cent may be added to all delinquent taxes, except as provided in (d) of this section, and interest at the rate of eight per cent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. If the taxpayer is given the right to pay the tax in two installments and the first half is not paid when due, the entire tax becomes delinquent and penalty and interest accrue as follows:

(1) if the first half is paid when due, the second half is payable on the due date fixed by the assembly for the second half and if not paid is delinquent after that date;

(2) a penalty not to exceed eight per cent shall be added to all taxes delinquent until the due date fixed for payment of the second half, and interest at the rate of eight per cent a year shall be charged on the whole of the unpaid taxes, not including penalty, from due date until paid in full;

(3) after the due date for the payment of the second half, a total penalty of not more than 10 per cent may be added to all delinquent taxes, and interest at the rate of eight per cent a year shall accrue upon all unpaid taxes, not including penalties, from due date until date

paid in full.

(b) If the assembly imposes a penalty for the nonpayment of property taxes when due, or the late return of [personal] real property assessment forms, the rate of penalty or combined rates of penalty may not exceed 10 per cent of the tax due on the property concerned. The provisions of (d) of this section apply to limit the imposition of penalties for the nonpayment of [personal] real property taxes when due.

* Sec. 2. AS 29.53.180 is amended by adding a new subsection to read:

(d) No penalty may be added to a delinquent real [or personal] property tax if the assessed value of the real [or personal] property of the taxpayer reported in the annual assessment roll, exclusive of property or improvements to the property of the taxpayer first included in the annual assessment roll, exceeds by 30 per cent or more the assessed value of the property reported in the annual assessment roll or supplemental assessment roll for the previous assessment year.

not enacted

exclude assic. value & improv. made since last assess. ment

McK. suggests higher % age

{McCarter suggests use tax bill increase, rather than assessed value -

{Suggests 30% annual tax increase.

{Limit to residential property -

Cost to munis. —

Introduced: 3/21/77
Referred: Community & Regional Affairs

IN THE HOUSE BY McKINNON

HOUSE BILL NO. 377

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to penalties for delinquent property taxes."

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

* Section 1. AS 29.53.180(a) and (b) are amended to read:

(a) If the taxpayer is required to pay the entire tax on the due date set by the assembly, a penalty not to exceed 10 per cent may be added to all delinquent taxes, except as provided in (d) of this section, and interest at the rate of eight per cent a year shall accrue upon all unpaid taxes, not including penalty, from the due date until paid in full. If the taxpayer is given the right to pay the tax in two installments and the first half is not paid when due, the entire tax becomes delinquent and penalty and interest accrue as follows:

(1) if the first half is paid when due, the second half is payable on the due date fixed by the assembly for the second half and if not paid is delinquent after that date;

(2) a penalty not to exceed eight per cent shall be added to all taxes delinquent until the due date fixed for payment of the second half, and interest at the rate of eight per cent a year shall be charged on the whole of the unpaid taxes, not including penalty, from due date until paid in full;

(3) after the due date for the payment of the second half, a total penalty of not more than 10 per cent may be added to all delinquent taxes, and interest at the rate of eight per cent a year shall accrue upon all unpaid taxes, not including penalties, from due date until date

Makes lack of penalty apply only to physical improvements, not to natural increase in value.

paid in full.

(b) If the assembly imposes a penalty for the nonpayment of property taxes when due, or the late return of personal property assessment forms, the rate of penalty or combined rates of penalty may not exceed 10 per cent of the tax due on the property concerned. The provisions of (d) of this section apply to limit the imposition of penalties for the nonpayment of personal property taxes when due.

* Sec. 2. AS 29.53.180 is amended by adding a new subsection to read:

(d) No penalty may be added to a delinquent real or personal property tax if the assessed value of the real or personal property of the taxpayer reported in the annual assessment roll, exclusive of property or improvements to the property of the taxpayer first included in the annual assessment roll, exceeds by 30 per cent or more the assessed value of the property reported in the annual assessment roll or supplemental assessment roll for the previous assessment year.

This excludes inflationary increases.

Fbks - reassesses every 2 yrs.
Some every 3 yrs.
Will force ~~[illegible]~~ yearly assessment
assessments ~~will~~ have to be on "fair market value"

HB
451

Fish & Game
H&SS -

Introduced: 4/7/77
Referred: Community &
Regional Affairs and Finance

IN THE HOUSE BY ANDERSON

HOUSE BILL NO. 451

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the regionalization of the Department of Community and Regional Affairs; and providing for an effective date."

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

* Section 1. AS 44.39 is amended by adding a new section to read:

Sec. 44.39.015. DEPARTMENTAL ORGANIZATION. (a) The commissioner shall establish administrative regions in the state as described in (b) of this section. The functions of the department within each administrative region shall be performed, to the maximum extent feasible, through a regional office located in the following cities: (1) Barrow; (2) Kotzebue; (3) Nome; (4) Fairbanks; (5) Bethel; (6) Naknek; (7) Sand Point; (8) Kodiak; (9) Anchorage; (10) Juneau and (11) Ketchikan. Each regional office shall be directed by a regional community and regional affairs director appointed by the commissioner.

(b) The administrative regions of the department shall be established in the following election districts:

(1) Arctic Slope Region -- that part of election districts 16 and 17 that are within the boundaries of the North Slope Borough;

(2) Kotzebue Region -- that part of election district 17 that is outside the boundaries of the North Slope Borough;

(3) Bering Straits Region -- election district 18;

(4) Bethel Region -- election districts 14 and 19, and that part of election district 15 south of 62° north latitude;

(5) Bristol Bay Region -- election district 13;

(6) Aleutians Region -- election district 12;

(7) Kodiak Region -- election district 11

(8) Fairbanks Region -- that part of election district 15 north of 62° north latitude and that part of election district 16 that is outside the boundaries of the North Slope Borough;

(9) Southcentral Region -- election districts 6 - 10;

(10) Northern Panhandle Region -- election districts 3 - 5;

(11) Southern Panhandle Region -- election districts 1 and 2.

(c) The election districts used in (b) of this section are those designated by the Proclamation of Reapportionment and Redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor, September 3, 1965.

prob. w/ changing boundaries ?

* Sec. 2. This Act takes effect July 1, 1978.

Dept. basically supports bill - 100 employees

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 451
Title ... regionalization of the Dept. of Community & Regional Affairs"
Requested by C&RA - House Nels Anderson Date

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Local Government Assist, Community & Rural Develop, Community Planning and Manpower

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			164.9			
200 TRAVEL			-0-			
300 CONTRACTUAL			49.9			
400 COMMODITIES			3.0			
500 EQUIPMENT			9.6			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			227.4			

FUNDING (Thousands of Dollars)

GENERAL FUND			227.4			
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			6.0			
PART TIME						
TEMPORARY						

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

ASSUMPTIONS:

1. Transfer existing professional staff from Anchorage & Juneau.
2. Add new clerical staff for new field offices.
3. Costs for existing field offices in Bethel, Nome, Fairbanks, Juneau & Anchorage will be included in the appropriate budget request units and are not included in the Analysis.
4. Costs in this analysis reflect establishing Departmental field offices in Barrow, Kotzebue, Naknek, Sand Point, Kodiak and Ketchikan (see attached).

IV. DATE April 18, 1977 PREPARED BY Daniel G. Kanouse
AGENCY Dept. of Community & Regional Affairs
PHONE 465-4723

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

33-001 (Rev. 10/76)

FISCAL NOTE - HB 451

"... regionalization of the Department of Community & Regional Affairs"

	BARROW	KOTZEBUE	NAKNEK	SAND POINT	KODIAK	KETCHIKAN	TOTAL
ofessional salaries (incremental)	12,300	12,300	8,900	8,900	1,400	-0-	43,800
erk Typist salaries	22,300	22,300	20,900	20,900	17,900	16,800	121,100
Total salaries	34,600	34,600	29,800	29,800	19,300	16,800	164,900
nt	2,200	2,300	1,200	1,500	1,800	2,400	12,400
sic phone	350	350	350	350	350	350	2,100
ng distance	800	800	800	800	800	800	4,800
ransportation of things	3,600	3,600	3,600	3,600	3,600	3,600	21,600
ostage	500	500	500	500	500	500	3,000
opier	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Total Contractual Serv.	8,450	9,550	7,450	7,750	8,050	8,650	49,900
mmodities	500	500	500	500	500	500	3,000
uipment	1,600	1,600	1,600	1,600	1,600	1,600	9,600
GRAND TOTAL	45,150	46,250	39,350	39,650	29,450	27,550	227,400

Copies for members files

STUART H. BOWDOIN
BOROUGH MANAGER

TELEPHONE
(907) 268-4224

Bristol Bay Borough

BOX 189 • NAKNEK, ALASKA 99633

April 22, 1977

Representative Lisa Rudd
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd;

The Bristol Bay Borough strongly supports the follwoing House Bills.

a. H.B. 450 establishing administrative regional offices for the Department of Health and Social Services.

b. H.B. 451 establishing administrative regional offices for the Department of Community, and Regional Affairs.

c. H. B. 452 establishing administrative regional offices for the Department of Fish & Game.

Locating regional offices in Naknek will provide a central location for these state activities and result in faster and more adequate services to residents of Bristol Bay, Alaska Peninsula and the Iliamna Lake Clark Areas.

Your support of these three Bills will be greatly appreciated.

Sincerely,

Stuart H. Bowdoin
Borough Manager

SHB:smc

HB
483

"An Act making revisions to the Municipal Code (AS 29); eff. date."

4-19-77

COMMITTEE REPORT

HOUSE

2/27 Date

Mr. Speaker:

The Committee on C&RA has had HB 483 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 483 and that CS for HB 483 do pass
- [ ] (and) recommends it be referred to the _____ committee
- [ ] reports it back without recommendation
- [ ] AND attaches a report of its intent
- [ ] (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Kubat - do pass & HCR 20 DO PASS

Ste Lund

Peltola D.I.

Nels A. Anderson Jr. DPass

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Tim Kelly recommends: N. Pass

S. Smith recommends: " "

_____ recommends: _____

F. Kubat
Chairman

H 60

HB 483
Revisions To Title 29

February 17, 1977

The Honorable Hugh Malone, Speaker
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Hugh:

Attached to this letter is a proposed sponsor or committee substitute to HB 110 of draft legislation which would correct or otherwise clarify certain portions of Title 29 from a basically technical viewpoint. In preparing this draft legislation it was our intent not to, in any way, deal with issues involving policy or subjects that might be controversial in nature. I believe that as you read the draft legislation, most proposed changes will be self-explanatory; therefore, I will not attempt to go into detailed explanation as to the background for each of the changes.

By way of general background, Commissioner McAnerney had earlier requested that the Division assume responsibility for reviewing all of Title 29 and to make an attempt to correct those obvious errors or omissions which were apparent in the 1972 legislation or which have been caused by subsequent amendments to the original 1972 version of Title 29. In July, the Department sent a letter to all municipalities requesting their input or suggested amendments to Title 29. Additionally, four attorneys were invited to a meeting which included Billy Barrier and Greg Machyowski (of Legislative Affairs Agency), Jim Nordale (attorney for the Fairbanks North Star Borough), and Karl Walter (formerly city attorney for the City of Anchorage and now a private practitioner). The language of the attached draft legislation (with the exception of sections 1, 7, & 15) is the result of that all-day meeting between the Division of Local Government Assistance and the four attorneys who primarily drafted the 1972 version of Title 29.

Section 1 of the proposed draft may not be technically considered "clean-up" legislation but provides what we in this Division feel would permit a "streamlined" mechanism to allow earlier home-rule charter adoption of a municipality upon incorporation.

On November 15, 1976, the Division received a letter from Wes Howe, borough manager of the Matanuska-Susitna Borough, calling to our attention some technical

deficiencies in AS 29.23.310. Therefore, section 7 of the attached draft is the language proposed by the borough attorney from the Matanuska-Susitna Borough to correct that one problem area. Section 9 of the proposed draft achieves the same purpose as your HB 110.

Section 15 of the proposed draft re-enacts identical language passed by the legislature last year. However, the AG's office has ruled that this enactment would be held invalid since it was contained in a bill which amended Title 43 (thus violating the two subject rule). Ketchikan Gateway Borough administration reminded us of the need to have this provision re-enacted into Title 29. The AG's office has advised that re-enactment of the language is appropriate.

Representative Lisa Rudd has indicated a willingness to consider our proposal as a sponsor or committee substitute but requested that I meet with you for your concurrence.

I hope that you will be able to propose this additional language as a sponsor substitute or that, in the alternative, you will have no objection to allowing this proposal to be considered as a committee substitute for HB 110.

I look forward to discussing this with you at 3:30 tomorrow afternoon.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director

LMcA:PMcC:sg

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

17 February 1978

Ms. Judith A. Slajer, Manager
Ketchikan Gateway Borough
344 Front St.
Ketchikan , Alaska 99901

Dear Judy,

Thank you for your telegram concerning the municipal clerks' proposed amendments to HB 483. I do appreciate the input from the clerks' association.

I have enclosed a copy of the proposed committee substitute for HB 483 which incorporates some of the amendments proposed by the clerks. A committee review of this substitute has not yet been scheduled but it will probably be heard again in two weeks.

Thank you again for your telegram and please let me know if I can be of help to you.

Yours sincerely,

Lisa Rudd, Chair

LR/vb
Enc: HB 483

TELEGRAM

MCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

*

13002 KETCHIKAN ALASKA 37 02-15 955A PST

PMS LISA RUDD CHAIRMAN HOUSE COMMUNITY REGIONAL AFFAIRS COMMITTEE

JUN 5857

RE HB483

NOTE REVISIONS PROPOSED BY JOYCE RASLER WRANGELL CITY CLERK

AMENDMENTS PROPOSED WOULD CLARIFY EXISTING CONFLICTS IN TITLE 29 AND BETWEEN 29 AND OTHER TITLES AND INCREASE THE UNIFORM APPLICABILITY AND WORKABILITY OF TITLE 29

JUDITH A SLAJER BOROUGH MGR KETCHIKAN GATEWAY BOROUGH

TELEGRAM

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

#

1970 FEB 15 AM 10 13

13002 KETCHIKAN ALASKA 37 02-15 955A PST

PMS LISA RUDD CHAIRMAN HOUSE COMMUNITY REGIONAL AFFAIRS COMMITTEE

JUN 0587

RE HB483

NOTE REVISIONS PROPOSED BY JOYCE RASLER WRANGELL CITY CLERK

AMENDMENTS PROPOSED WOULD CLARIFY EXISTING CONFLICTS IN TITLE

29 AND BETWEEN 29 AND OTHER TITLES AND INCREASE THE UNIFORM

APPLICABILITY AND WORKABILITY OF TITLE 29

JUDITH A SLAJER BOROUGH MGR KETCHIKAN GATEWAY BOROUGH

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES, POUCH V, JUNEAU 99811

February 14, 1978

Dear Ms. Rasler,

Thank you very much for your letter on behalf of the Alaska Association of Municipal Clerks regarding HB 483.

I will see that each member of our committee receives a copy of your letter. Thank you again for the information you have provided us with.

Yours sincerely,

Lisa Rudd

LR/vb

REPRESENTATIVE - DISTRICT 11 - ANCHORAGE

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

February 7, 1978

Lisa Rudd, Chairperson
House Community and Regional
Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Re: HB 483, Revision to the Municipal Code

Dear Ms. Rudd:

On behalf of the Alaska Association of Municipal Clerks, I wish to submit the following comments regarding HB 483:

AS 29.13.100 (34) references those sections of Title 29 and Title 14 which apply to home rule municipalities. In reading 14.12.100, we find that 14.12.10 through 14.12.100 applies to home rule. We are unable to find this application within Title 29. We would request that HB 483 include an amendment to 29.13.100 for reference of home rule application of 14.12.10 through 14.12.100.

AS 29.28.030 provides for voter qualifications. We request that this section be amended to provide for a voter being registered within the municipality in which they wish to vote. This would alleviate problems currently encountered.

AS 29.48.180 (a) provides that each ordinance and resolution shall be cofied. 29.48.180 (c) defines codified and does not refer to resolutions. We do not feel a resolution holds the same status as an ordinance and therefore should not be included in the codified laws of a municipality.

AS 29.48.220 provides that audits will be made available to the public on request. Although we do not feel the intent of the section is to provide copies of the audit at no cost, we would request that the section be amended to provide copies of the audit to the public at cost. In support of this request, a copy of a letter received from the Alaska Court System is enclosed.

CITY OF WRANGELL, ALASKA

AS 29.53.230 (a) provides for annual foreclosure unless otherwise provided by ordinance. 29.53.240 (a) (1) provides that (city) shall annually present a petition for judgement and a certified copy of the foreclosure list for the previous year delinquency. We feel the separate sections conflict as they do not each state unless otherwise provided by ordinance.

HB 483 would amend AS 29.48.180 (a) to include "any punishment authorized for violation of an ordinance may be imposed only if the ordinance is codified and copies of the ordinance are made available for distribution to the public". We would request that the proposed amendment designate "distribution to the public at cost". In support of this request, a copy of a letter received from the Alaska Court System is enclosed.

This information was reviewed at the annual meeting of the Alaska Association of Municipal Clerks and referred to the Department of Community and Regional Affairs in response to their request for comments.

Respectfully submitted,

Joyce Rasier, CMC
Wrangell City Clerk
AAMC Legislative Committee

cc: Jim Rolle, Executive Director
Alaska Municipal League

E. J. Haugen, Representative

Alaska Court System

State of Alaska

MARY A. GRAY
STATE RECORDER

STATE DISTRICT RECORDER

944 W. FIFTH AVE.
ANCHORAGE, ALASKA
99501

October 3, 1972

Mr. Kester L. Dotts
Manager, City of Wrangel
P.O. Box 531
Wrangell, Alaska 99929

Re: House Bill 208

Dear Mr. Dotts:

This letter is in regard to the revision of Chapter 118, SLA 1972. Actual effective date: September 10, 1972.

I make reference to Sec. 29.53.100.ASSESSMENT ROLL.(b) Real property is assessed to the owner of record as shown in the records of the district recorder, who shall at least monthly provide the assessor a copy of each recorded change of ownership and the address of the party recording the change of ownership.

What the bill failed to mention is the fee to be charged for this service.

It is by the decision of the Administrative Director of Courts, that a fee of 25 cents per page will be charged. This fee is necessary to cover the cost for service and copies.

If you desire this service be provided your assessment office, please respond promptly by written request to Mrs. Mary A. Gray, State Recording Supervisor, 944 W 5th. Ave., Anchorage, Alaska 99501.

On receipt of your request we will establish a billing system on a once monthly basis.

It will be necessary for the Assessors Office to supply the recording office with a map showing the area that is incorporated with in their city or borough boundaries. This map is essential if the District Recorder is to provide you with this service.

Yours truly,

Mary A. Gray

Mrs. Mary A Gray
State Recording Supervisor

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B – JUNEAU 99811

January 23, 1978

The Honorable Representative Lisa Rudd, Chairman
House Community and Regional Affairs Committee
Pouch "V"
Juneau, Alaska 99811

RE: Proposed Amendments to House Bill No. 483

Dear Representative Rudd:

Attached is a copy of suggested amendments to House Bill No. 483 submitted by the Alaska Municipal Clerks Association. We heartily concur with the third proposed amendment, requiring registration within a municipality to be a qualified voter in a municipal election.

Existing statutory language is vague. Currently some municipalities demand registration within the municipality prior to voting in the municipal election and other municipalities do not require such registration. Confusion surrounds this issue, and legislative action would seem desirable. A draft of a proposed amendment is attached should the Committee wish to entertain this specific amendment. As to the other amendments, we hold no strong opinion, but offer them for your Committee review.

Sincerely,

Lee McAnerney, Commissioner

By: Palmer McCarter
Director

Attachment

cc: Billy G. Berrier
Legislative Affairs Agency

AS 29.28.030 is amended to read:

Sec. 29.28.030. Voter qualification. A person may vote in a municipal election only if he is a United States citizen who is qualified to vote in state elections and has been a resident and registered voter of the municipality for 30 days immediately preceding the election and who is registered to vote in state elections and is not disqualified under art. V of the state constitution. Voter registration by the municipality may not be required. This section applies to home rule and general law municipalities.

CITY OF WRANGELL, ALASKA

September 21, 1977

29.33.050 references education in Title 29 under the 1976 supplement. (prior to this, the reference to home rule was the provision that 29.33.050 applied to home rule if located outside an organized borough, through 29.43.030) - 29.33.050 specifically refers to 14.14.060 and 14.14.110 and the supplement includes reference to 14.12.020 (a). 14.12.100 states: Sec. 10-100 of this chapter (12) applies to home rule and general law. This should be included in Title 29.

29.23.250 provides that a mayor of a home rule city need be but 18 years of age. Home rule should be allowed to set additional age requirements by charter.

29.28.030 provides for voter qualifications. As discussed at the AML last year, the section should be amended to provide for registered within the municipality in which they wish to vote.

29.48.180 (a) provides that each ordinance and resolution shall be codified. (c) defines codified and does not refer to resolutions. Resolutions are not generally of a general and permanent nature and should not be included in the codified laws of a municipality.

14.12.080 provides to be eligible to be a member of a school board, a person must have the same qualifications as are necessary to be a municipal voter in the school district. This section was adopted during the time a voter must be 21 years of age and reside within the State for one year (1966). In 1972 voter qualifications were amended to 18 years of age and residency of 30 days, thus allowing a member of a school board to be 18 years of age and reside within the school district only 30 days. Municipalities should be allowed to set age and residency requirements on elected officials with voter approval. This was discussed at the last AML conference.

29.48.220 provides that audits will be made available to the public on request. Does this mean available to the public without cost or just for review.

29.53.230 (a) provides for annual foreclosure unless otherwise provided by ordinance. 29.53.240 (a) (1) provides that (city) shall annually present a petition for judgement and a certified copy of the foreclosure list for the previous year delinquency and does not contain unless otherwise provided by ordinance. The two separate sections conflict.

HB No. 483 would amend AS 29.48.180 (a) to include "any punishment authorized for violation of an ordinance may be imposed only if the ordinance is codified and copies of the ordinance are made available for distribution to the public". This proposed amendment should designate "distribution to the public at cost". (an example of possible problems is 29.53.100 (b) that provides that the State District Recorder shall at least monthly provide the assessor a copy of each recorded change of ownership...The Court System in Anchorage advised they had neglected to provide for a fee and asked that an agreeable fee be established.)

Submitted by: Joyce Basler, CMC (Wrangell)
Donna Sherby, CMC (Cordova)
Home Rule Municipalities

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B – JUNEAU 99811

January 23, 1978

The Honorable Representative Lisa Rudd, Chairman
House Community and Regional Affairs Committee
Pouch "V"
Juneau, Alaska 99811

RE: Proposed Amendments to House Bill No. 483

Dear Representative Rudd:

Attached is a copy of suggested amendments to House Bill No. 483 submitted by the Alaska Municipal Clerks Association. We heartily concur with the third proposed amendment, requiring registration within a municipality to be a qualified voter in a municipal election.

Existing statutory language is vague. Currently some municipalities demand registration within the municipality prior to voting in the municipal election and other municipalities do not require such registration. Confusion surrounds this issue, and legislative action would seem desirable. A draft of a proposed amendment is attached should the Committee wish to entertain this specific amendment. As to the other amendments, we hold no strong opinion, but offer them for your Committee review.

Sincerely,

Lee McAnerney, Commissioner

By: Palmer McCarter
Director

Attachment

cc: Billy G. Berrier
Legislative Affairs Agency

AS 29.28.030 is amended to read:

Sec. 29.28.030. Voter qualification. A person may vote in a municipal election only if he is a United States citizen who is qualified to vote in state elections and has been a resident and registered voter of the municipality for 30 days immediately preceding the election and who is registered to vote in state elections and is not disqualified under art. V of the state constitution. Voter registration by the municipality may not be required. This section applies to home rule and general law municipalities.

CITY OF WRANGELL, ALASKA

September 21, 1977

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Submitted by: Joyce Rasler, CMC (Wrangell)
Donna Sherby, CMC (Cordova)
Home Rule Municipalities

Matanuska-Susitna Borough

P. O. BOX B PALMER, ALASKA 99645

PHONE 745-3246

DEPARTMENT

To: Honorable Liza Rudd At: Re: HB 483

From: Evelyn Thompson, Borough Clerk Date 2-23-78

MESSAGE

The Municipal Clerks have always objected to codification of resolutions. Normally resolutions are not permanent and we see no need for codification. In our office, we keep an index of resolutions so that they can be found when needed. I would appreciate it if you could have the word "resolution" deleted from Sec. 29.48.180(a).

The Clerks normally have not had resolutions codified and feel that the word was inadvertantly included in the Statute when it was originally written.

Thank you for considering the above.

PLEASE REPLY IN AREA BELOW. *Thank You!* Signed: *Evelyn Thompson*

REPLY

Reply Date: Signed:

DATA PROCESSING SUPPLIES OF ALASKA, INC.

1471

1-23-78

Explanation of House Bill No. 483

Section 1

Provides impetus to a new first class borough to develop into a home rule borough as swiftly as possible. If voters approve the question of incorporation and election of a charter commission, the charter commission members would be elected at a special election.

Section 2

Currently, city council members, mayors of cities, and mayors of boroughs begin their office on the first Monday following the election. No such date exists for assembly members; therefore this language clarifies the date assembly members assume office.

Section 3

Eliminates repetitive language contained under AS 29.28.020(a).

Section 4

See commentary under Section 3.

Section 5

Permits cities to call emergency meetings, as boroughs are permitted under AS 29.23.060.

Section 6

See commentary under Section 3.

Section 7

AS 29.23.310 currently permits the creation of zones for the election of borough school board members; however, Section 310 refers to AS 29.23.100 as the means to implement the creation of these zones. AS 29.23.100 was repealed by ch 118 SLA 1972, a law combining the old Title 7 with Title 29. The new language would describe the method for creating these zones.

Section 8

Simplifies language describing the relationship between boroughs and cities when boroughs have and exercise areawide powers.

Section 9

Permits cities to transfer the board of adjustment responsibility to the borough without borough assembly approval.

Section 10

Transfers certain powers from the platting board to the borough.

Section 11

Clarifies the need to codify ordinances prior to imposition of any punishment.

Section 12

Extends coverage of need for codification of ordinances to boroughs.

Section 13

Ch 56 SLA 1976 allows municipalities to create public corporations capable of issuing bonds to provide municipal services. however, the Attorney General feels that ch 56 SLA 1976 violates Article II Section 13 of the State's Constitution regarding the prohibition against more than one subject in a bill. Therefore, Section 13 of this bill would properly enact the provisions contained in the prior bill.

SCS CSHB 674amS
1976

AS 29.28.030 is amended to read:

Sec. 29.28.030. Voter qualification. A person may vote in a municipal election only if he is a United States citizen who is qualified to vote in state elections and has been a resident and registered voter of the municipality for 30 days immediately preceding the election and who is registered to vote in state elections and is not disqualified under art. V of the state constitution. Voter registration by the municipality may not be required. This section applies to home rule and general law municipalities.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B – JUNEAU 99811

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Pouch "V"
Juneau, Alaska 99811

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Sincerely,

Lee McAnerney, Commissioner

By: Palmer McCarter
Director

Attachment

cc: Billy G. Berrier
Legislative Affairs Agency

HB
509

Introduced: 4/27/77
Referred: Community &
Regional Affairs

IN THE HOUSE BY MEEKINS

HOUSE BILL NO. 509

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act exempting certain items from sales tax."

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

* Section 1. AS 29.53.415(a) is amended to read:

(a) A borough may levy and collect a sales tax not exceeding three per cent on sales [OR RENTS,] and on services made within the borough. The sales tax may apply to either or both [ANY OR ALL] of these sources but may not apply to rent, prescription drugs or food products for human consumption, nor may it apply to the sales of any energy source such as electricity, fuel oil, coal, or natural or manufactured gas when the energy source is sold for use in a residence by an occupant. Additional exemptions [EXEMPTIONS] may be granted by ordinance.

* Sec. 2. AS 29.53.415 is amended by adding a new subsection to read:

(e) For the purpose of this section "food products" includes, except as otherwise provided in this section, but is not limited to, cereals and cereal products; milk and milk products, including ice cream; oleomargarine; meat and meat products; poultry and poultry products; fish and fish products; eggs and egg products; vegetables and vegetable products; fruit and fruit products; spices, condiments and salt; sugar and sugar products; coffee and coffee substitutes; tea, cocoa products; or any combination of these. "Food products" does not include

(1) medicines, tonics, vitamins and medicinal preparations in any form;

(2) carbonated and noncarbonated packaged soft drinks and

where did he get definition?

diluted juices where sold in liquid or frozen form; and ice and candy;

(3) foods and drinks (which include meals, milk and milk products, fruit and fruit products, sandwiches, salads, processed meats and seafoods, vegetable juices, ice cream in cones or small cups) served, prepared or sold ready for immediate consumption in or by restaurants, drug stores, lunch counters, cafeterias, hotels or like places of business or sold ready for immediate consumption from push carts, motor vehicles, or any other form of vehicle; however, food and drinks purchased by a common carrier for the purpose of serving passengers traveling en route aboard the carrier are exempt.

Ken Boro $393,000 loss

Carlson - make local option but ~~Oregon~~ law on definition of food - Washington

Introduced: 4/27/77
Referred: Community & Regional Affairs

IN THE HOUSE BY MEEKINS

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(2) carbonated and noncarbonated packaged soft drinks and

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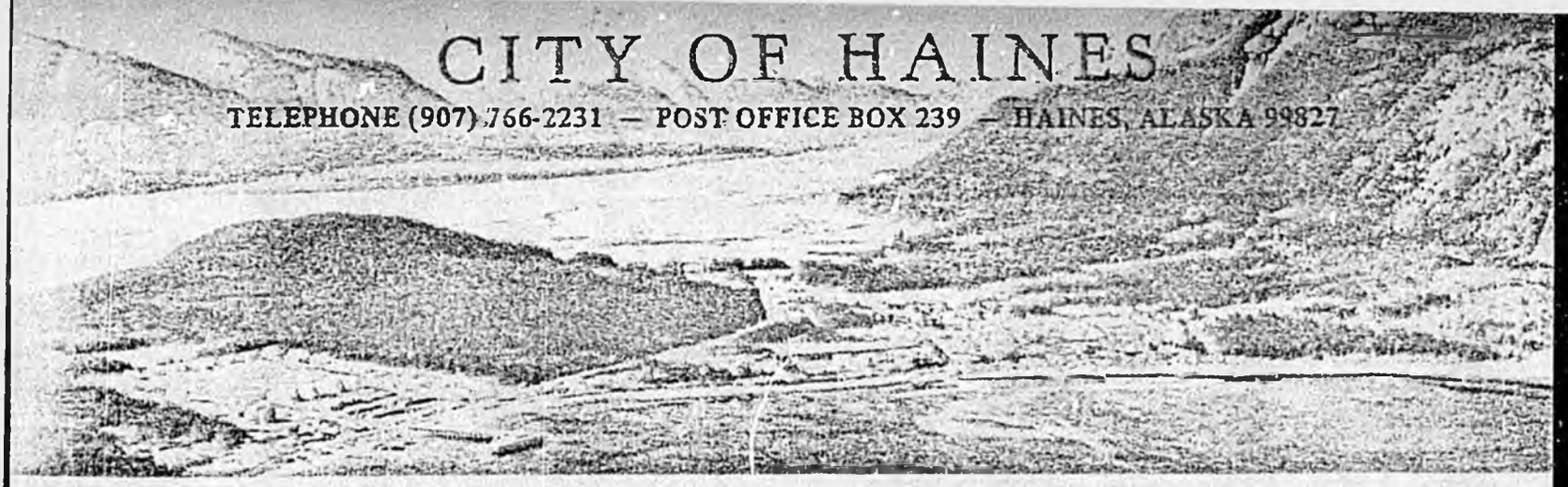
paper products?
household cleaning products?



February 8, 1978

The Honorable Lisa Rudd, Chairman
House Community and Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

RE: HB-509

Dear Representative Rudd:

A discussion was held at the February 6, 1978 meeting of the Council of the City of Haines concerning House Bill #509, exempting certain items from sales tax. At that time I presented the estimates of local sales tax revenue which would be lost as a result of the passage of this Bill, as outlined in my letter to you dated February 3.

Because of the diverse needs of each Alaskan community, it is the position of the Council that the regulation of the collection of sales tax is a matter which should be left in the control of each individual municipality. Haines, for example, serves a very large transient population in relation to the number of permanent residents. HB-509 would reduce the transient's burden of paying for services rendered by the City of Haines, but would add significantly to the tax burden of the permanent population. The estimated loss of $86,950 in annual sales tax revenues which would result from the passage of HB-509 would require a 58% increase

in the City's property tax levy, if it's present level of services were to be maintained.

Certainly it must be recognized that AS 29.53.415(a) already provides municipalities with the option of exempting the classifications of goods and services in question.

The members of the City Council concluded their discussion of this issue by casting a unanimous vote to express the City's opposition to HB-509. Please make the members of your committee aware of our position.

Sincerely,

Dan R. Bockhorst
City Administrator

cc: Hon. Jim Duncan - Representative
Hon. Mike Miller - Representative
Hon. Russ Meekins, Jr. - Representative

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 27, 1978

Representative Lisa Rudd
Chairman, House Community
and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

Please be advised that the City and Borough of Sitka opposes HB 509 and HB 578. The legislation proposed in HB 509 and HB 578 can and is being taken care of by local government on a local preference basis. Our legislature should not be asked, nor should it volunteer to come up with a State-wide prescription for a local ailment.

Very truly yours,

Fermin Gutierrez
Administrator

cc: Pete Meland
Dick Eliason
Jim Rollie

Arguments against HB 509

1. Food, rent and fuel represents a large percentage of the tax income of most municipalities.

2. There would be a difficulty for the merchant in separating out items out at the store.

3. Some communities are in dire financial straits and cannot afford the loss of revenue unless it was supplanted with some state funds.

limited to sales + prop. tax
how replace income?

City	Population	Sales Tax Rate	Exemptions	Discount or Return to Collectors	Sales Tax Gross Revs.	% of Total Revenues	% of Budgetted Expenditures	% of Revs from Food, Rent, Energy	Sales Tax Dedication
Dillingham	1,269	3%	$1,000 maximum single sale Out of town sales by mail order	none	$214,624.	18.52%	18.52%	51%	Capital improvements & equipment $30,000 to school district
Fairbanks, City (Fairbanks Boro	30,462	3% 2%)	Food, drugs, building materials Maximum $30 tax on any single item	none	$6 million		39%	Presently Exempted	1% general fund 2% capital improvements; debt ser
Haines, City	1,366	3%	Salaries & wages Casual sales, rentals & services Sales, rents, services less than $100/mo.	none	$217,968	17.46%	23.47%	Rent - 4.18% Food - 25.99% Energy 9.72% 39.89%	2/3 to capital improvements 1/3 general administration
Haines Bourough	1,924	1%	Insurance, Medical, dental fees & medicines Funeral services and materials Wharfages & cargo handling charges Wholesales SE Alaska State Fair sales & services to Sales to government	none	$ 80,532	11.41%	10.48%		Haines Borough: Retirement of principal & interest on school construction bonds
Kenai, City (Kenai Borough	5,364	3% 2%)	Casual, sales, rentals & services Hospital, medical, dental services & medicines Sales, svs. & rentals to religious organizations School cafeterias Subscriptions to newspapers & magazines Sales to government Dues or fees to clubs, unions Sales of animal food, seed and fertilizer to farms Property sales and realator services $500 maximum single sale	none	$1,016,029	69%	—	52%	1% general fund 1% debt service 1% capital improvements
Kodiak Island Borough	4,960	3%	Salaries & wages $500 maximum single sale Same as for Kenai, plus Transportation charges of airlines & steamships Banking, savings & loan, credit union services Certain sales for resale	2%	$1,350,000	32%	—	25-30%	None
Ketchikan Boro (Ketchikan City	11,490 7,928	1.5% 2.5%)	none Senior citizens exempt from paying sales tax	none	$930,000	8.86%	8.88%	—	None
North Pole	461	3%	Rentals; casual sales of personal property medical services and medicines Sales by charitable organizations School cafeterias Subscriptions of newspapers & magazines Sales to government Feed for farmers Services under. Real Estate sales Funeral services; Nursery services Senior citizens get $60.00 annual rebate	none	$250,000.	50%	50%	$200,000	None
Palmer	1,859	2%	Government agencies All costs on one major piece of equipment whose value is over $1,000, e.g., cars, tractors.	none	$330,000	33%	—	—	None, except that sales tax is pledged to back up revenue bonds for Industrial Park
Petersburg	2,126	5%	Single sales over $1,000	none	$600,000	—	—	—	.5% to general administration remainder to specified purposes
Nome	2,595	3%	Medicines, rent, new construction Sales to government	none	$600,000	—	—	—	None
Sitka	7,650	4%	Senior citizenpurchases Others as per ordinance	$100/quarter	$1,500,000	42%	37%	—	2% education 2% general admin.
Soldotna	2,586	2%	Single sales over $500 Churches and government agenci	none	$323,894	27%	29%	$93,000 food $31,000 heat	None
Wrangell	3,152	5%	—	$15/mo.	$443,521	—	30%	60-70%	80% to schools, health, sanitation & street const.

P.O. BOX 5109
NORTH POLE, ALASKA
99705

TOP OF THE WORLD
PHONE: 488-2281
AT YOUR SERVICE

2/8/78

Community & Regional Affairs Comm.
Pouch Y
Juneau, Alaska 99811

ATTN: Lisa Rudd, Chairman

Dear Ms. Rudd;

This letter is in response to a letter from Jim Roelle, Alaska Municipal League, requesting our input on HB 509 and 578. I will reiterate Jim's questions and follow with our answer as it relates to the City of North Pole.

1. What percent do you charge?
   3% on sales within the City limits of North Pole.

2. Are there any exemptions or limits by category of sales?
   The City's sales tax ordinance exempts rentals and casual sales of personal property, medical services by doctors, dentists, osteopaths, optometrists, psychologists and chropracters. Retail sales of prescription medicines. Sales by charitable organizations. Retail sales of food in school and college cafeterias. Subscription of newspapers and periodicals. Sales to the United States, State of Alaska or political subdivisions. Sales of feed for farm use. Services under a building or construction contract. Retail sales of real property. Funeral and burial services. Nursery and baby-sitting services.

3. Are there any exemptions as to who pays the tax?
   Senior Citizens over 65 and disabled citizens are entitled to a $60.00 annual rebate.

4. Gross income from sales tax.
   $250,000.00 sales tax revenue is projected for FY 1977-78 for the City of North Pole.

5. Percent of that income as it relates to your budgeted expenses.
   The City of North Pole's General Fund Budget is projected at $502,035.00 for FY 1977-78. Therefore, the $250,000.00 sales tax revenue is approximately

50% of all monies collected.

6. Is there a dedication of all or any part of your tax for specific purposes?
The money is allocated from General Fund to perform city services. I think you can see that when such money totals 50% of the General Fund, whether or not it is allocated for a specific purpose becomes a moot point.

Almost all revenue received from sales tax is from food products sold at a local supermarket. Therefore, the elemination of sales tax from food items would cost the City of North Pole around $200,000.00 annually in loss of revenue. Some confusion exists in our part as to whether cities should or shouldn't tax their populace. Several years ago North Pole was denied state aid because, as our legislators put it "you must first tax yourselves and try to help yourselves before the State will consider giving any aid." On the reverse side, we recently applied for a small CRA Grant on some street lighting and were told, "the monies should come from special assessments of the property owners, this program was designed for communities with no tax base and no other source of funding." As you can imagine, we are confused.

If the State denies the City the power to tax food items, it will be eliminating our greatest source of General Fund Revenue, even overshadowing our property tax assessment on the new 33 Million dollar North Pole Refinery. Budget estimates for FY 1978-79 with the refinery assessment could reach $685,000.00 If the State eleminates sales tax on food items it will be $485,000.00 or a reduction of $17,000.00 from FY 1977-78. This would completely stalemate our capital improvements program and we would again be telling our residents "We would like to (pave this street, install water distribution, put up traffic lights) but we simply do not have the funds."

I have attempted to present the facts in a clear and concise manner. If I told you exactly what I thought about all this, I would be arrested for sending obscene mail.

Thank you for your consideration in this matter.

Sincerely,

John Fischer

John C. Fischer
Admin. Assistant
City of North Pole

JCF/pse
cc; Glen Hackney
Randy Phillips
Sally Smith
Jim Roelle
Sarah Smith
Nels Anderson
Bill Males
Al Ose
Merle Snider
Tim Kelly
Kris Lovseth

THE GOLDEN HEART CITY

FAIRBANKS, ALASKA
ALL AMERICA CITY

City of Fairbanks, Alaska

OFFICE OF CITY MANAGER 410 CUSHMAN STREET 452-1881

February 10, 1978

The Honorable Lisa Rudd
Chairman, Community and Regional
Affairs Committee
Pouch Y
Juneau Alaska 99811

SUBJECT: House Bills 509, 578

Dear Rep. Rudd

It is my understanding that the hearing on House Bill 509 and 578 has been continued to February 22, 1978. Therefore, I would like to have you consider the following as testimony on behalf of the City of Fairbanks.

Both of the above-mentioned bills are of great concern to Fairbanks as we currently have a sales tax within the City, the rate of which is 3%. The Fairbanks North Star Borough has a 2% sales tax.

The revenue from sales tax allows the City of Fairbanks to maintain a lower mill rate. The sales tax revenue to the General Fund will be approximately $2 Million Dollars, and approximately $4 Million Dollars will go to the Capital Improvement Fund.

Perhaps I should explain the division of the sales funds so that you have a better understanding of the situation. When the citizens of Fairbanks voted upon the sales tax they upheld a division of the tax as follows. One percent (1%) of the tax was to be used solely by the General Fund for any purpose thereof. Two percent (2%) of the tax was to go to the sales tax restricted fund. The restricted funds may be used for capital improvements, maintenance of capital improvements and debt service.

Airmail to Alaska is Faster

Effective January 1, 1978 the City of Fairbanks exempted food and drug items similar to those exemptions provided in House Bill 509. Along with the exemptions provided for food and medical supplies all building materials are exempt from sales tax. Also, there is a maximum tax of $30.00 per single item of purchase.

The total sales tax revenue represents approximately 39% of the Fairbanks Budget and, therefore, is a significant part of Fairbanks financing.

We strongly oppose the passage of House Bill 578 as it is a drastic intrusion upon the powers of the Home Rule City. If House Bill 578 were passed it would immediately mean a loss of $292,500.00 to the City of Fairbanks. The loss, of course, would increase as the volume of business increased within the City.

With the action taken by our local government, I see no need for House Bill 509.

It is my belief that until such time as the State of Alaska has a statewide sales tax, as do most of the states in the Lower '48, the legislature should refrain from imposing restrictions on local government in their administration of Home Rule Cities.

Sincerely

CITY OF FAIRBANKS

ROBERT R. WOLTING
City Manager

RRW:MET

c.c. CRA Committee Members

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

February 10, 1978

Ms. Lisa Rudd, Chairman
Community and Regional
Affairs Committee
Pouch Y
Juneau, Alaska 99811

Dear Ms. Rudd:

To assist you in your deliberations on HB 509 and 578, we have compiled information, see below, about our local sales tax structure.

1) The Ketchikan Gateway Borough sales tax charge is 1 1/2% of the selling price. (Borough is collection agency for the City of Ketchikan which has a sales tax rate of 2 1/2% at present, thus within the City 4% is collected and 1 1/2% collected outside the city limits.)

2) There are no exemptions or limits by category of sales.

3) Both City and Borough exempt citizens over 65 paying sales tax providing they have made application.

4) Gross income from Borough sales tax collections are estimated at $980,000 for 1977-78 fiscal year.

5) Percent of sales tax income as it relates to all income is 9.86%. To expenses - 8.88%.

6) The Ketchikan Gateway Borough does not dedicate sales tax income to any specific project or purpose, thus uses sales tax revenues to lessen the property tax burden.

I hope this information will be of assistance to you and your Committee.

Sincerely,

KETCHIKAN GATEWAY BOROUGH

Judith A. Slajer

Judith A. Slajer
Borough Manager

cc: Jim Rolle, Executive Director
Alaska Municipal League

Community and Regional Affairs
Committee Members

February 8, 1978

Lisa Rudd, Chairman
Community and Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Re: House Bills 509 and 578

Dear Ms. Rudd:

The City of Kenai would like to have the Community and Regional Affairs Committee reflect the following data, as relates to the City of Kenai.

House Bill 509

1. Presently, the City of Kenai levies a three percent (3%) consumer sales tax and the Kenai Peninsula Borough levies two percent (2%), for a total of five percent (5%).

2. The following exemptions and maximum tax are allowable under the City of Kenai and Kenai Peninsula Borough Sales Tax Ordinance:

Section 25.10.020. Exemptions.

"The following classes of retail sales, services and rentals are exempt:

(1) Casual, isolated sales of property and services or the rental of personal or real property not in the regular course of the business of the seller.

(2) Hospital services and medical services performed by licensed medical doctors, dentists, osteopaths, optometrists, and chiropractors; and retail sales of medicinal preparations, drugs or appliances under a written prescription from one of the foregoing.

(3) Retail sales, services and rentals to religious and charitable organizations in the conduct of their regular religious and charitable functions and activities as defined by the revenue laws of the United States.

(4) Retail sales of food in college and school cafeterias which are operated primarily for teachers or students and which are not operated for profit.

(5) Subscriptions to newspapers and periodicals.

(6) Retail sales, services and rentals to the United States, the State of Alaska, or any instrumentality or political subdivision of either.

(7) Dues or fees to clubs, labor unions, and fraternal organizations.

(8) Sales of animal food, seed, plants, and fertilizers to farmers using such commodities to produce goods for sale.

(9) Retail sales of real property. Services performed by a real estate broker or agent are not exempt under this section.

(10) Retail sales or rent which the Borough is prohibited from taxing by the constitution or laws of the United States or the State of Alaska.

(11) Services performed by morticians licensed under AS 08.44.010; and retail sales of funeral supplies by such persons."

Section 25.10.025. Maximum Tax.

"The tax shall be applied only to the first $500.00 of each separate sale, rent or service transaction. The payment of rent, whether for real or personal property, in excess of $500.00 and for more than one month shall be treated as several separate transactions covering the rental for one month each. A transaction involving payment for services or personal property to be rendered or delivered over a period of more than one month for a consideration in excess of $500.00 shall be treated as several separate transactions occurring one each month over the period of time that the service or property is rendered or delivered."

3. Same as two (2) above.

4. Sales tax collections for the City of Kenai are as follows:

Fiscal Year	Amount	Percent
1971-72	$ 98,832	1%
1972-73	$145,384	1%
1973-74	$168,728	1%
1974-75	$208,400	1%
1975-76	$545,759	1% (7/1/75-9/30/75)
		3% (10/1/75-6/30/76
1976-77	$1,016,029	3%
1977-78	$655,076	3% (7/1/77-1/31/78)

5. Percent of Sales Tax Revenue to Total Revenues by Fund

	Debt Service Fund	General Fund	Capital Improvement Fund
1971-72	40.4%	-	-
1972-73	33.2%	-	-
1973-74	30.6%	-	-
1974-75	34.1%	-	-
1975-76	33.3%	13.7%	-
1976-77	41.3%	27.7%	-
1977-78 (Estimate)	55.3%	12.1%	100%

6. Proceeds of the three percent (3%) sales tax levied by the City of Kenai are as follows:

General Fund	1%
Debt Service	1%
Capital Improvements	1%
Total:	3%

7. Sales tax collected for fiscal year 1977-78 for the period of July 1, 1977 through January 31, 1978 amounted to $655,076. Of this amount $237,000, or thirty six percent, was generated from food purchases. An additional $41,594, or six percent, was generated from utilities (fuel for heating). The rental-related percentage is not identifiable, but is estimated as $70,000 or ten percent. Therefore, these exemptions contained in House Bill 509 would eliminate fifty-two percent (52%) of our sales tax revenue.

House Bill 578

The additional cost to the City of Kenai by this proposed legislation would be $21,000 or a loss of 3.2 percent.

Therefore, the City of Kenai must oppose House Bill 509, but would not vehemently object to House Bill 578.

Sincerely,

Vincent O'Reilly
Mayor

VOR/eh

cc:
Members, Community and Regional Affairs Committee
Mr. Roy Barton, Kenai Peninsula Borough Finance Director
Mr. Jim Rolle, Executive Director, Alaska Municipal League

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576
TELEPHONE (907) 842-5211 or 842-5212

February 10, 1978

Re: HB 509 and HB 578

Lisa Rudd, Chairman
House Community &
Regional Affairs Committee
Pouch Y
Juneau, Ak 99811

Dear Chairman Rudd:

Mr Gordon Ryan, our city manager, has suggested that I might be able to supply your committee with some information pertinent to the effect that HB 509 and HB 578 would have on the City of Dillingham. Our community has three tax sources, real and personal property and a 3% sales tax. The tax base is extremely limited on real and personal property due to land status and lack of industry. For example, our neighboring Bristol Bay Borough which has several canneries within its jurisdiction had assessed real property of $17,048,875 compared with Dillingham's $9,659,245 and personal property valued at $12,252,971 compared with Dillingham's $5,588,379 in 1977. Bristol Bay Borough also has a raw fish tax which is a tremendous source of revenue for them. Dillingham is hamstrung in this area because the council feels that charging a raw fish tax in Dillingham would drive the fishermen from our only cannery, Peter Pan, since they can just as easily sell their fish to Queens Cannery which is located outside any taxing jurisdiction. I mention these facts to point out the importance of the sales tax revenue source to Dillingham.

HB 509 eliminates fuel oil, food, rent and electricity for residential use from the sales tax rolls. This would not only be a nightmare to administer for local markets but would also cut our revenue considerably. It is impossible to estimate how much of the total revenue from businesses engaged in providing these products is for home use only, but an example of the amounts presently collected by these businesses is as follows:

	FY 75-76	FY 76-77	6 mo. FY 77-78
Electricity	$ 7,777	$ 9,055	$ 5,885
Oil	22,678	25,615	19,529
Food	57,066	70,820	41,645
Rent	2,114	3,516	2,305
Total of Above	$ 89,635	$ 109,106	$ 69,365
Sales Tax Collected	$ 173,691	$ 214,624	$ 151,070
% Affected by HB 509	52%	51%	46%

Our total budget for FY 77-78 is $ 1,160,394. Of that total $215,000 is estimated from Sales Tax and $243,657 from Real and Personal Property Tax. The major portion of the remainder of the budget is from state and federal sources such as revenue sharing, CETA monies, grants, etc. By eliminating the suggested items from our taxing jurisdiction the bill would cut even further the amount of local revenue available to provide services to local residents. In Dillingham a comparatively small group of people are carrying the load of a 17 mill rate tax as far as property tax is concerned. Sales tax is something everyone share in including those who are transient or who have no property.

The effect of HB 578 is obvious. Revenues would be cut by 4% of the present amount of sales tax revenues collected or an estimated $8,600 for 1977-78.

Thank you for your consideration of these factors when making your decision about the two proposed bills.

Sincerely,

Lois R. Hermansen

Lois R. Hermansen
City Clerk
City of Dillingham

HB
578

City	Population	Sales Tax Rate	Exemptions	Discount or Return to Collectors	Sales Tax Gross Revs.	% of Total Revenues	% of Budgetted Expenditures	% of Revs from Food, Rent, Energy	Sales Tax Dedication
Dillingham	1,269	3%	$1,000 maximum single sale Out of town sales by mail order	none	$214,624.	18.52%	18.52%	51%	Capital improvements & equipment $30,000 to school district
Fairbanks, City (Fairbanks Boro	30,462	3% 2%)	Food, drugs, building materials Maximum $30 tax on any single item	none	$6 million		39%	Presently Exempted	1% general fund 2% capital improvements; debt servi
Haines, City	1,366	3%	Salaries & wages Casual sales, rentals & services	none	$217,968	17.46%	23.47%	Rent - 4.18% Food - 25.99%	2/3 to capital improvements 1/3 general administration
Haines Bourough	1,924	1%	Sales, rents, services less than $100/mo. Insurance, Medical, dental fees & medicines Funeral services and materials Wharfages & cargo handling charges Wholesales SE Alaska State Fair sales & services to Sales to government	none	$ 80,532	11.41%	10.48%	Energy 9.72% 39.89%	Haines Borough: Retirement of principal & interest on school construction bonds
Kenai, City (Kenai Borough	5,364	3% 2%)	Casual, sales, rentals & services Hospital, medical, dental services & medicines Sales, svs. & rentals to religious organizations School cafeterias Subscriptions to newspapers & magazines Sales to government Dues or fees to clubs, unions Sales of animal food, seed and fertilizer to farms Property sales and realator services $500 maximum single sale	none	$1,016,029	69%	—	52%	1% general fund 1% debt service 1% capital improvements
Kodiak Island Borough	4,960	3%	Salaries & wages $500 maximum single sale Same as for Kenai, plus Transportation charges of airlines & steamships Banking, savings & loan, credit union services Certain sales for resale	2%	$1,350,000	32%	—	25-30%	None
Ketchikan Boro (Ketchikan City	11,490 7,928	1.5% 2.5%)	none Senior citizens exempt from paying sales tax	none	$980,000	8.86%	8.88%	—	None
North Pole	461	3%	Rentals; casual sales of personal property medical services and medicines Sales by charitable organizations School cafeterias Subscriptions of newspapers & magazines Sales to government Feed for farmuse Services under. Real Estate sales Funeral services; Nursery services Senior citizens get $60.00 annual rebate	none	$250,000.	50%	50%	$200,000	None
Palmer	1,859	2%	Government agencies All costs on one major piece of equipment whose value is over $1,000, e.g., cars, tractors.	none	$330,000	33%	—	—	None, except that sales tax is pledged to back up revenue bonds for Industrial Park
Petersburg	2,126	5%	Single sales over $1,000	none	$600,000	—	—	—	.5% to general administration remainder to specified purposes
Nome	2,585	3%	Medicines, rent, new construction Sales to government	none	$600,000	—	—	—	None
Sitka	7,650	4%	Senior citizenpurchases Others as per ordinance	$100/quarter	$1,500,000	42%	37%	—	2% education 2% general admin.
Soldotna	2,586	2%	Single sales over $500 Churches and government agencies	none	$323,894	27%	29%	$98,000 food $31,000 heat	None
Wrangell	3,152	5%	—	$15/mo.	$443,521	—	30%	60-70%	80% to schools, health, sanitation & street const.

Sample effect of HB 578 (Freeman)

Dillingham $8,600 per year

Kenai City 21,000

Palmer 16,000 (equal to .5 mil property tax)

Juneau 127,600

Arguments against:

1. Sales tax and property tax are the only two revenue sources which may be varied and controlled by the council.

2. Losses would have to be made up by property taxes.

3. Flat 5% would lead to inequities because of differing types of sales, e.g., candy bars vs automobiles; and differing means of accounting, some worth more time than others.

   Large collectors such as grocery stores reap a large benefit whereas small businesses may get very little

4. Some municipalities have limited the number of exemptions and therefore figuring the return is fairly simple.

5. This should be a perogative of the local area.

HOUSE BILL 578, SUGGESTED AMENDMENTS

1. Change 5% to 3% in lines 13 and 18.

2. Add "...or $100.00 whichever is less."

3. Delete percentage and substitute "...a sum equal to $100.00 per quarter."

4. Local Option.

   Sec. 1 AS 29.53.415 language changed

   (e) The assembly of a home rule or general law borough which levys a sales or use tax as authorized under this section may, by ordinance provide for compensation to persons required by the assembly to collect, account for and transmit the proceeds of the tax.

   Same for Sec. 2 (b). Delete Sec. 3.

5. Majority Vote. May opt out.

   (f) A municipality may exempt itself from the requirements of subsection (e) if a majority of the voters voting on the question at any regular election, as defined by AS 29.78.010(14), or a special election called for that purpose, vote to exempt the municipality from the requirements of this subsection.

6. Majority Vote. May opt in.

   Rewrite the bill for AS 29.53.420 Referendum, adoption & modification.

   AS 29.53.420 is amended to add a new subsection (c)

   (c) At the time of a referendum vote on the question of levy of sales or use taxes or at any regular or special municipal election, the assembly may by ordinance place upon the ballot the question of allowing collectors of sales tax to retain a given percentage or a specified amount for the service of collecting the sales or use tax for the borough.

CITY OF KODIAK

ORDINANCE NO. 497

AN ORDINANCE OF THE CITY OF KODIAK MODIFYING THE MUNICIPAL SALES TAX

BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

SECTION 1. Chapter 3.08 of the Kodiak City Code is hereby repealed and re-enacted to read as follows:

CHAPTER 3.08

SALES TAX

Sections

3.08.010 Levy of Sales Tax.
3.08.020 Accrual and Collection.
3.08.030 Installment Payments.
3.08.040 General Exemptions.
3.08.050 Exemption of Sales for Resale.
3.08.060 Certificate of Exemption.
3.08.070 Revocation of Certificate of Exemption.
3.08.080 Tax Collector--Registration Certificate.
3.08.090 Addition of Tax.
3.08.100 Assumption of Tax Prohibited.
3.08.110 Tax Schedule.
3.08.120 Maximum Tax.
3.08.130 Title to Tax Proceeds.
3.08.140 Sales Tax Returns.
3.08.150 Credit for Taxes.
3.08.160 Administrative Costs and Reimbursements.
3.08.170 Penalty and Interest.
3.08.180 Determination of Exemptions.
3.08.190 Failure to Collect Taxes.
3.08.200 Preservation of Records.
3.08.210 Estimated Tax.
3.08.220 Returns Confidential.
3.08.230 Recovery of Taxes.
3.08.240 Lien to Secure Payment of Tax.
3.08.250 Foreclosure Against Real Property.
3.08.260 Collection by Distraint and Sale.
3.08.270 Prohibited Acts and Penalties.
3.08.280 Definitions.

3.08.010 Levy of Sales Tax.

A. A sales tax of three percent (3%) of the sales price or charge is hereby levied on all sales, rentals and services made within the City of Kodiak.

B. For purposes of the tax levied by this section, a sale of tangible personal property is made within the City of Kodiak if:

1. The sale is made by a business located within the city and delivery occurs within the city.

2. The sale is made by a business located within the city, the order is received or solicited within the city or payment is received within the city, and delivery is made to a purchaser on or adjacent to the road system within the Kodiak Island Borough.

3. The sale is made by a business located outside of the city as a result of solicitation inside of the city and payment or delivery occur within the city.

C. The tax levied by this section is applicable to all services rendered within the city, notwithstanding the fact that the business may be located outside of the city or that solicitation or payment may have occurred outside the city.

D. The sales tax on rentals is applicable to rentals for all real property located within the city and to rentals of personal property from a business within the city.

3.08.020 Accrual and Collection. Sales taxes imposed by this chapter are due and payable by the buyer at the time of payment for the purchase, service or rental, and are delinquent if not paid when due. Every person making sales or rentals, or rendering services that are taxable under this chapter shall collect the taxes from the purchaser at the time of the sale, rental or service, or with respect to credit transactions, at the time of collection of the sale price, rental or service fee, and shall transmit the monies collected on a quarterly basis to the city.

3.08.030 Installment Payments. When the payments for a purchase, rental or service are made on an installment basis, the entire sales tax shall be collected from the downpayment, or if a downpayment is not made or is insufficient to pay the tax, then from the entire first installment payment or payments until the tax is paid.

3.08.040 General Exemptions. The following classes of sales, rentals and services are exempt from the tax imposed by this chapter:

A. Casual and isolated sales and rentals of personal property, and services not rendered in the regular course of business of the seller.

B. Medical services performed by licensed medical doctors, dentists, osteopaths, optometrists, psychiatrists, psychologists and chiropractors; sales of medicinal preparations and drugs prescribed by medical doctors; and hospital services.

C. Sales, rentals and services to religious and charitable organizations as defined in section 501(c)(3), (4) and (1) of the Internal Revenue Code, for the conduct of regular religious or charitable functions and activities, and not for the support or maintenance of the general membership or for communal living.

D. Sales of food in school cafeterias and lunch rooms that are operated primarily for students.

E. Sales and services by nonprofit schools and student organizations within schools for support of the school, organization or extra curricular activities or events.

F. Sales, rentals and services to the United States, the State of Alaska and any agencies or political subdivisions thereof.

G. Dues or fees to clubs, labor unions and fraternal organizations.

H. Subscriptions to newspapers and periodicals.

I. Sales of animal food, seed, plants and fertilizers to farmers or ranchers for farm use.

J. Sales of insurance and bonds of guaranty and fidelity.

K. Funeral charges.

L. Transportation charges of commercial airlines or steamship companies.

M. Services rendered by banking or savings and loan institutions, or credit unions.

N. Services rendered by an employee to an employer in the normal course of employment.

O. Sales, rentals and services which the city is prohibited from taxing by the constitution or laws of the United States or the State of Alaska.

P. Retail sales in dining rooms or cafeterias of food furnished by nonprofit organizations under programs wholly or partially supported by government funds.

Q. Nursery and babysitting services.

R. Long distance transmission of telephone and telegraph messages.

3.08.050 Exemption of Sales for Resale.

The following sales of property and services are exempt from the sales tax:

A. Sales of property to wholesale dealers located in the city, who deal in property of the type sold, for the purpose of a subsequent sale by such dealer in the city.

B. Sales to retail dealers located in the city, who deal in property of the type sold, for the purpose of

a subsequent retail sale by such dealer in the city, which sale will be subject to the tax imposed by this chapter.

C. Sales of tangible personal property to a person engaged in manufacturing within the city of products sold primarily within the city, which property is converted into or becomes an ingredient or component part of the manufactured product or a container therefore, or otherwise enters directly into the manufacturing process.

D. Sales to a building or construction contractor or subcontractor, for use on a project within the City of building materials, supplies and other tangible personal property to be incorporated or used as component parts of a completed structure, driveway, landscaping and other portions of the project and services utilized directly in the construction, erection, landscaping and similar work on the project. This exemption shall not apply to tools, equipment, fuel, clothing, food and similar items of property utilized but not incorporated into a project.

3.08.060 Certificate of Exemption.

A. A person entitled to the exemption under subsections C or I of section 40, or section 50 of this chapter shall apply to the city for a certificate of tax exemption which will be issued, without charge, to qualified persons. The application shall be submitted on a form provided by the city clerk and shall contain the name, address, type of organization, the section under which the exemption is claimed and such other information as is required by the city clerk. Duplicate certificates will be issued on request.

B. A construction contractor or subcontractor requesting exemption under section 50 D must apply for, and obtain, separate certificates of exemption for each building project,

and the application and certificate shall reflect the correct location of the project by legal description and any other commonly recognized address. Each certificate of exemption shall be valid only for a specific business from which materials, supplies and other property are purchased or services obtained and the application for such certificate shall be signed by both the person seeking the exemption and the authorized representative of the business from which the property or services will be obtained.

C. The certificates of exemption shall be valid for a period of one year and the expiration date shall be printed on the face of the certificate. Exemption certificates may be renewed annually, without charge, by completing an application form containing information required to assess the continued existence of the exemption.

3.08.070 Revocation of Certificate of Exemption.

A. A certificate of tax exemption may be revoked by the city manager for any of the following acts or omissions:

1. Falsification of any statement or information in the application for certificate of exemption.

2. Utilization of the tax exempt certificate for the purchase or acquisition of non-exempt property, rentals or services.

3. Knowingly or negligently permitting or authorizing the use of the certificate by a person other than an authorized agent or employee of the person or entity to whom the certificate was issued.

B. Prior to revocation of a certificate, the holder of the certificate shall be provided with notice of the alleged

violation not less than 10 days prior to the proposed effective date for revocation of the exemption certificate. The person or entity to whom the certificate was issued may request a hearing before the city manager regarding the alleged violation by filing a written request with the city clerk prior to the effective date for revocation. If requested, the hearing shall be held within 20 days after the date of receipt of the request, and the exemption certificate shall not be revoked prior to the date of hearing.

C. A decision of the city manager revoking an exemption certificate may be appealed to the council by filing a written notice of appeal with the city clerk within 10 days after receipt of the decision. The hearing on the appeal shall be scheduled before the council at a regular or special meeting held within 30 days after receipt of the notice of appeal. The council may, in its discretion, hear the matter either on the record or de novo. If the appeal is heard de novo, no evidence may be presented before the counsil which was not presented before the city manager.

D. If an exemption certificate is revoked, a new certificate may not be issued to the same person or entity for a period of two years from the date of revocation.

E. The revocation provided by this section is an addition to any other penalties provided by law for the violations.

3.08.080 Tax Collectors-Registration Certificate.

A. All persons engaged in selling or renting property or rendering services subject to the tax imposed by this chapter shall file an application for a certificate of registration with the city clerk not later than 10 days after the effective date of this ordinance, or the date of commencing business in

the city, or opening of a place of business in the city. An application for a new business not previously registered to collect sales taxes shall be accompanied by a $10 deposit which the registrant may recover by a deduction from the remittance submitted with the first quarterly return filed, or if that return is insufficient, the balance shall be refunded. Those businesses filing sales tax returns on the effective date of this ordinance will automatically receive a registration certificate.

B. Upon receipt of a properly executed application, on a form provided by the city clerk, accompanied by the required deposit, the city clerk shall issue the applicant a certificate of registration, stating the address of the place of business to which it is applicable and authorizing such person to collect the sales tax. The certificate shall be prominently displayed at the place of business named on the certificate or if there is no regular place of business, the certificate shall be attached to the stand, truck or other merchandising or service device.

C. The certificate of registration is non-assignable and nontransferable, and must be surrendered to the city clerk by the person or entity to whom it is issued upon cessation of business at the location named in the certificate. If the business is continued at the same location but there is a change in its business form, the certificate holder making such change shall surrender the old certificate to the clerk for cancellation and the successor organization shall apply for a new certificate of registration. Upon receipt of such application properly executed, a new certificate bearing a new number will be issued to such successor.

D. When there is a change of address for the certificate holder's place of business, a new certificate of registration is required, bearing the same registration number, showing the new address.

E. An applicant for a new certificate required to reflect a change in business form or a change of address for an existing certificate holder is not required to post a deposit with the application.

3.08.090 Addition of Tax.

A. The tax collector shall add the tax imposed by this chapter to the price or charge, showing the tax as a separate and distinct item. The tax imposed on the sale of more than one separately priced item may be shown as a total tax on the aggregate price of all items purchased and delivered at one time.

B. The owner or other person providing products or services through a coin-operated vending or amusement machine shall collect the tax levied by this chapter and may include that tax in the fee charged to operate the machine. The allocation of the payment required to operate the machine, between the purchase price and sales tax, shall be explained by notice or marking on the device.

C. A business selling gasoline or deisel fuel delivered to the customer's vehicle in bulk may include the sales tax as an extra charge in the metered price for the fuel if a notice is posted on the meter or pump, or otherwise prominently displayed, explaining the allocation of the total cost between the charge for the fuel and the sales tax.

D. A business engaged in the sale of beverages for consumption on the premises may, in lieu of adding the tax as a separate item. A notice shall be prominently displayed in the

establishment dispensing the beverage explaining the allocation of the total price between the charge for the beverage and the sales tax collected.

E. A business providing for-hire passenger vehicle transportation services may, in lieu of adding the tax as a separate item, include the tax imposed by this chapter in the charge for the transporation. A notice shall be prominently displayed in each for-hire passenger vehicle explaining the allocation of the total charge between transportation charges and the sales tax collected.

F. When authorized by this section to be included in the price or charge for a product or service, the tax to be collected and remitted shall be determined by multiplying the gross receipts from the services or product by .03 and dividing that product by 1.03. Notices required by this section shall be provided by the city.

3.08.100 Assumption of Tax Prohibited. No person may advertise or state to the public, or to any buyer, tenant or consumer of property or services, directly or indirectly, that the tax imposed by this chapter or any part thereof will be assumed or absorbed by that person, or that it will not be added to the sales price or charge, or that it will be refunded, nor may any person assume, absorb or fail to add the tax or any part thereof or refund any tax or fail to separately state the tax to the buyer, tenant or consumer, unless otherwise specifically authorized by this chapter.

3.08.110 Tax Schedule. The amount of the tax to be added to the purchase price, rental or service charge shall be determined in accordance with the following schedule:

Charge	Tax
Under 25 cents	None
$ .25 through $ .45	$ .01

.46	through .75	.02
.76	through 1.24	.03
1.25	through 1.45	.04
1.46	through 1.75	.05
1.76	through 2.24	.06
2.25	through 2.45	.07
2.46	through 2.75	.08
2.76	through 3.24	.09
3.25	through 3.45	.10

Over 3.45 . . . . . Continue on same scale

3.08.120 Maximum Taxable Sale.

A. If the sales price of an item or items or the charge for rental of any property or performance of any service exceeds $500 for a single transaction, that portion of the price or charge in excess of $500 shall be exempt from the tax levied by this chapter.

B. In determining the maximum tax payable with regard to a single transaction for the rendering of services on a substantially regular basis, which services are generally repetitive in nature and are to be performed over a period of time under a contract, each period for payment or partial payment under the contract shall be deemed a separate service transaction. The maximum tax payable shall be applicable to each deemed service transaction with tax payments to accrue and become payable at the time of filing the next quarterly return to be submitted following receipt of payment for the service.

C. For purposes of computing the maximum tax, a rental of property for a period in excess of one month shall be deemed as a series of rentals with each rental transaction terminating as a rental payment is made. The maximum sales tax payable shall be applicable to each deemed rental with tax payments to accrue and become payable at the time of filing the next quarterly return to be submitted following receipt of the rental.

3.08.130 Title to Tax Proceeds. The title to the taxes collected pursuant to this chapter shall vest in the city upon collection by the tax collector.

3.08.140 Filing [illegible].

A. Each person who sells or rents property, or renders services taxable under this chapter in any quarter ending March 31, June 30, September 30 and December 31, shall, on or before the last day of the month succeeding the end of each quarter year complete, sign and file with the city a return for the preceding quarter, upon forms furnished by the city, setting forth the following:

1. The amount received from all sales, rentals and services made or rendered within the city.
2. The amount received from non-taxable sales, rentals and services, with a brief explanation of the non-taxable status.
3. The amount received from taxable sales, rentals and services.
4. The amount of tax attributable to the taxable sales, rentals and services.
5. The taxes collected.
6. Such other information and supporting papers as the council may require in the reporting form.

B. The taxes collected shall be remitted with the reporting form after deducting any administrative fees that may be allowed by section 3.08.160 of this chapter.

C. If the last day of the month is a Saturday, Sunday or legal holiday, tax returns and remittances, other than those delivered by mail, shall be due on or before the next preceding day on which the city offices are open for

business. Tax returns and remittances delivered by mail shall be considered as timely filed if postmarked on the due date or, if the post office is closed on that day, if postmarked on the next preceding day that the post office is open for business.

D. A person making sales or rentals, or rendering services, within the city shall make a return, even though none of the reported transactions are taxable, unless the person is a licensed medical doctor, dentist, osteopath, optometrist, chiropractor, hospital, religious or charitable organization or club, or a labor union.

E. A person who fails to timely comply with the provisions of this chapter relating to the filing of quarterly reports and remittance of taxes collected for any two quarters during a calendar year shall, if required by written notice from the finance director, file the required reports and transmit collected sales taxes monthly until such time as the finance director determines that a willingness and ability to comply with the requirements of this chapter has been established. Monthly reports and remittances shall be due on the 10th day of each month following the month of collection. Any person may, upon notification to the finance director, file reports and transmit taxes monthly.

F. A person doing business within the city for a period of time that is, or can reasonably expected to be, less than six months in duration, shall file sales tax returns and remit taxes on a monthly basis as provided in subsection E above.

G. A final sales tax return shall be filed and the tax due remitted within 15 days after the date of selling or terminating a business. The purchaser of the business shall withhold a portion of the purchase money sufficient to pay any sale tax, penalties and interest that may be due until seller

displays a receipt from the city evidencing total payment of the tax, interest and penalties due. If the purchaser fails to withhold the required sum from the payment due to the seller, the purchaser shall also be liable for the taxes, penalties and interest owed by the seller to the city.

3.08.150 Credit for Taxes. A person who has collected and remitted a tax on a sale, which tax is subsequently determined not to be due because a refund is granted for returned merchandise, payment is refused on a check received in conjunction with a sale, or similar circumstances may take a credit against future taxes. Proper documentation shall be made available by the tax collector, on request, to substantiate the credit taken.

3.08.160 Administrative Costs and Reimbursements. To compensate sellers, renters and persons rendering services for keeping the sales tax records and filing returns as required by this chapter and making prompt remittances, those persons shall be entitled to a fee equal to two percent of the amount of the tax collected, and that amount may be deducted when making remittances, provided that the reports and remittances are received on or before the due date for such reports and remittances. A person filing a report or remitting taxes collected after the due date forfeits his right and claim to the fee provided by this section and shall remit the entire tax due.

3.08.170 Penalty and Interest.

A. A person who fails to remit taxes collected on or before the due date shall pay, in addition to the tax due, a penalty of ten percent of the tax that is then due and unpaid.

B. Taxes that are not remitted to the city when due shall draw interest from the date of delinquency until paid at the rate of eight percent per annum. Interest shall not accrue

on the penalty assessed by subsection A of this section, but shall accrue on the civil penalty assessed by section 190 of this chapter.

3.08.180 Determination of Exemptions.

A. Every sale of property or service and every rental made within the city, or rendered or received by a person within the city, unless explicitly exempted by ordinance, is presumed to be subject to the tax imposed by this chapter.

B. A purchaser, tenant or other person obtaining property or service who claims an exemption under a provision of this chapter for which a certificate of exemption is required shall display the certificate at the time of the purchase or rental and the certificate number shall be noted on the receipt, invoice or other evidence of the transaction.

C. A purchaser, tenant or other person obtaining property or services who believes the tax has been charged in error may make a claim to the city for refund within 30 days after the date of sale.

D. If the finance director denies a refund of the tax, the taxpayer may appeal to the city manager by filing a written notice of appeal, within ten days after the finance director's decision, setting forth all facts relating to the claimed exemption. The city manager shall provide an opportunity for a hearing within thirty days after the receipt of the notice of appeal.

3.08.190 Failure to Collect Taxes.

A. A person required by this chapter to collect sales taxes levied, who fails to collect such taxes on taxable transactions, shall be assessed with a civil penalty of double the tax that should have been collected, as determined by an audit.

B. If any of the following defenses are established, the civil penalty imposed by this section shall be waived:

1. The securing, in good faith, of a certificate of exemption or a statement of eligibility for exemption from the person against whom the tax would have been levied.

2. Proof of a belief, based upon advice of legal counsel or the city finance director that the sale, rental or rendering of service was not subject to the tax levied by this chapter, accompanied by proof of notification in writing to the city manager based on such belief prior to or immediately following the transaction.

3. A reasonable attempt, in good faith, to collect the tax from the buyer.

C. A purchaser, renter or other person obtaining property or services who fails to pay the tax levied by this chapter on a taxable transaction shall be assessed with a civil penalty of double the taxes that should have been paid.

D. The civil penalties imposed by this section shall be in addition to any other civil or criminal penalties imposed by this chapter.

3.08.200 Preservation of Records. Every person required by this chapter to collect and remit taxes shall keep and preserve suitable records of the gross sales, rentals or service receipts, together with bills of sale and other pertinent records and documents which may be necessary to determine the amount of the tax due under this chapter and to substantiate the information provided in filed returns. The records required to be maintained shall be preserved for not less than three years after the remittance of the taxes and shall be subject to

examination of the city finance director or any other authorized employee of the city while engaged in reviewing or auditing the records of any taxpayer required to make a return under the provisions of this chapter. The city shall give written notice of intent to conduct an audit under this section, not less than five days prior to the audit.

3.08.210 Estimated Tax. If the city is unable to ascertain the correct tax to be paid by a seller because of the failure or refusal of the seller to file a return, keep accurate records or allow their inspection, or because a return has been falsified, the city may prepare an estimate of the tax due based on any information that may be available. Notice of the estimated tax shall be provided to the seller and shall become final for the purpose of establishing the tax liability unless the seller, within thirty days after receipt of notice of the estimated tax, files an accurate return supported by records determined by the finance director to be satisfactory, establishing a lesser liability.

3.08.220 Returns Confidential. Except in connection with official investigations or proceedings of the city, whether judicial or administrative, involving taxes due under this chapter, no officer, employee or agent of the city may divulge any information disclosed in a report or return filed under this chapter. The prohibition of this section shall not prohibit the preparation and use of statistical summaries of sales tax data that do not disclose the identity of any person filing reports required by this chapter.

3.08.230 Recovery of Taxes. Taxes due but not paid may be recovered by the city in an action against the buyer, tenant or recipient of services if that person has failed or refused to pay the tax on request by the seller or submitted a

false certificate of exemption. Taxes collected but not transmitted and taxes not requested or demanded by the person charged with the duty of collecting of tax may be recovered by an action against the person selling or renting the property or services.

3.08.240 Lien to Secure Payment of Tax.

A. The tax imposed by this chapter, together with any penalty and interest that may accrue, shall constitute a lien in favor of the city upon all of the property, real and personal, and any interest in such property owned or held by the person or persons required to pay the tax. The lien arises at the time of delinquency and continues for a period of two years from the date of notice to the city of the delinquency unless an action is initiated during that period to foreclose the lien or the lien is satisfied by distraint and sale.

B. The date of notice to the city of delinquency shall be the first of the following events to occur.

1. A required return is filed accurately reflecting the tax due and the return is not accompanied by the required remittance.

2. A notice of estimated tax is provided to a person by the city and the thirty day period for filing an accurate return has expired.

C. The lien created by this section is not valid against a mortgagee, deed of trust beneficiary, or other person holding a lien or security interest in the property, or a purchaser or judgment creditor, who acquires an interest in the property prior to filing by the city of a notice of lien in the office of the Kodiak District Recorder.

3.08.250 Foreclosure Against Real Property. A lien for the tax, interest and penalties created by this chapter may

be foreclosed, when authorized by the council by commencement of an action in the Superior Court pursuant to the procedure set forth in AS 34.45.170-220.

3.08.260 Collection by Distraint and Sale.

A. The city may collect taxes, with interest, penalties, and other additional amounts permitted by law, by distraint and sale of the property of the person liable to pay the taxes, interest, penalty or other additional amount, who neglects or refuses to pay them within ten days after receipt of notice and demand for payment.

B. In case of neglect or refusal to pay taxes or deficiencies as provided in this section, the city clerk may issue a warrant authorizing any police officer to levy upon, seize and sell any property, except exempt property belonging to the person for the payment of the amount due, with interest and penalty. When distraint is made as provided in this section, the police officer charged with the services shall make an inventory of the property served and leave a signed copy of that inventory with the owner or possessor of the property, or at his dwelling or usual place of business, if a person of suitable age and discretion can be found, or if the taxpayer is a corporation or other type or organization with an officer, manager, general agent, or agent for process, with a notation of the amount demanded and the time and place of sale.

C. The police officer shall immediately publish a notice of the time and place of sale at public auction, together with a description of the property distrained, in a newspaper published in the city and post a copy of the notice at the Post Office nearest the place where the sale is to be made.

D. The time of sale shall be not less than fifteen or more than sixty days from the date of the notification to

the owner or possessor of the property, and the place proposed for the sale shall not be more than five miles from the place of making the distraint. The sale may be continued from time to time in the discretion of the police officer, but not for more than thirty days after the date specified in the notice.

E. The property distrained shall be restored to the owner or possessor if, before the sale, payment of the amount due is made to the police officer charged with the collection, together with the fees and other charges.

F. The police officer conducting the sale under this section shall give to the purchaser a certificate of sale on payment in full of the purchase price. The certificate of sale:

1. Is prima facie evidence of the right of the police officer to make the sale, and conclusive evidence of the regularity of his proceedings in making the sale.

2. Transfers to the purchaser all right, title, and interest of the delinquent in and to the property sold.

3. Where the property consists of stock, is notice, when received, to the corporation to record the transfer on their books and records in the same manner as if the stock were transferred or assigned by the party holding the stock in lieu of an original or prior certificate, which is void, whether cancelled or not.

4. Where the subject of the sale is security or other evidence of debt, is a good and valid receipt to the person holding it, as against a person holding or claiming to hold possession of the security or other evidence of debt.

G. If property seized and sold is not sufficient to satisfy the claim of the city for which distraint or seizure is made, the police officer may, thereafter, and as often as is necessary, proceed to seize and sell in like manner any other property subject to the lien created by this chapter until the amount due from the taxpayer together with all expenses is fully paid.

H. A person in possession or control of property subject to distraint, upon which a levy is made, shall, upon demand by the police officer making the levy, surrender the property to the police officer, unless the property is, at the time of the demand, subject to an attachment under judicial process. A person who fails or refuses to so surrender the property is personally liable to the city for a sum equal to the value of the property not so surrendered, but not exceeding the amount of the taxes or deficiencies, including penalties and interest for the collection of which levy is made, together with costs and interest from the date of the levy.

I. All persons shall, on demand of a police officer about to distrain or having distrained on property, or rights of property, exhibit all books containing evidence or statements relating to the property liable to distrain for the tax due.

J. The provisions of this chapter are not exclusive but are in addition to all other existing remedies provided by law for the enforcement of a levy and collection of taxes of the city.

3.08.270 Prohibited Acts and Penalties.

A. No person may

1. fail or refuse to file a completed tax return required by this chapter, upon demand, or falsify any material statement in that return;

2. fail or refuse to collect taxes levied by this chapter and remit those taxes to the city as required;

3. conduct any business in the city relating to sales, rentals or services subject to taxation under this chapter without first applying for and obtaining a certificate of registration to collect the taxes imposed on sales, rentals and services; or

4. falsify any portion of an application for a Certificate of Exemption or a Statement of Eligibility for Exemption.

B. A person who violates a prohibition contained in subsection A of this section is, upon conviction, punishable by a fine of not more than three hundred dollars or imprisonment for a term not to exceed thirty days, or by both.

C. A person who violates any other provision of this chapter not specifically set forth in subsection A above is, upon conviction, punishable by a fine of not more than two hundred dollars.

3.08.280 Definitions. As used in this chapter

A. "buyer" or "purchaser" means a person who acquires an interest in real or personal property, or the right to use real or personal property, or who acquires services for consideration;

B. "rental" means permitting the use or occupancy of real or personal property for consideration;

C. "sale" means a transfer or exchange of any property of every kind and description, or the right to use or occupy such property, for consideration;

D. "sales price" or "charge" means the consideration, whether money, credit or other property or interest in property, without deduction for delivery costs, taxes or any other expense. The receipt of property or an interest in property as consideration, the "sales price" or "charge" shall be based on the fair market value of the property or interest in property.

E. "seller" means a person, whether acting as a principal, agent or broker, who sells, leases or rents real or personal property or provides services to another for consideration.

CITY OF KODIAK

Tom Finat
Mayor

ATTEST:

Terry Donnell
City Clerk

FIRST READING: 7/14/77

SECOND READING AND PASSAGE DATE: 7/21/77

EFFECTIVE DATE: 8/20/77

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: January 27, 1978

FILE NO. Legislature - 1978 Session

SUBJECT: HB 578, 5% Sales Tax Rebate to Merchants

Honorable Lisa Rudd, Chair
House Community & Regional Affairs Committee
Room 625 Court Building
Juneau, Alaska 99801

Dear Representative Rudd:

The Assembly Legislative Committee has reviewed House Bill 578 which would entitle persons collecting a municipal sales tax to retain 5% of the tax collected and has taken a position in opposition to the bill.

As the sales tax is something which is optional with each community, the method of collection and compensation to those collecting tax should, to maximum extent possible, be left to local option also. Each community can then tailor its procedures to what are perceived by the elected community leaders to be circumstances peculiar to its own situation. The need for this flexibility is demonstrated in the following hypothetical situation. The amount which the seller is permitted to retain is supposed to be full or partial compensation for the burden placed on the seller of collecting, accounting for and transmitting the sales tax. I think it can be safely assumed that there is little difference in this burden between a seller who must collect a 1/2 of 1% sales tax and one who must collect a 5% sales tax. Each must go through the same motions. However, the seller in a community which has a 5% sales tax will be authorized to retain ten times as much on the same taxable sales as the seller in a community which only collects a 1/2 of 1% tax. In a community such as Juneau, where two different rates of sales tax are imposed within the community, the proposed bill would compensate sellers in the 3% area three times as much as sellers doing the same taxable volume in the 1% area. By allowing each community to establish the method of compensation to sellers, the foregoing disparity will not necessarily occur.

Even if it is believed that a statewide percentage rebate should be established, 5% is too high as it provides far more compensation to many sellers than the burden of collecting the taxes. As an example, each of the four large grocery stores in the City & Borough of Juneau do a gross annual business which is roughly in the neighborhood of $5,000,000. A store doing that gross located in an area which levies a 3% sales tax will collect $150,000 in taxes;

5% of this amount is $7,500. One can obtain far more accounting services for $7,500 than are required to account for, report and transmit the sales tax.

The state and federal governments do not compensate employers for withholding, accounting for and transmitting income taxes of employees even though this is a far more difficult and time consuming task than accounting for sales tax. Just as withholding and transmitting to the government a part of an employee's wages is a burden placed on each person who engages in the privilege of hiring another person, so is the burden of collecting and transmitting sales taxes a burden uniformly borne by those who engage in the privilege of doing business within a community which levies a sales tax. Juneau does allow each seller to retain 1% of the taxes collected each quarter but the amount may not exceed $100 per quarter. In calendar year 1977, Juneau sellers had a total allowable discount of $19,800. Under House Bill 578, Juneau sellers could have retained $127,600 of the taxes collected, resulting in a tax loss to the municipality of $107,800. This amount would have to have been made up by some other revenue source such as property taxes.

For the reasons set forth above, the City & Borough of Juneau believes that House Bill 578 should not be passed.

Very truly yours,

Lee Sharp

GERALD L. SHARP
City & Borough Attorney

GLS:sm/jt

cc: Jim Rolle, Executive Director
Alaska Municipal League

Representatives Oral Freeman, Sarah Smith, Nels A. Anderson, Bill Miles, Al Ose, Merle G. Snider, Tim Kelly, Pete Lovseth, Randy Phillips

FAIRBANKS NORTH STAR BOROUGH

Box 246, Fairbanks, Alaska 99707

January 25, 1978

Rep. Lisa Rudd

Chairman & Members
Community & Regional Affairs Committee
Alaska State House
Pouch V
Juneau, Alaska 99881

Dear Sir:

I appreciate the opportunity to comment on two bills before your committee. The bills that I am concerned about are House Bill No. 509 and House Bill No. 578.

House Bill No. 509

As you may be aware, the Fairbanks North Star Borough has already exempted food, hygiene, and prescription drug items from sales tax. The City of Fairbanks, in turn, concurred with this exemption. The City of North Pole could not afford to make this exemption, however they did choose, through a different mechanism, tax rebates per resident, to give some sales tax relief to their residents.

The ability of municipal officials to design and construct a taxing structure that meets their program needs and suits the character of their community is an essential component of local government.

House Bill No. 578

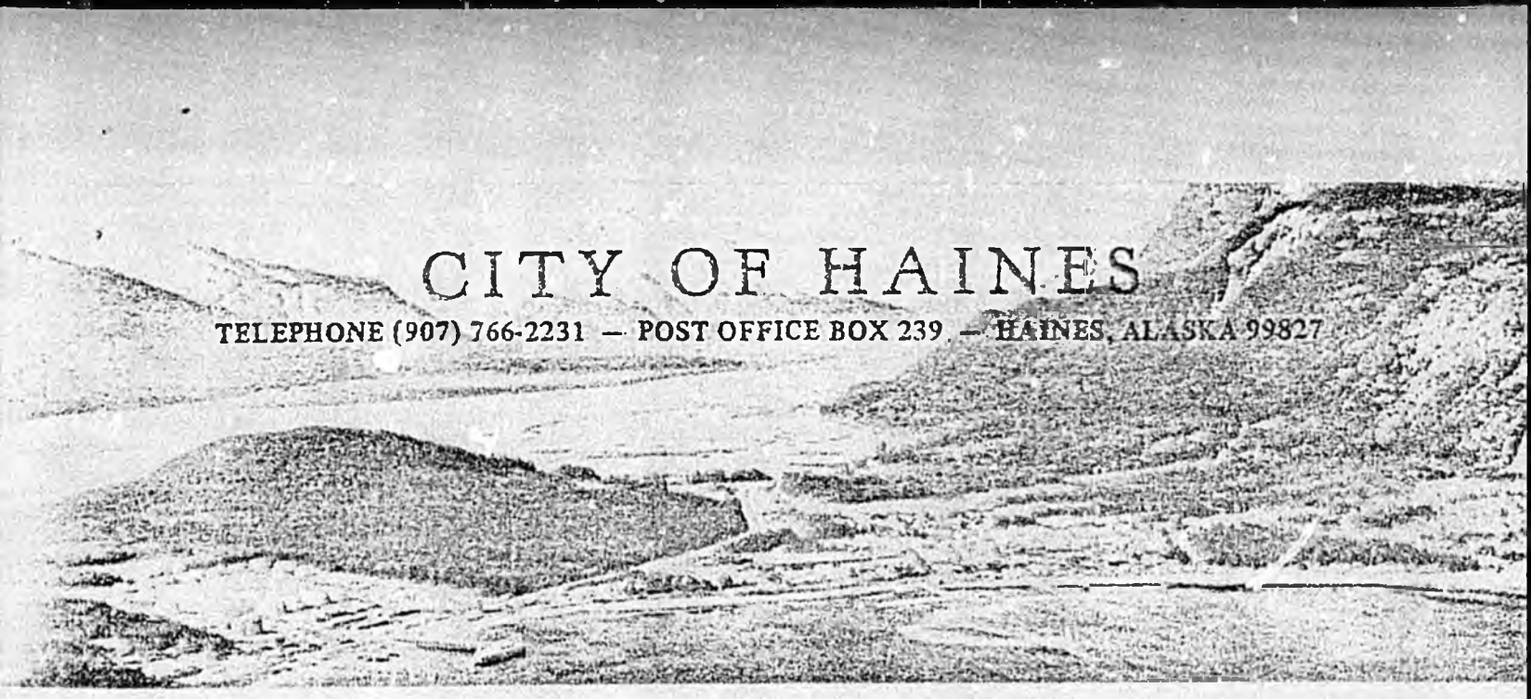
I feel House Bill No. 578 mandates a prorogative which presently exists as an option for locally elected councils and assemblies to consider. At present our assembly and councils have not chosen this mechanism as an aid to business.

I, therefore, must oppose both House Bill No. 578 and House Bill No. 509 as a state intrusion on local control.

Very truly yours,

JOHN A. CARLSON
Borough Mayor

JAC:bjw



CITY OF HAINES

TELEPHONE (907) 766-2231 — POST OFFICE BOX 239 — HAINES, ALASKA 99827

February 3, 1978

The Honorable Lisa Rudd, Chairman
House Community and Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Dear Representative Rudd:

Jim Polle, Executive Director of the Alaska Municipal League, has asked me to provide you and your Committee with the following information concerning local sales tax matters for use in the upcoming hearings on House Bills 509 and 578.

TAX LEVIED: City of Haines: 3% Haines Borough: 1%

EXEMPTIONS: A list of exemptions from sales tax charged by the City of Haines is enclosed as Attachment 1. A list of the exemptions of the Haines Borough is enclosed as Attachment 2. Both the City and the Borough are presently considering expanding the list of sales transactions which are exempt from tax to include:

1. Sales made and services performed by governmental agencies
2. Sales made and services performed for governmental agencies.
3. Membership dues paid to clubs, labor unions and fraternal organizations.
4. Sales made and services performed for non-profit cooperatives.
5. The value of new or used articles taken in trade.
6. Receipts derived from sales resulting from orders received outside the corporate limits of the municipality, where delivery is made outside the corporate limits of the municipality.
7. Services under a building construction contract or subcontractor.
8. Sales of building or construction supplies exceeding $5,000 in any one calendar year.

GROSS INCOME RECEIVED FROM SALES TAX:

City of Haines 7/1/76-6/30/77: 217,968

Haines Borough 7/1/76-6/30/77: 80,532

PERCENT OF TOTAL INCOME PROVIDED BY SALES TAX:

City of Haines 7/1/76-6/30/77: $\frac{217,968}{1,248,428*} = 17.46\%$

Haines Borough 7/1/76-6/30/77: $\frac{80,532}{705,812} = 11.41\%$

*Includes all utility revenues as well as State and federal grants for capital improvements

SALES TAX INCOME IN RELATION TO TOTAL EXPENSES:

City of Haines 7/1/76-6/30/77: $\frac{217,968}{928,869} = 23.47\%$

Haines Borough 7/1/76-6/30/77: $\frac{80,532}{768,255} = 10.48\%$

DEDICATION OF SALES TAX PROCEEDS:

City of Haines: 2/3 of the revenue must be used for capital improvements; 1/3 may be used for general operating expenses.

Haines Borough: All proceeds to be used for retirement of principal and interest on School Construction Bonds

Too, in order to inform you of the impact that HB-509 would have on sales tax revenues of the City of Haines, I have prepared the following summary of income, in both absolute and relative terms, from taxes on sales of items which would be specifically exempt from tax if this bill becomes law.

	Sales tax income 7/1/76-6/30/77	Percent of total sales tax received
Rent	$ 9,110.84	4.18%
Prescription drugs	presently exempt	
Food	56,639.41	25.99%
Energy source for use in residences	21,192.79	9.72%
Totals	$ 86,943.04	39.89%

If you need any further information concerning this matter, please contact me.

Sincerely,

Dan R. Bockhorst

Dan R. Bockhorst
City Administrator

cc: Jim Rolle

Encl: Attachment 1
Attachment 2

Attachment 1
Exemptions from Sales tax
City of Haines

Sec. 60.10.010 continued

(c) The sales price of all items purchased or delivered at the same time shall be added together and the tax levied on the aggregate amount thereof.

(d) The following are exempt from said tax:

(1) Salaries and wages paid to an employee.

(2) Sales made and services performed which are not in the regular course of business.

(3) Sales, rentals and services when the amount paid to any person for such sales, rentals and services by all persons doing business with such party does not agreegate $100.00 in any calendar month.

(4) Sales of insurance and bonds of guaranty and fidelity.

(5) Fees for medical, dental and hospital services.

(6) Remuneration received for services and materials including caskets, used or furnished for funerals.

(7) Wharfage charges and charges for freight handling and cargo handling on docks

(8) All sales of commodities made to a manufacturer, broker, wholesaler or dealer and which are not consumed or destroyed by such purchaser, but which are resold in the same or an altered form, or which are used to package, crate or deliver the products of such purchaser.

(9) All sales to a bona fide retailer when the same are purchased by him for resale in the ordainary course of business. In this connection, a retailer is one who regularly stocks merchandise for resale, displays the same to the public and holds himself out as regularly engaged in the business of selling such products either during a regular season or throughout the year directly to the consumer.

(10) All sales, rentals and services made, paid and performed during the hours, under the auspices and in direct participation with the annual Southeast Alaska State Fair.

(Ord. 229; adopted 8/1/77)

Attachment 2

Exemptions from sales tax

Haines Borough

Section: 04.20.030. Exempt Transactions. The sales price of all items purchased or delivered at the same time shall be added together and the tax levied on the aggregate amount thereof.

The following are exempt from said tax:

(a) Salaries and wages paid to an employee.

(b) Sales made and services performed which are not in the regular course of business.

(c) Sales, rentals, and services when the amount paid to any person for such sales, rents, and services by all persons doing business with such party does not aggregate $100.00 in any calendar month.

(d) Sales of insurance and bonds of guaranty and fidelity.

(e) Fees for medical, dental, and hospital services.

(f) Remuneration received for services and materials, including caskets, used or furnished for funerals.

(g) Wharfage charges and charges for freight handling and cargo handling on docks.

(h) All sales of commodities made to a manufacturer, broker, wholesaler, or dealer and which are not consumed or destroyed by such purchaser, but which are resold in the same or an altered form, or which are used to package, crate, or deliver the products of such purchaser.

(i) All sales to a bona fide retailer when the same are purchased by him for resale in the ordinary course of business. In this connection a retailer is one who regularly stocks merchandise for resale, displays the same to the public and holds himself out as regularly engaged in the business of selling such products either during a regular season or throughout the year direct to the consumer.

City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

February 3, 1978

Lisa Rudd, Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

The Alaska Municipal League has requested that we furnish yourself and your committee members the following sales tax data.

1. Sales tax within the City and Borough of Sitka is 4%.

2. Please refer to the enclosed copy of our sales tax ordinance which indicates those sales and services exempt from sales tax.

3. Persons over the age of 65 years are exempt from paying sales tax.

4. Our gross income from sales tax this fiscal year will be 1.5 million dollars.

5. This fiscal year our sales tax will represent 42% of our total revenue, and 37% for our total expenditures.

6. 2% of our sales tax is dedicated for education, and the other 2% for general operation of the municipality.

We oppose HB 509 and 578, and reiterate that sales tax should be a matter of local preference.

Very truly yours,

Fermin Gutierrez

Fermin Gutierrez
Administrator

Enclosure: Sales Tax Ordinance

cc: Representative Sarah Smith
Alaska State Legislature

Representative Nels Anderson
Alaska State Legislature

Representative Bill Miles
Alaska State Legislature

Representative Al Ose
Alaska State Legislature

Representative Merle Snider
Alaska State Legislature

Representative Tim Kelly
Alaska State Legislature

Representative Kris Lovseth
Alaska State Legislature

Representative Randy Phillips
Alaska State Legislature

Jim Rolle
Municipal League

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-5211 or 842-5212

February 3, 1978

Community and Regional Affairs Committee
Lisa Rudd, Chairman
Pouch Y
Juneau, Alaska 99811

Dear Madam Chairman:

The following information is submitted to your committee with the intent of advising you as to the position of the City of Dillingham with regard to HB 509 and HB 578. These bills are, as you are aware, with regard to sales tax and various amendments to be added to the Alaska Statutes regarding such. I would appreciate very much your committee being advised of the feelings of small communities such as Dillingham and the potential fiscal impact on these communities if such an elimination of certain items were indeed legislated. I know that you realize the degree to which small communities rely on such revenue and the difference with regard to impact between the large communities such as Anchorage and Fairbanks and those such as Dillingham, Bethel and other bush communities.

With that fact in mind I would like to present for your committee's information the following facts.

1. The City of Dillingham charges 3% sales tax.

2. The specific exemptions or limits by categories of sales are in the form of a $1,000 maximum single sale tax. Any item purchased at one given time with a value of over $1,000, the amount of such valuation over $1,000 is not subject to tax.

3. Exemptions for sales tax in general is provided to out of town consumers who order their supplies and have them delivered by common carrier.

4. FY77 gross income from sales tax was $214,624.50. The budgeted revenue for FY78 from sales tax is $215,000.

5. The sales tax is 18.52% of the total revenue for the City of Dillingham which for FY78 is $1,160,394.00.

6. Other than capital expenditures and equipment which is purchased from sales tax and which necessarily incorporates a large part of expenditures from that revenue source, the City of Dillingham additionally provides $30,000.00 in contribution to the School District.

I would very much appreciate your committees considering these facts with regard to small cities and if I can be of any assistance to you in providing additional data which would make your decisions and recommendations on HB 509 and HB 578 I would be more than pleased to present such information to you.

Respectfully yours,

Gordon W. Ryan

GORDON W. RYAN
City Manager

GWR/lrh

cc: Representative Sarah Smith
Representative Nels A. Anderson, Jr.
Representative Bill Miles
Representative Al Ose
Representative Merle Snider
Representative Tim Kelly
Representative Kris Lovseth
Representative Randy Phillips
Jim Rolle, Executive Director, Alaska Municipal League

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

February 6, 1978

Representative Lisa Rudd, Chairman
Community and Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Dear Rep~esntative Rudd:

I would like to provide some general information about sales tax for the Committee's information. Specifically, I am referring to HB 578 and HB 509.

At the present time, the City of Kodiak charges 3% sales tax. The City does not charge sales tax on items over $500. We do have a number of exemptions on who does pay the sales tax. Our gross income from sales tax estimated for the 1977/78 fiscal year is $1,350,000. This is 42% of the locally collected general fund revenues and 32% of the total general fund revenues. We do not have any dedication of any of our sales tax for a specific purpose.

In addition, I would like to provide you with some more information regarding HB 578. This is in regard to the retention of a sum equal to 5% of the proceeds of the tax collected by the individual doing the collecting. The City of Kodiak recently revised its sales tax ordinance and changed the fee from 3% to 2%. This was a compromise as the City was attempting to make it zero percent. It is obvious that the large collectors such as grocery stores and firms of that nature would reap a large benefit whereas the small businessman would hardly get anything at all. There are, of course, many ways to look at this fact; however, it is not fair as far as I can see to allow the large businesses to make out one form just as the small businesses do and still make substantial gains.

The other bill, HB 509, is very disturbing. At the present time, the City of Kodiak collects 25% to 35% of its sales tax revenue from those items which this bill wishes to exclude. I would like to be able to give you a more definite figure; however, there are many problems in separating out the different exemptions referred to in this bill.

I have been through a similar discussion regarding the exemption of food from

sales tax in Colorado. There is quite a problem for the supermarket to have to separate the item out when checking at the counter because the items do not come out of the basket separate; they are all mixed up. If sales tax is charged only on food items opposed to non-food, i.e. vitamins, soft drinks, etc., they have to be separately charged at the check stand. Anyone who has waited at the supermarket obviously knows that this would delay the process much further and cause a lot of problems for the individuals involved.

While the problems of the super market are relevant, it is most important that you understand that the City of Kodiak is in dire financial straits at this time. Any such change would have to be made up by State funds supplementing the City's losses. I see no such provision in this bill. I might also mention that I have asked the City Council to raise the sales tax from 3% to 5%. This is to cover additional costs of services as well as needed capital improvements. The decision regarding this will be made in the near future. Hopefully, the State Legislature will understand that the City needs the revenue it is now getting out of sales tax and is looking towards further reliance in that area in the future. We do not currently have a personal property tax because of the many problems it presents with inventories, boats and other items.

Thank you for your consideration in this very important matter. If you have any additional questions, please feel free to call on me at your convenience.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom

Ivan L. Widom
City Manager

ILW/lp

cc: Representative Oral Freeman
Representative Merle Snider
Senator Kay Poland
Representative Russ Meekins, Jr.
CRA Committee

CITY of YAKUTAT
P. O. Box 6
Yakutat, Alaska 99689
(907) 784-3323

February 6, 1978

Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Re: H.B. 509
H.B. 578

Dear Lisa:

I would like to provide you with the following information relating to action on the above referenced bills.

Sales Tax data for the City of Yakutat (Fiscal year 1976-77)

1. 2% general Sales Tax
2. Exemption- are listed on attached exerpt from the Sales Tax Ordinance
3. Exemptions relating to who pays the tax are also attached.
4. Gross Revenues from Sales Tax: $49,952.
5. Item no. 4 is 23% of all expenditures for last fiscal budget.
6. Since May 1976 there are no dedications of all or any part of the tax for specific purposes collected.

Although the City Council has seriously considered an exemption for food items; but could not afford the large loss as most sales taxes, come from food oriented businesses. We do feel that serious consideration be given to strengthening the use tax concept. This would give us an acceptable area to retrieve revenue losses that would surely come as a result of your proposed bills. The Oil Industry has bitterly fought the Use Taxes instituted in other areas of the state.

I hope that this helps your decision in this matter.

Best Regards

Larry Powell
Mayor of Yakutat

Section 4. Exemptions. The following classes of retail sales, rentals and services are exempt from the tax imposed by this ordinance:

a. Sales, services, rentals and transactions amounting to less than $25.00 in any quarter year.

b. Casual and isolated retail sales of real or personal property, rental of personal property, and services not in the regular course of the business of the seller.

c. Funeral charges and services, and medical services performed by licensed medical doctors, dentists, osteopaths, optomertrists, psychologists, and chiropractors, prescribed by such, and hospital services.

d. The service of transporting students to and from grade or high schools in motor or other vehicles.

e. The sale of food in public, common, high school or college cafeterias or lunch rooms operated primarily for teachers and pupils, and not operated primarily for the public and not operated for profits.

f. The sale of newspapers and periodicals made directly to a consumer or user of newspapers or periodicals by a carrier.

g. Sales, rentals and services to the Unites States Government, the State of Alaska and its political subdivisions and municipalities.

h. Sales, rentals and services and transactions which the municipality is prohibited from taxing under the Constitution and laws of the United States or the State of Alaska.

i. Dues or fees to clubs, labor unions, fraternal organizations.

j. Salaries and wages received by an employee from an employer but this exemption shall not apply to the gross remuneration for furnishing labor and materials for accomplishing a specified result.

CITY OF NOME

P.O. BOX 281 - NOME, ALASKA 99762
TELEPHONE (907) 443-5242

February 6, 1978

Lisa Rudd, Chairman
Community and Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Dear Ms. Rudd:

In connection with HB 509 and 578 we are submitting some information which may be of interest and helpful to you. We do not, however, have a borough in Nome.

1. Our rate of sales tax is 3%
2. Drugs (prescriptions), rent, new construction are exempt
3. State, Federal and city are exempt
4. Our gross income from sales tax 1977-$443,520.98
5. Gross income from sales tax is 22% of our total budget
6. None of our sales tax is dedicated for a specific purposes. It is all deposited to the general fund

In addition I am enclosing a copy of our sales tax ordinance which enlarges on exempts, etc.

We hope this information will be useful. To restrict collection of sales tax on food and electricity would seriously cut into our revenue if it were restricted at our level.

Yours very truly,

F. G. Breeden

F. G. Breeden
City Manager

FGB:mo
Enclosure
cc: All committee members

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"
P. O. BOX 415 SKAGWAY, ALASKA 99840

February 6, 1978

Mrs. Lisa Rudd, Chairperson
Community & Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Dear Mrs. Rudd:

It is understood that your committee shortly will be holding hearings on House Bill No. 509 - "An act exempting certain items from Sales Tax" and House Bill No. 578 - "An act relating to the levy and collection of Sales and Use Tax by Municipalities". Please introduce the following comments into the records of these hearings:

H.B. No. 509 -

The City of Skagway strongly opposes the exemption from taxation of the catagories of items as listed in the proposed legislation. The removal of these catagories as sources of tax revenue would result in a serious impairment of the City's financial stability. The City's financial planning is premised on the availability of sales tax revenue, as conservatively estimated, for application under the provisions of the City Code - i.e. for retirement of bonded indebtedness and construction of capital improvements to streets, sidewalks and utility systems. Further, the mandating at the State level of catagories for exemption from local tax is considered an usurpation of authority better left at the municipal level. Accordingly, the City of Skagway urges that your Committee recommend that H.B. No. 509 not be passed.

H.B. 578 -

The City of Skagway supports the concept that the person or entity charged with the responsibility for collection of municipal sales taxes should be compensated for the administrative costs of this effort. The proposed compensation in the amount of 5% of the amount collected is considered to be acceptable. Accordingly, the City of Skagway supports the passage of H.B. No. 578.

Sincerely,

Robert F. Messegee

Robert F. Messegee
Mayor

cc: Senator Bill Ray
Representative Mike Miller
Representative Jim Duncan
City Attorney · Ruddy
Representative Ose
GDAcp

CITY OF PETERSBURG

P. O. Box 329 • Petersburg, Alaska 99833

February 6, 1978

Lisa Rudd, Chairman
Community and Regional Affairs Committee
Pouch Y
Juneau, Alaska
99811

Dear Ms. Rudd:

In reference to the hearing to be held on February 13, 1978 by the Community and Regional Affairs Committee regarding HB 509 & 578, the City of Petersburg volunteers the following information.

The City of Petersburg charges a 5% sales tax. The 5% sales tax is charged on items up to $1000.00. Government entities are exempted from the sales tax. The gross income from sales tax is $600,000.00. Approximately 1/2 of 1% of total sales tax relates to all budgeted income. There is a dedication of a portion of sales tax for specific purposes.

Hopefully, this information will be helpful to the Community and Regional Affairs Committee.

Sincerely,

David A. Moffat

David A. Moffat
City Manager

cc: Sarah Smith
Nels Anderson
Bill Miles
Al Ose
Merle Snider
Tim Kelly
Kris Lovseth
Randy Phillips
Jim Rolle, Alaska Municipal League

CITY OF PETERSBURG IN THE STATE OF ALASKA CORPORATE SEAL APRIL 20, 1910

DAM/plc

ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

February 7, 1978

Lisa Rudd, Chairperson
House Community and Regional
Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Re: HB 509, Sales Tax Exemptions

Dear Ms. Rudd:

The City of Wrangell wishes to go on record in opposition to the proposed sales tax legislation imposing State mandated exemptions.

The sales tax ordinance was enacted and approved by a majority vote of the qualified voters and can be changed, repealed, or exemptions added in the same manner. It would seem reasonable that the local people are the best judge of how they prefer to financially support their local schools and government. Eighty percent of our sales tax, as enacted, is dedicated to schools, health, sanitation and street construction. The tax supports approximately thirty percent of our budget at the present time. The exemptions included in HB 509 would reduce these funds by sixty to seventy percent. This would result in a reduction of services or increasing the property tax to cover the short fall.

In order to relieve senior citizens from any burden which sales tax may impose, the City has enacted a refund program of $15.00 per month to qualified persons.

It is our opinion that the local legislative bodies can incorporate exemptions in the sales tax ordinance if it is to the benefit of the local community.

Very truly yours,

James R. Eide
City Manager

JRE/jr

cc: Jim Rolle, Executive Director AML

City of Soldotna

Box 409 Phone 262-4492

SOLDOTNA, ALASKA
99669

February 7, 1978

Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch Y
Juneau, Alaska 99811

Re: HB 509 and HB 578

Dear Ms. Rudd:

The City of Soldotna strongly protests passage of HB 509 and HB 578.

Soldotna has a 2% sales tax payable on amounts up to $500. Churches and government entities are exempt.

Our gross income from the sales tax was $323,894 in FY 1976-77. We have received $251,465 for the first six months of FY 1977-78. Our sales tax income as it relates to all other income is 27%, and is 29% of our budgeted expenses. The tax is not dedicated for a specific purpose, but goes into the general fund.

Of the money received this fiscal year, $98,000 has come from food sources and $31,000 from heating sources. Under HB 578 relating to levy and collection of sales and use tax, the City would lose $6,700. by the increase from 3% to 5% to individuals collecting the tax.

The City cannot afford to lose a large portion of its revenue. We are already faced with tremendous growth with its related problems and future impact, and are wondering where the money for increased services is coming from.

Sincerely,

Patricia C. Burdick
Acting City Clerk

PCB/bm

cc: Committee Members
Alaska Municipal League

At the end of the text of this book there is a section under the caption "Summary of Proposed Changes." This reads as follows:

> "As a whole, the most important changes needed in the state sales taxes include:
>
> 1. Elimination of all exemptions of consumer goods except perhaps prescription drugs."

I have been the administrator for the City of Palmer sales tax for nearly eight years and I think this recommendation certainly concurs with my experience. I would strongly urge the Alaska Municipal League to take a firm position in opposition of any type of exemptions. There may be some unique to a local community which are worthwhile, but let them make the decisions.

In reference to HB 578, I would certainly speak in opposition. I am aware that the provision has been under borough law for some time as it did not appear under city sales tax law. Some cities and boroughs have taken this prerogative but certainly 5% is more than is necessary in today's world. First of all, if the ordinance on sales tax is not riddled with exemptions, then the calculating and accounting will be a fixed percentage of the gross receipts which is a very simple matter as it does not require 5% of the tax collected. In this day and age with electronic cash registers, electronic calculators, etc., if you have not riddled the sales tax ordinance with exemptions, it is extremely simple to check any day's or month's receipt. If you co-mingle exempt and non-exempt items in the same sales or service of an organization, then you have created a bookkeeping monster and perhaps 5% is not nearly enough. If you will refer back to my opening statement about the fact that of our total revenues, only two items are under control of the Council, and in our case 70% of that total revenue is in the sales tax. Whatever you do to affect that sales tax has dramatic reaction with the City Council's responsibilities and authority. By allowing the 5% retention in our case of our total revenues of $330,000, you are talking about $16,500. If that revenue is removed from the sales tax then it must be applied to the property tax. In our case, 1 mill of taxation produces $30,000. By allowing this 5% retention you merely cause the City Council to levy an additional 1/2 mill of real and personal property tax on everyone in the City. In the majority of the cases this is going to be the owner-operator of the establishment who is retaining the 5%. The only alternative is whether he pays it once a month in twelve installments or once a year when property taxes are due.

In summation, I would like to say, Jim, that sales tax is a very sophisticated form of taxation and its administration is much more complicated than real

property taxes. Each municipality is unique within itself and it is best left to the local governing body who lives there 365 days a year to make these decisions. Please try to inform our legislators that these decisions are better made at home.

Sincerely,

William E. Curtis
City of Palmer
Manager

WEC/car

cc: Lisa Rudd, Chairman, Community & Regional Affairs Committee
The Honorable Al Ose
The Honorable Jalmar Kerttula

{news and views}

ALASKA MUNICIPAL LEAGUE

204 N. FRANKLIN ST. JUNEAU, ALASKA 99801

Statement of

Jim Rolle

Executive Director

of the

Alaska Municipal League

Before

The House C&RA Committee

January 30,1978

Houes Bill 509
House Bill 578

MADAM CHAIRMAN-MEMBERS OF THE COMMITTEE

Good Morning

My name is Jim Rolle and I am here to testify on behalf of the Alaska Municipal League, as both HB 509 and HB 578 appear on your agenda today. I am in hopes that you will allow the philosophy of my remarks to apply to both bills. However the specifics will apply to HB 578 in so far as the numbers are concerned.

Sources of local revenue for municipalities in Alaska are limited to a very extensive degreee, to the income derived from local property and sales taxes.

Those tax reformers, who insist that the obligations ought to be borne according to the ability to pay, will find little comfort in the findings of a recent poll by the Advisory Commission on Intergovernmental Relations. (attached)

As analyzed, the poll shows that more people then ever, about 35% nation wide, regard the property tax as the most unfair tax of all. The report also shows federal income tax the second "worst" tax with sales tax seemingly more popular.

The report should baffle those who, like me and some elected municipal officials, long have condemned the sales levy as the most regressive form of taxation.

Whatever, the poll suggests that any attempts to enlarge taxes on income or property will have increasingly stiff opposition. This leads me to our point today.

We did a rough telephone survey of Municipal League members to find that should this act become law, our members will lose approximately 1.5 million dollars in local revenue. Obviously, these revenues will have to be found elsewhere. I should like to point out that the sales tax in most communities is a result of the peoples vote, not council or assembly action like the property tax.

Some communities, for a variety of reasons, already practice the concept of rebate or holdback. However, it was done locally and in the amounts most beneficial to the municipality and its population affected.

In the case of Fairbanks North Star Borough and the City of Fairbanks we are speaking roughly of $450,000 loss of revenue. In Juneau we a looking at $107,000, Palmer $15,000 and Kodiak $55,000, just as examples.

In conclusion, we feel that both of these bills, if passed, would have a serious adverse effect upon the operation of municipal governments, resulting in either a marked increase in the level of property tax or a reduction in the level of services offered to the public.

Therefore, the Alaska Municipal League opposes these bills.

Thank You.

The Worst Tax

Table 3

Which Do You Think is the Worst Tax — That is, the Least Fair?

	Percent of Total U.S. Public				
	May 1977	May 1975	April 1974	May 1973	March 1972
Federal Income Tax	28%	28%	30%	30%	19%
State Income Tax	11	11	10	10	13
State Sales Tax	17	23	20	20	13
Local Property Tax	33	29	28	31	45
Don't Know	11	10	14	11	11

When 1977 national totals are broken down by region, they reveal the following striking contrasts:

	Percent of Total U.S. Public	Percent of Respondents by Region			
		North-east	North Central	South	West
Federal Income Tax	28%	20%	32%	33%	25%
State Income Tax	11	17	9	10	7
State Sales Tax	17	23	15	17	15
Local Property Tax	33	28	37	25	45
Don't Know	11	13	8	14	7

For additional detail, see **Table A3** on page 12.

TABLE 3A

Which Do You Think is the Worst Tax — That is, the Least Fair?

	Federal Income Tax	State Income Tax	State Sales Tax	Local Property Tax	Don't Know
Total Public	28%	11%	17%	33%	11%
18–29 Years of Age	29	10	18	35	9
30–44	34	15	16	29	6
45–59	32	11	14	33	10
60 Years and Over	18	7	20	34	20
Male					
Total	28	11	18	36	7
18–29 Years of Age	29	10	18	40	3
30–44	32	16	15	33	4
45–59	29	11	15	38	7
60 Years and Over	21	9	23	31	16
Female					
Total	29	10	17	30	14
18–29 Years of Age	28	9	19	30	14
30–44	35	15	18	26	7
45–59	34	10	14	28	14
60 Years and Over	15	4	17	38	26
Employed	31	10	19	30	10
Housewife	29	13	17	27	13
High School Graduate or Less					
Total	26	11	19	31	13
Less Than High School Graduate	23	11	20	29	17
High School Graduate	29	11	17	33	10
College					
Total	33	10	15	35	6
Some	33	12	14	35	6
Graduate	34	8	16	36	7
Executive, Professional, Managerial	29	8	14	42	6
White Collar	34	13	14	32	7
Blue Collar					
Total	30	11	19	31	10
Skilled	31	13	16	33	7
Semi/Unskilled	28	10	21	29	12
Retired	19	9	21	33	18

TABLE 3A (Cont.)

Which Do You Think is the Worst Tax — That is, the Least Fair?

	Federal Income Tax	State Income Tax	State Sales Tax	Local Property Tax	Don't Know
Total Public	28%	11%	17%	33%	11%
Nielsen Markets					
A	25	13	16	34	11
B	31	9	17	33	9
C	28	10	18	35	10
D	31	9	20	25	15
Household Income					
Under 7K	22	8	21	30	18
7-9.9K	28	11	19	30	12
10-14.9K	31	10	18	37	4
15-24.9K	33	13	14	32	8
25K Plus	31	13	14	38	3
Region					
Northeast	20	17	23	28	13
North Central	32	9	15	37	8
South	33	10	17	25	14
West	25	7	15	45	7
Rural	27	10	17	36	10
Suburb	27	11	15	35	11
City					
Total	30	10	20	29	11
One Family	29	10	20	31	10
Multifamily	31	12	18	25	14
Race					
White	28	11	17	34	10
Nonwhite	27	10	20	23	20
No Child	26	9	17	34	14
With Children					
Total	31	11	18	32	8
12-17	31	13	18	31	8
6-11	32	13	18	30	7
Under 6	29	10	17	34	9
Own Home	27	10	17	36	10
Rent Home	30	12	18	26	14

Kenai Boro - get notice - ?
do they allow w/holding - ?

ordinance on having to pay tax even if you didn't collect it but shd. have -

lower % age - ?
make a maximum that businesses can retain -

Juneau 1% to max
Kenai 3%% -
Anch. contrib. to visitors' bureau
Sitka $100 ★ per qtr.
Fbx. considering -

HB
585

Boundary commission shd. be represented—

Introduced: 1/10/78
Referred: Community &
Regional Affairs and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 585

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a local government study commission; and providing for an effective date."

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

* Section 1. LOCAL GOVERNMENT STUDY COMMISSION. There is established in the Department of Community and Regional Affairs a temporary local government study commission.

* Sec. 2. MEMBERSHIP OF COMMISSION. The commission has the following members:

(1) the commissioner of community and regional affairs or his designee;

(2) the chairman of the senate community and regional affairs committee;

(3) the chairman of the house community and regional affairs committee;

(4) four municipal officials appointed by the governor, one of whom must be from an organized borough or unified municipality, one from a first-class or home rule city located within an organized borough, and two from cities located within the unorganized borough;

(5) two residents of the unorganized borough, outside cities, appointed by the governor.

* Sec. 3. POWERS AND DUTIES OF THE COMMISSION. (a) The commission shall make recommendations to the governor and the legislature concerning the sufficiency of the existing local government structure and measures by which it may be improved, and toward that end, it shall

(1) study and evaluate existing and alternative means of local government finance;

(2) study and evaluate the differences between governmental services and burdens in organized boroughs and the unorganized borough;

(3) study and evaluate the relationships between the state and local governments;

(4) study and evaluate existing and alternative local government structures;

(5) hold public hearings in organized boroughs, cities and the unorganized borough;

(6) after one year of study, submit an interim report to the governor and the legislature;

(7) after two years of study, submit a final report with findings and recommendations to the governor and the legislature.

(b) In exercising its powers and fulfilling its responsibilities, the commission may:

(1) establish sub-committees to study each of the subjects set out in (a)(1) through (4) of this section;

(2) contract through the Department of Community and Regional Affairs for the professional services it considers necessary to prepare its final report.

* Sec. 4. DISSOLUTION OF COMMISSION. After presenting its final report, the commission is dissolved.

* Sec. 5. STAFF. The Department of Community and Regional Affairs through the division of local government assistance shall provide the staff for the commission.

* Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 1978.

AMENDMENT

Offered in Committee

By Rudd

TO: HOUSE BILL NO. 585

Page 2, line 9: insert the following;

(5) study and ascertain which governmental services are more effectively provided by municipalities than by the state;

Renumber remaining paragraphs.

HB 582

January 10, 1978

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, Sec. 18, of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to establish a temporary local government study commission in the Department of Community and Regional Affairs.

The study commission, which will include the chairmen of the community and regional affairs committees of the legislature, is intended to be a blue-ribbon panel, the task of which will be to make a thorough, two-year study and analysis of all aspects of local government in Alaska and to make specific recommendations for any change thought desirable.

It will, for example, examine the present system of state financial support to local governments for their providing various services (such as public safety services) to ascertain whether it rewards local effort on an equitable basis and encourages, and does not discourage, the formation of local governments in areas where they should logically exist. The accomplishment of this task alone warrants the enactment of this legislation.

Ours is a strong tradition of local self-government. We have consistently sought to achieve our constitutionally stated goal of maximum local self-government with a minimum of local government units. The study commission's goal will be to see if we can do even better and to bring us specific recommendations toward that end.

This bill is the Department of Community and Regional Affairs' top priority. I urge its favorable consideration.

Sincerely,

S/JSH

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. establishing study HOUSE BILL NO. 585
Title "An Act ~~creating~~ a local government commission"...
Requested by Office of the Governor Date 11/29/77

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Local Government Assistance Division

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			157.6	167.1		
200 TRAVEL			24.0	25.4		
300 CONTRACTUAL			17.8	218.9		
400 COMMODITIES			2.0	2.1		
500 EQUIPMENT			3.5			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			204.9	413.5		

FUNDING (Thousands of Dollars)

GENERAL FUND			204.9	413.5		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			6	6		
PART TIME						
TEMPORARY						

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

1. Six staff members would be employed for the duration of the commission's existence. The staff members would include:

- One Local Government Specialist IV (Range 19) - supervises, coordinates and directs other staff members, advises commission on fiscal and legal matters of existing and future local governments, completes analysis of data and provides recommendations, responsible for technical reports and public information materials and is responsible for conduct of public hearings. (Monthly Salary ($2,322) + benefits ($578) x 12 months = $34,800)
- Four Local Government Specialists II (Range 15) - will investigate and collect data on the existing local government's fiscal capacity, intergovernmental relationships, alternative local government structures, draft reports, etc. (Monthly Salary ($1,727) + benefits ($475) x 12 months x 4 = $105,712)
- One Clerk Typist III (Range 8) - responsible for typing of reports, correspondence, filing and miscellaneous duties. (Monthly Salary ($1,092) + benefits ($337) x 12 months = $17,143)

IV. DATE 11/29/77 PREPARED BY Bruce Aronson
AGENCY Department of Community and Regional Affairs
PHONE 465-4700

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

Total Personal Services $157,655

81 (Rev. 10/76)

2. Travel has been computed as follows:

= 9 commission members plus one staff member x average cost per trip per person (includes per diem) x eight trips per annum 10 x $300 x 8 = $24,000

Total Travel $24,000

3. Contractual expenses have been computed as follows:

A. Telephone - 6 phones @ $35/month x 12 months = $ 2,520
- long distance = 2,000

B. Rent - 650 square feet x $1.25 per square foot per month x 12 months = 9,750

C. Postage, printing, advertising of hearings and miscellaneous 3,500

Total Contractual $17,770

During the second fiscal year, in-depth reports by private consultants on selected topics will require an additional $200,000.

4. Commodities - office supplies, etc. $2,000

Total Commodities $ 2,000

5. Equipment - six desks and chairs, filing cabinets and one typewriter $3,476

$ 3,476

6. Inflation will be approximately six percent per year.

Total First Year Expenses $204,901

HB 585

ANCHORAGE
SCHOOL DISTRICT

January 24, 1978

The Honorable Lisa Rudd, Chairman (Person)
Members of the Community & Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

SUBJECT: HOUSE BILL 585

Dear Committee Members:

We note that HB 585, in establishing a local government study commission, excludes the participation of school boards.

In smaller communities, education is often the only local government service. In larger communities with organized first and second class boroughs the school board must, by statute (and, in the case of Anchorage, by charter), maintain a very intimate relationship with the local government, they being the final arbiter on the school budget.

If a commission is established to examine the relationship between local and state governments, it would seem highly appropriate to include the representation of local school boards.

Thank you for your consideration of this matter.

Respectfully submitted,

Heather Flynn

Heather Flynn, Legislative Chairperson
Anchorage School Board

jm
cc: Board members

P4 I
Lisa

Rural Alaska Community Action Program, Inc.

January 24, 1978

Honorable Lisa Rudd, Chairperson,
House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: HB 585, "An act establishing a local government study commission; and providing for an effective date."

Dear Lisa:

We have noted with interest the initiative of the Administration in submitting this bill for legislative consideration. RurAL CAP has been interested in the establishment of effective and responsive local and regional governments in the Unorganized Borough for years.

As you may recall, the basic idea of a "Local Government Study Commission" was first introduced in the spring of 1975 (SB 136). At that time, proponents of the idea were looking for some method to create appropriate regional governments in the Unorganized Borough to assume the educational powers which, at the time, were being exercised by the Alaska State Operated School System. In the First Session of the Ninth Legislature, HB 35 was passed, regionalizing the ASOSS into the present configuration of 21 REAA's. This action effectively mooted the primary necessity (as it was seen at that time) for the passage of SB 136.

In working on the concepts embodied in the original version of SB 136, this organization, AFN, the Citizens' Participation Conference, and other rural residents and organizations generally agreed that some needed changes were indicated, to wit:

1. Control of the Commission should be more in the hands of officials who reside in the Unorganized Borough, in order to obviate the tendency to merely recommend that the status quo be extended to include the Unorganized Borough.

2. Also, it was felt that some form of "incentive grant" should be provided to local and regional groups who wanted to study the creation of local government on their own terms. Accordingly, through the initiative of Senators Sackett and Ferguson, the bill was amended to authorize up to $250,000 for the incentive grants program.

As indicated above, the Legislature decentralized ASSOSS and effectively mooted the perceived need for this Commission. Also, at that time, the Administration was not supportive of SB 136 (either as originally submitted, or as amended to include the grant program). In light of these two factors, the bill died when the Ninth Legislature adjourned in the Summer of 1976.

I believe that one of the things that has generally been overlooked in the debate surrounding the creation of regional governments in the unorganized borough is that there are a wide variety of government services which are demonstrably best conducted by a regional structure (whether that be government, a non-profit corporation, an REAA or whatever). Merely decentralizing the educational function throughout the State did not solve the myriad governmental problems experienced in rural Alaska. Among these are such things as coastal zone management, planning and zoning functions, local taxation, localization of the A-95 Clearinghouse procedure etc. All of these functions are most appropriately handled at a local or regional level.

Our position on HB 585, therefore, is that it is a good step in the right direction. However, we would again request that the membership on the council be expanded to include more residents of the Unorganized Borough. As well, I believe that it is most important that the incentive grants program be reinserted into the bill. As you well know, no local government is going to succeed unless and until the people who are to be governed agree that the form and structure of the government is appropriate to their needs. I am quite concerned that, if HB 585 is passed in its present form, the Commission (staffed by the Department of Community and Regional Affairs) will merely recommend minor adjustments to Title XXIX, submit their recommendations to the Legislature, and thereby impose a form of regional government on the Bush which is neither appropriate, needed, nor wanted.

The time has most certainly come to "turn the process around." If the Legislature were to create an incentive grants program, and give state-wide control of the program to a structure in which a reasonable amount of control were granted to residents of the Unorganized Borough, then local people, acting through their local and regional organizations, could request funding for a study, identify and hire their own staff to conduct the study, and have ultimate "sign-off" on the recommendation presented to the Legislature. I believe that this process would be more effective because it would provide the Legislature with recommendations more closely attuned to the wishes of local people.

In my opinion, one of the main reasons that most of Alaska's land mass is presently "unorganized" is that the present Title XXIX is simply inappropriate to rural Alaskan governmental needs. Although the passage of the "Third Class Borough Bill" during the last session of the Legislature presented a few more options for rural residents, the Administration has done virtually nothing to implement either the mandate or the intent of that piece of legislation. Therefore, I suggest that the time has come to put the process into the hands of the people and to permit them to conduct their own studies, come up with their own recommendations, and live by their own decisions.

Please excuse this rather hasty analysis. Due to time constraints, I haven't had the opportunity to present a well-documented and researched set of recommendations. Neither have I yet had an opportunity to discuss this issue, in depth, with rural residents. Be assured that, as those opportunities present themselves, we'll be in touch.

Finally, I would request that your Committee take no final action on the bill until its merits are discussed at the Citizens' Participation Conference. As you know, the CPC is scheduled to meet in Juneau on the 23, 24 and 25 of February; and local government issues will be on the agenda.

Thank you very much for your consideration of these remarks.

Sincerely,

Phil Smith,
Executive Director

cc: Palmer McCarter, Director, Division of Local Government Affairs
Department of Community and Regional Affairs

Ross Soboleff, RurAL CAP Legislative Liaison

PS/jw

HB
657

State of Alaska

LOCAL BOUNDARY COMMISSION

Petition from City of Petersburg)
Requesting annexation of)
remaining portion of Mitkof Island)

STATEMENT OF DECISION

Whereas, on November 22, 1977, the City of Petersburg submitted a petition to the Local Boundary Commission through the Department of Community and Regional Affairs in accordance with Title 29 of the Alaska Statutes requesting annexation of the area generally described as the balance of Mitkof Island; and

Whereas, on December 1, 1977, the Department found the petition in proper form with the requisite content and accompanying exhibits; and

Whereas, upon notification by the Department of the petition's sufficiency, the Local Boundary Commission scheduled a public hearing with notice as prescribed by law; and

Whereas, the Local Boundary Commission conducted a physical inspection of the proposed annexation territory and held a public hearing in the Petersburg City Council Chambers on Monday, January 9, 1978; and

Whereas, the Local Boundary Commission held a decisional meeting in Anchorage on January 16, 1978, to review the proceedings on the annexation petition;

NOW THEREFORE, the Local Boundary Commission makes the following findings of fact and enters its decision thereto:

The portion of the petition territory accepted by the Commission meets the regulatory standards for annexation as follows:

19 Alaska Administrative Code 05.010 (a) (3): The territory on either side of the Mitkof Highway within the recommended annexation extending southerly from the current City of Petersburg limits is generally being utilized and developed for residential and business purposes and such growth generally represents an extension of the Petersburg community beyond current city limits.

19 AAC 05.010 (a) (4): The territory recommended for inclusion in the city is in need of City of Petersburg general fund services such as fire and police protection, land use planning and zoning and the City is the most appropriate local government entity for providing such needed services. The City is capable of providing such services and has presented a differential taxation plan which the Commission finds appropriate for integrating the territory with the present city.

19 AAC 05.010 (a) (5): Both the scarcity of developable property and the suitability of property along the Mitkof Highway southerly from the present city limits has resulted in Petersburg community growth in this direction. The Commission foresees continued community growth in the area defined for inclusion in the City by the recommendation, and finds that such growth warrants City of Petersburg jurisdiction.

19 AAC 05.010 (a) (8): The Commission finds that both residents of and property owners in the territory recommended for inclusion within the city benefit from the existence of the adjacent city and by inclusion in the city will make tax contributions commensurate with benefits derived from provision of city services.

On the basis of the foregoing, the Local Boundary Commission affirms its decision to accept, with Commission modification, the City of Petersburg boundary change petition in accordance with Exhibit "A" attached hereto.

LOCAL BOUNDARY COMMISSION.

January 30, 1978

Approved:

s/ Sigvald J. Strandberg
Sigvald J. Strandberg, Chairman

s/
Josephine Anderson

s/
Edward Hopson

Dissenting:

s/
James Dodson

Absent & Excused:

s/
Sheila Gallagher

January 20, 1977

TO: Lisa Rudd

FROM: Annette Smith

RE: HB 657 Transfer of Tidelands to Municipalities

By the Statehood Act, Alaska was granted title to tide and submerged lands according to the Submerged Lands Act of 1953 (PL 31, 83rd Congress, first session; 67 Stat. 29) which governs all other states in the Union.

Tidelands are defined in AS 38.05 as lands between the mean high tide line and a line shown on a plat which shall be the pierhead line established under the Act of Sept. 7, 1957, or the harbor line established under the Act of March 3, 1899, or if no pierhead line or harbor line is established then a line subject to approval by the director, with the concurrence of the commissioner, which shall be seaward of all tidelands and submerged lands occupied or suitable for occupation and development without unreasonable interference with navigation. Needless to say, tidelands come in all difference sizes and shapes!

The state has dispersed some of its tidelands to individuals and municipalities according to a preference right system established in AS 38.05.320. Tidelands preference rights, as defined by 38.05.320, are granted by the state to: individuals claiming rights to the lands by virtue of having occupied the land prior to 1959; and to home rule or first class cities (not boroughs) where their municipal boundaries as of 1964 are contiguous to the tidelands. This leaves out any tidelands of property annexed since 1964.

All other tidelands may be leased to interested parties (cities or individuals) by the state according to state leasing procedures. Tidelands are leased only for proposed development. Development seems to be thought of in terms of structures on the tidelands. AS 38.05.315 provides for leasing of state lands to political subdivisions for less than fair market value and without going through the normal auction procedures.

HB 657 addresses a situation in Skagway. In 1931 the U.S. Government deeded to the City a parcel of land just across the river from the city. Part of that area was outside the city boundaries in 1964 and therefore not eligible for tideland conveyance under the statutes. The area is still outside the city boundaries and it will not be included under the present annexation proposal either.

The city has more or less used the area as a park and picnic area and plans to continue its use as a park. The deed from the Federal Government stipulates perpetual public use. The city has in mind to build a boat float at Smuggler's Cove for picnickers.

Lisa,

I spoke with the City Manager in Skagway to find out what they had in mind for the tidelands. He said the idea popped into their heads when Westours began to think about building a day boat landing in Smugglers Cove to accommodate their new smaller tour boats which they are planning to run from Burners Bay to Skagway. It became apparent that the city did not have authority over the tidelands.

He said the community decided they did not want a commercial facility there, but did think it would be a good idea to have a pleasure boat float facility there and develop the area as a park and picnic area.

The question arises why the city could not go to the state to lease sufficient tidelands for the facility. It seems to be a matter of preference on the city's part.

The DNR apparently has no problem with the bill. Pat Conheady said as much but he said the department does not wish to change its policy with regard to tidelands i.e., it does not wish to change the statutes at this time to allow municipalities to gain title to more tidelands say, on property annexed since 1964.

I wonder if any other community has a situation like Skagway would be if this bill passed. That is, controlling tidelands outside the city boundaries. Are we establishing a precident that will require more special bills.

Would there be any other communities that would be able to benefit in a similar fashion if the bill were worded slightly differently?

HB657

FYI

February 3, 1978

The Honorable Joseph L. Orisini
Chairman, Senate Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Joe:

Thank you for your letter of January 17, 1978, concerning SB 374 relating to transfer of tidelands and submerged lands. As you probably noticed, since your letter, an identical bill has also been introduced in the House (HB 657).

I share the concern that enactment of this legislation would set an undesirable precedent for allowing any other coastal city to seek similar legislation authorizing conveyance of additional tidelands and submerged lands from the state. For this reason and that discussed below, I believe that close examination and careful consideration should be given to SB 374 and its companion.

These bills are drawn narrowly and would authorize application for further conveyance only of tidelands and submerged lands contiguous to land which has been used as a public park for at least 45 years, and which has been granted to a city for park purposes by the United States. This specificity appears to be directed at a particular parcel of land in northern Southeastern Alaska, though I do not know where. Therefore, it is likely that the bills would constitute a "local and special act" in violation of Article II, Section 19 of the Alaska Constitution.

This constitutional provision was discussed and applied by the Alaska Supreme Court in the "Cook Inlet Land Trade Case," State v. Lewis, 559 P.2d 630, 642-4, (Ak. 1977). The court stated that the test to be applied is whether the legislation examined bears a fair and substantial relationship to legitimate state purposes. In that case the court found that the land trade legislation was valid because it was "designed to facilitate statewide land

use management and to resolve a host of pressing legal issues arising in the context of ANCSA." It is doubtful that purposes of such statewide concern exist for SB 374 and HB 657.

I hope these comments are of some help to your consideration of SB 374. Please contact me if you have any further questions.

Sincerely,

AVRUM M. CROSS
ATTORNEY GENERAL

By: Peter B. Froehlich
Assistant Attorney General

PBF:bvd

cc: Art Peterson

bcc: Pat Conheady - DNR-Juneau
Dean Nation - DNR-Anchorage
Andy Pekovich - DNR-Juneau

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98'

P. O. BOX 415 SKAGWAY, ALASKA 99840

January 23, 1978

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

This is in response to your letter of 13 January 1978 concerning Senate Bills No. 374, No. 375 and No. 388. These proposed pieces of legislation have been reviewed by the City Council. The position of the City of Skagway on each bill is as follows:

Identical to HB 657

Bill No. 374: The City of Skagway strongly supports the enactment of this bill. This legislation will enable the City to obtain title to tide and submerged lands adjacent to City Park lands which were conveyed to the City by the Federal Government on 30 November 1931. Ownership of these tide lands will facilitate future development of the Park by the City. A copy of the Federal patent transferring the Park lands is enclosed for your information.

Bill No. 375: The City of Skagway supports passage of this bill. It is considered to be in the best interests of the State of Alaska and the Alaskan municipalities that a portion of the permanent fund principal and income be made available for development of municipal capital facilities.

Bill No. 388: The City of Skagway concurs in the goals and objectives of the Alaska Coastal Management Act and, therefore, supports changes which will facilitate the work of the Coastal Policy Council. The City Council, however, does have reservations with regard to the wording of Section 1.(d) of the proposed regulation. To explain:

Although the need for alternates to the public members is justified, the method proposed for their selection is considered to be inadequate. It is suggested that, rather than having the principals select their alternates, the Assembly or Councils of the regions nominate alternates and that the Governor make the selections - in other words, alternates for public members be designated in the same manner as the principals.

There is one other point: Under the proposed legislation, it would be possible that alternates might constitute all or a majority of

the public participants in coastal policy actions. It is suggested that of the public members acting on coastal policy matters at least a majority be regular members.

Sincerely,

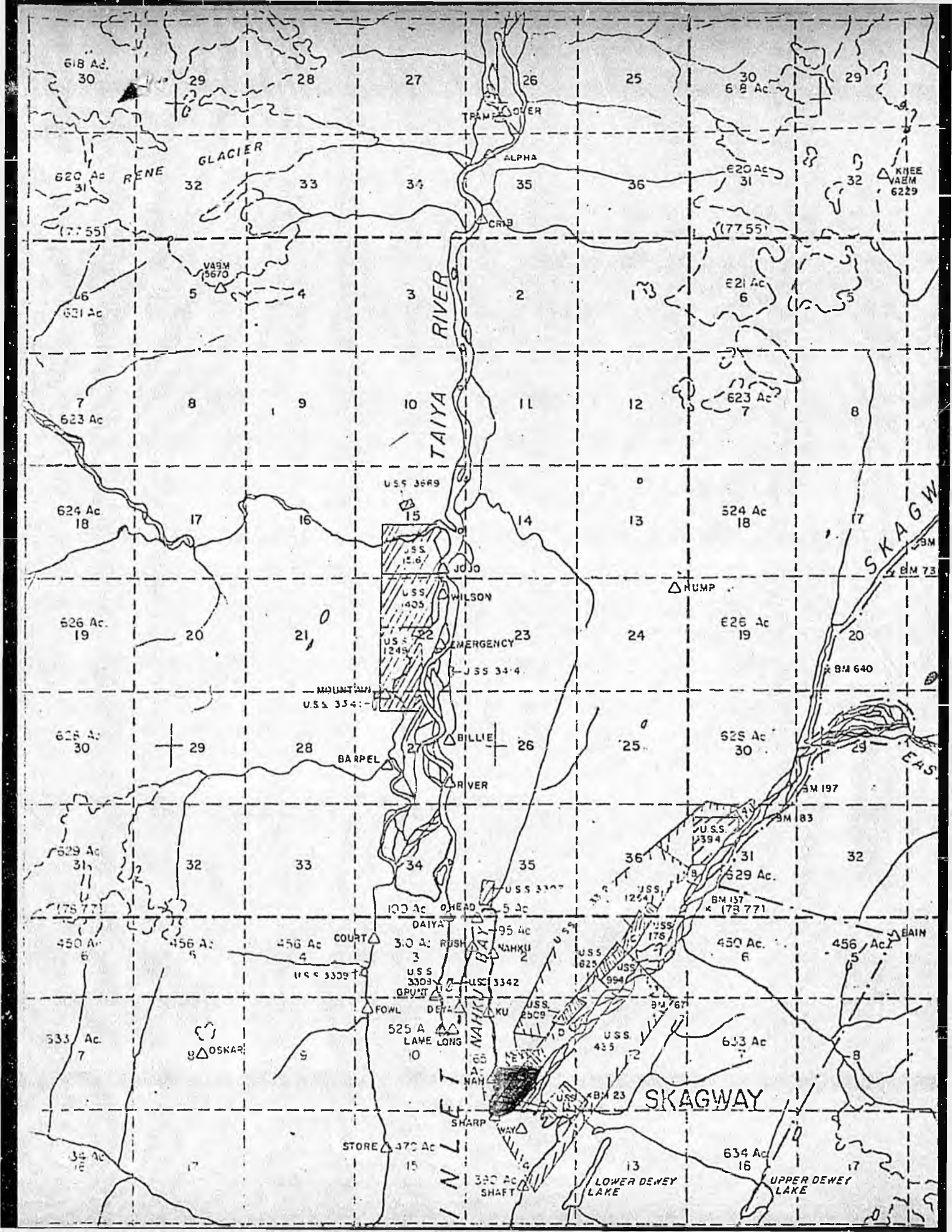
G.D. Acker

G.D. Acker
City Manager

Enclosure

cc: Representative Rudd
Senator Ray
Represenative Miller
Represenative Duncan
Roger Allington
City Attorney Ruddy

GDAcp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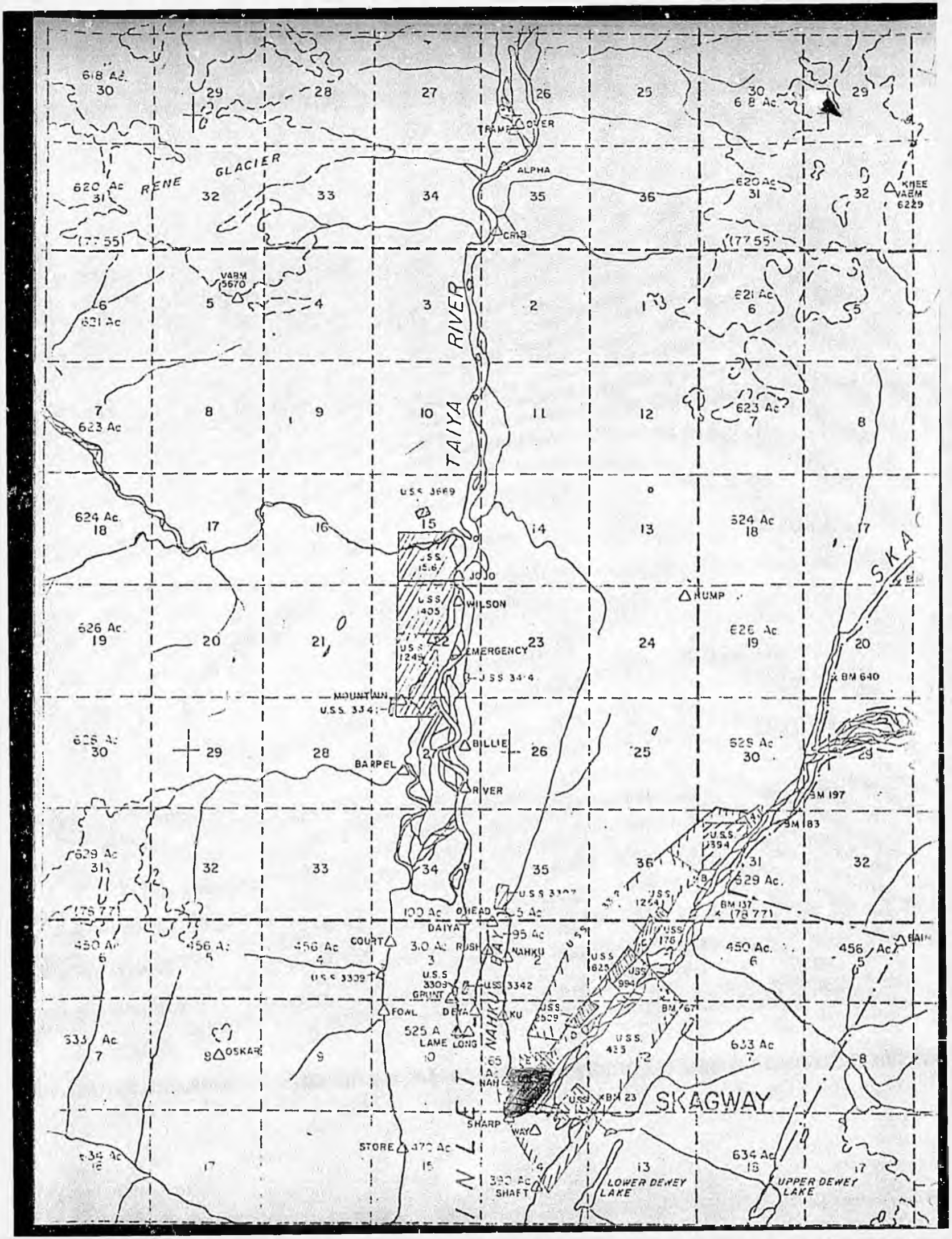
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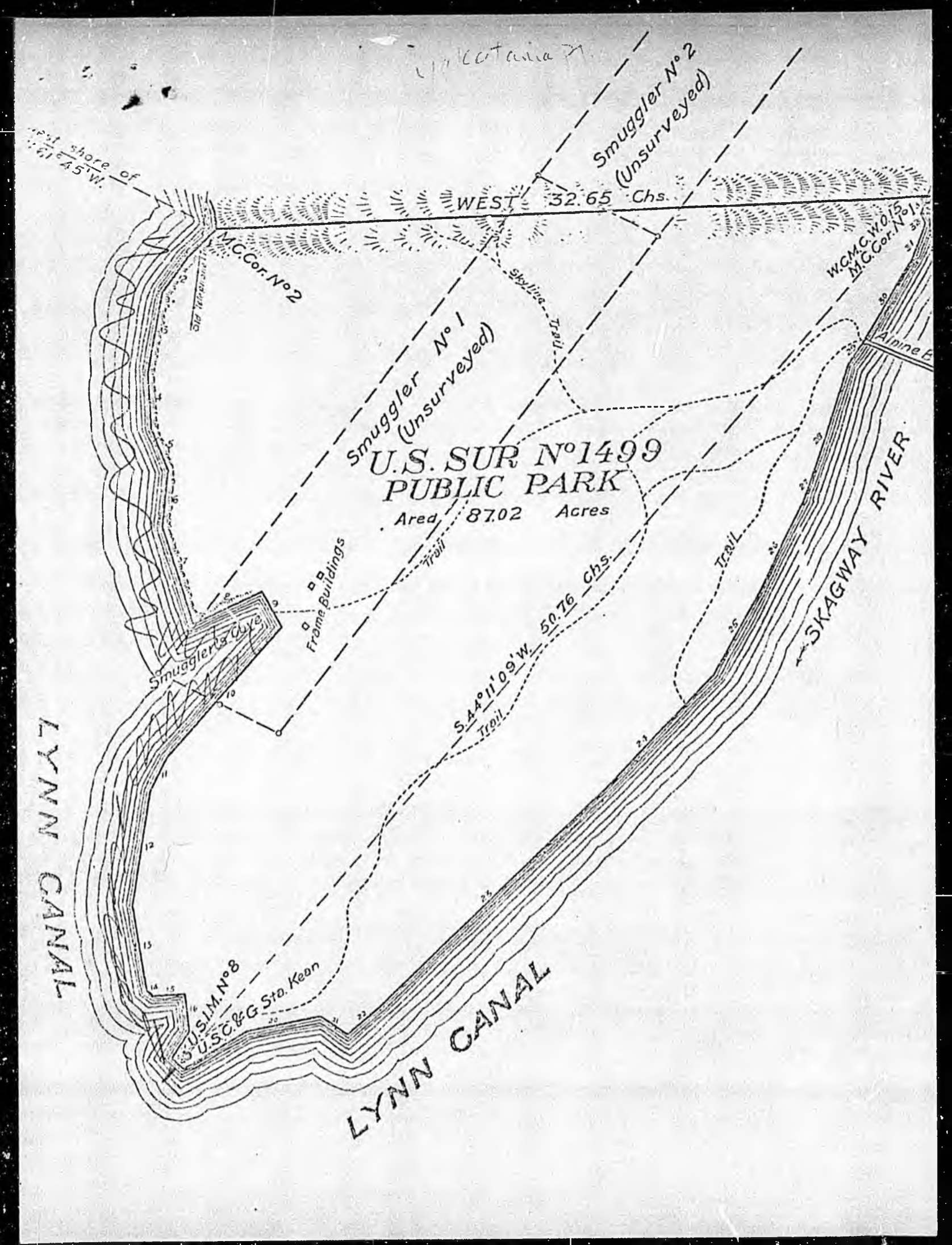
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WEST 32.65 Chs.
M.C.Cor.N°2
Old Wagon Road
Skyline Trail
W.C.M.C. W.O.15
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U.S. SUR N°1499
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Frome Buildings
Smuggler's Cove
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Trail
LYNN CANAL
U.S.L.M. N°8
U.S.C.&G. Sta. Kean
LYNN CANAL

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1.	S.49°58'W.,	1.67 chs.
2.	S.38°56'W.,	1.92 "
3.	S.12°51'W.,	3.70 "
4.	S. 1°15'E.,	2.29 "
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6.	S. 7°35'W.,	2.50 "
7.	S.15°30'E.,	4.44 "
8.	N.68°03'E.,	3.45 "
9.	S.27°32'E.,	1.79 "
10.	S.45°15'W.,	7.72 "
11.	S.29°24'W.,	1.69 "
12.	S.11°30'W.,	5.17 "
13.	S. 7°09'E.,	3.87 "
14.	S.48°30'E.,	0.40 "
15.	N.69°00'E.,	1.43 "
16.	S. 4°28'E.,	1.67 "
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27.	N.21°33'E.,	1.69 "
28.	N.20°25'E.,	4.59 "
29.	N.37°34'E.,	1.15 "
30.	N.34°51'E.,	4.25 "
31.	N.22°27'E.,	1.81 "
32.	N.18°48'W.,	0.50 "
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1923, and approved by the Co
the General Land Office, Jul

FRED DAHLQUIST

U.S. Cadastral Engin

July 31 - August 6,

OFFICE OF U.S. SURVEYO

Juneau, Alaska, Nov

The map hereon delineated
No.1499, of the Public Park si
Skagway, Alaska, is strictly
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in this office, which have be
approved.

U.S. Surv

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HB
663

Coastal Council Coming Of Age

You don't hear much about the state's Coastal Zone Management Council right now, but that will be one of the hotter seats in town in coming years, predicts council member Fran Ulmer.

Ms. Ulmer, who is director of the governor's division of policy development and planning, told the Society of Petroleum Engineers here this week that the council isn't intended to be an extra step in the permit-granting process for oil operations.

Instead, she said, it sets guidelines for local areas to establish their own coastal management plans. The council will step in only when the local government and the state government disagree and the state decides the issue is of overriding public interest.

For example, she said, the state may determine a particular site is the best site for an onshore oil terminal but the local government says "no." Then the council will be called in as a tribunal. "I don't see that happening very often," she said.

The council is weighted in favor of local control, she said, with nine members representing local governments in nine areas of the state, and seven members representing state agencies.

In his introduction of Ms. Ulmer, Hob Iden of Atlantic Richfield Co. said oilmen from California are aware of the negative aspects of coastal zone management — its costs in time, manpower, money and, most of all, uncertainty.

"Hopefully, we can reduce that element of uncertainty," Ms. Ulmer said.

The council's guidelines for local plans were adopted last week, she said, and she urged the petroleum engineers to comment during the next 60 days while the guidelines are subject to public review.

"If you think the guidelines are unrealistic or too idealistic or inadequate, this is the time the council needs to hear from you," she said.

In order to qualify for federal funds under the Coastal Zone Management Act, the state's program must be approved by the federal government by December.

"What's in it for us?" she said. For one thing, $3 million next year for scientific studies, in addition to coastal impact funds. For another, a clause in the act says the state plan, if approved by the federal government, will be binding on federal agencies operating within the state.

"Not only will you know the rules of the game for local and state agencies, but for federal as well," she told the oilmen.

The original state legislation for coastal zone management would have vested decision-making in the state, but lawmakers received "violent protests," she said. "The message came through loud and clear" that Alaskans prefer the decisions to be made at the level of government closest to them.

The state act "gives local governments incredible control," she said.

Ms. Ulmer said there is a serious problem with the ability of some local governments to formulate plans for management of their coastlines. While some local governments are sophisticated enough to handle such planning, others are not. "I'm very troubled," she said. "The money is available in grants to help them but not nearly enough. It's a problem for all of us, especially the council."

The coastal management program "stands or falls on the local communities' ability to do a good job of planning, Ms. Ulmer said.

The state's chief petroleum geologist, Tom Marshall, pointed out at the meeting that with oil and gas development, there is less certainty of the site of development than with other resources industries, such as timber or mining.

"People generally are deceived by whether there will be oil fields where they are expected to be found," Marshall said.

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

January 23, 1978

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

This is in response to your letter of 13 January 1978 concerning Senate Bills No. 374, No. 375 and No. 388. These proposed pieces of legislation have been reviewed by the City Council. The position of the City of Skagway on each bill is as follows:

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Sincerely,

G.D. Acker
City Manager

Enclosure

cc: Representative Rudd
Senator Ray
Represenative Miller
Represenative Duncan
Roger Allington
City Attorney Ruddy

GDAcp

STATE OF ALASKA

COASTAL POLICY COUNCIL

January 23, 1978

LOCAL MEMBERS:
Roger Allington, Northern Southeast, Co-Chairman
Roger Fagerstrom, Bering Straits
Donald Gilman, Lower Cook Inlet
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
Stan Patman, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer, Director of Policy Development & Planning, Co-chairwoman
Donald Harris, Commissioner of Transportation & Public Facilities
Phillip Hubbard, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

Representative Lisa Rudd
Pouch V
State Capital
Juneau, Alaska 99811

Dear Representative Rudd:

There are three essentially housekeeping items which should be considered by the State legislature insofar as amendments to the Alaska Coastal Management Act is concerned. Two of these housekeeping items are contained in two bills which have been introduced in the Second Session of the 10th Legislature. Senate Bill 388 addresses the legislative intent insofar as defining the qualifications of an alternate to the council is concerned. House Bill 663 addresses the housekeeping problem of a deadline set up in the original act which was impossible to meet by establishing a deadline of April 15, 1978. The third housekeeping item which is not addressed in either bill, has to do with the clarification as to whether the regulations adopted by the Alaska Coastal Management Policy Council are part of the Alaska Coastal Plan.

Senate Bill 388 rather clearly establishes that the public member alternates shall have the same qualifications as the public member appointed by the Governor. Assuming this was the intent of the legislature, that is that the alternates have the same qualification as the original appointee, I have no problem with SB 388 as it applies to public members. However, I believe that SB 388 should be modified slightly as it applies to cabinet members so that line 19 of Senate Bill 388 would read "of this section shall be a Deputy Commissioner or other high ranking employee (responsible officer or employee) of the Department".

House Bill 663 seems to answer the problem insofar as deadlines for adoption of the regulations are concerned.

In addition to the above two housekeeping items, I believe that a third housekeeping item should be addressed by amending AS 46.35.080 as follows: "AS 46.35.080 is amended by adding a final sentence to the section as follows: Any regulations adopted by the Alaska Coastal Management Policy Council shall be considered part of the Alaska Coastal Management program."

ALASKA
COASTAL MANAGEMENT PROGRAM

Inasmuch as all three of the above items are housekeeping items, it would appear to me that it would be beneficial if all three could be incorporated in a single bill so as to expedite hearings and final enactment. I will be available at the committee hearings and for personal contact with regard to these matters as you may see fit. Thank you for your consideration.

Sincerely,

Roger W. Allington, Co-Chairman
ACMPC

cc: Fran Ulmer
Glen Akin

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE GOVERNOR

STATE POLICY DEVELOPMENT AND PLANNING

POUCH AD — JUNEAU 99811
PHONE 465-3512

January 26, 1978

The Honorable Lisa Rudd
Alaska State House of Representatives
Chairperson, House Community and
Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

I understand that your committee will be reviewing HB 663 on Friday, January 27. As I am committed to attending an all day meeting of the Growth Policy Council I will not be able to attend the committee hearing. However, I did want to share with you a comment on the bill.

The extension of the December 1977 deadline for the adoption of guidelines is probably not absolutely essential. However, to avoid any possible question about the legality of their adoption, I feel that it is advisable for the Legislature to change the deadline. I am quite confident that the entire Coastal Policy Council would feel reassured by such action.

Next week I will be in Washington, D.C., attending the White House Conference on Balanced Growth and Economic Development; so I will be unable to attend your meeting to review the guidelines. I know that Roger Allington and Glenn Akins will ably brief you on the guidelines and standards, but if there's any additional information or assistance which I can give upon my return, please let me know.

Sincerely,

Frances A. Ulmer (AW)

Frances A. Ulmer
Director

C&RA Committee Members:

The informational meeting on the Coastal Energy Impact Program (CEIP) which had been scheduled for this Monday, January 23rd has been rescheduled for Tuesday, January 31 at 11:15 a.m. in the Governor's Conference Room.

This will be an informal meeting with Ms. JoEllen Murphy, Director of Federal Programs and the State CEIP Coordinator, Doug Griffen.

COASTAL RESOURCE SERVICE AREA BOUNDARIES

A Determination Under Section 46.35.120(b) of the

Alaska Coastal Management Act (Ch. 84 SLA 1977)

December 2, 1977

Lee McAnerney

Commissioner

Alaska Department of

Community and Regional

Affairs

Kevin Waring

BY: Kevin Waring, Director

Division of Community

Planning

Debra E English

12/2/76

Introduction

Section 46.35.120(b) of the Alaska Coastal Management Act states that:

> The Commissionc of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area
>
> > (1) if a substantial portion of the coastal area contains land and water area owned by the federal government over which it exercises exclusive jurisdiction or land held in trust by the federal government for Alaska Natives over which the state would not exercise control as to use; or
> >
> > (2) if, after giving due consideration to the standards applicable to incorporation of borough governments and the likelihood that a borough will be incorporated within the area, the commissioner determines that the functions to be performed under this chapter could be undertaken more efficiently through the combination of two or more regional educational attendance areas as a single coastal resource service area.

All determinations under this section must be made by December 4, 1977.

Coastal resource service areas are areawide coastal planning districts that may be formed in portions of the unorganized borough outside of municipalities that have and exercise planning authority. Service area boundaries must parallel those of one or more existing regional educational attendance area (REAA); the area covered by an REAA cannot be subdivided in determining boundaries of units that might be organized as coastal resource service areas. No time limits are set for establishment of a coastal resource service area.

Actual organization may be initiated:

(1) by submission to the (Alaska Coastal Policy) council of a petition signed by a number of registered voters equal to 15 per cent of the number of votes cast within the coastal resource service area at the last state general election;

(2) by submission to the (Alaska Coastal Policy) council of a resolution approved by the city council or traditional village council of not less than 25 per cent of the number of cities and villages within the coastal resource service area; or

(3) at the direction of a majority of the members of the (Alaska Coastal Policy) council when it appears that a major economic development activity will occur.

In all cases, organization must be preceded by an election in the affected area.

Proposal

On June 21, 1977, the Commissioner of Community and Regional Affairs proposed consideration of coastal resource service area boundary adjustments in four regions, which included the following regional educational attendance areas.

(1) Regional educational attendance areas 3(Lower Yukon) and 4(Lower Kuskokwim).

(2) Regional educational attendance areas 6(Nushagak-Bristol Bay) and 7(Lake/Peninsula-Bristol Bay).

(3) Regional educational attendance areas 8(Aleutian Chain), 9(Pribilof), and 10(Adak).

(4) Regional educational attendance areas 18(Northern Panhandle), 19(Southern Panhandle), and 20(Metlakatla/Annette).

Response

To obtain comments on boundary adjustments under consideration, the Department of Community and Regional Affairs:

(1) scheduled and conducted public hearings in affected areas;

(2) attended and participated in public workshops conducted by the Office of Coastal Management;

(3) published a public notice in several newspapers of general circulation;

(4) sent a cover letter (or memorandum) and information packet to mayors and city managers of coastal communities in affected areas, village council presidents, village corporation presidents, Coastal Policy members from affected areas, numerous state and federal agencies, and a variety of interest groups;

(5) delivered presentations at meetings of organizations drawing individuals from throughout an affected area (e.g., the Southeastern Conference in Sitka, and a Bristol Bay Area Health Corporation Board of Directors meeting in King Salmon);

(6) held informal meetings and discussions with people in affected areas; and

(7) made a brief presentation to the Coastal Policy Council at their October, 1977 meeting in Kodiak.

Public hearings were held in Unalaska, Juneau, Dillingham, Ketchikan, and Craig. Hearings were also planned in Bethel, Emmonak, Naknek, St. Paul Island, and Petersburg, but were not conducted as a result of scheduling difficulties. Public sessions not actually conducted as formal hearings were held in Petersburg and King Salmon. Hearings were generally poorly attended, with members of the public present ranging from two to twelve.

Department of Community and Regional Affairs representatives attended coastal management workshops conducted in Kipnuk, Kotzebue, Juneau, Anchorage, Kodiak, Ketchikan, and Craig. Coastal resource service areas represented an item actively discussed at several of these workshops, as well as other workshops carried out in locations such as Bethel, Dillingham, and Unalaska.

Written comments were received from three state agencies, four federal agencies, and eight other individuals representing private corporations, non-profit associations, local governments, or no identifiable affiliation.

No clear consensus has emerged. Several comments received were not actually directed toward furnishing guidance on coastal resource service area boundaries. Many expressed a preference for creating coastal resource service areas smaller than existing REAA's. As previously noted, this is not allowed by statute.

Comments on the Nushagak-Bristol Bay and Lake/Peninsula-Bristol Bay REAA's (6 and 7) were mixed, but a majority of those presenting their views favored a single coastal resource service area for the Bristol Bay region.

Comments on the Northern Panhandle, Southern Panhandle and Metlakatla/ Annette REAA's (18, 19, and 20) were predominantly in favor of maintaining separate areas, although many also supported a coastal resource service area that would include two or more REAA's.

Comments on the Aleutian Chain, Pribilof and Adak REAA's (8, 9, and 10) were also mixed, but a majority of commentators supported maintaining three separate areas.

Input on the Lower Yukon and Lower Kuskokwim REAA's (3 and 4) was limited by an inability to schedule a hearing there, but a majority of those who made recommendations expressed a preference for a single coastal resource service area in the Yukon/Kuskokwim Delta region.

Determination

( ) Section 46.35.120(c) of the Alaska Coastal Management Act, which requires a final determination on coastal resource service area boundaries by December 4, 1977, should be amended. A majority of citizens appearing at public hearings and expressing themselves through other means were unable to make an informed recommendation on territory that should be included in a coastal resource service area without a clearer understanding of what a coastal management program would entail. A determination by the Commissioner of Community and Regional Affairs without substantial input from affected residents is inconsistent with the Act's emphasis on a strong local role in coastal decision-making. Since no time frame is specified for service area organization, the problem could be rectificed by revising Section 46.35.120(c) to read:

> (c) a determination under (b) of this section shall be made before organization of the coastal resource service area.

Because expanded opportunities for better informed public input might result in preferences contrary to combinations recommended in this report, specific provision for "deconsolidating" REAA's combined should also be made, if the amendment suggested above is not interpreted to accommodate that option.

(2) We encourage that if a service area is organized in the Bristol Bay region, it should include both the Nushagak-Bristol Bay and Lake/Peninsula-Bristol Bay REAA's (6 and 7), and have therefore combined these REAA's. Although distinctions exist between these two portions of the region, these differences are outweighed by areawide commonalities.

(3) We support maintenance of two separate coastal resource service areas in northern and southern Southeast Alaska, and inclusion of the Metlakatla/Annette REAA (20) in a single service area with the Southern Panhandle REAA (19). Inclusion of REAA's 19 and 20 in a single service area is based on the criterion in AS 46.35.120(b)(1) concerning land held in trust by the Federal Government for Alaska Natives. While Southeast Alaska is a distinct region, significant differences between communities at northern and southern extremes of the region, as well as substantial distances involved, discourage formation of a single service area at this juncture. In addition, Southeast's unusual situation, with a number of small, dispersed first class cities, relatively few second class and unincorporated communities, and a majority of coastline under U.S. Forest Service jurisdiction, points out a need to consider special adaptations of the coastal resource service area, or alternatives to it, for responsive coastal

planning and management in this region.

(4) At this time, we encourage maintenance of three separate areas for the Aleutian, Pribilof and Adak REAA's (8, 9, and 10). The Pribilof Islands are linked to the Aleutian Chain by certain transportation, cultural and related ties, but remoteness makes the Pribilofs an independent entity in many respects. While Section 46.35.120(b)(1) of the Act provides grounds for including Adak in a combined Aleutian coastal resource service area, a disadvantage would be that the Adak Island population, which is solely military, contrasts sharply with that of civilian communities characterizing the remainder of the Aleutian Chain.

(5) We encourage that if a service area is organized in the Yukon/Kuskokwim Delta region, it should include both the Lower Yukon and Lower Kuskokwim REAA's (3 and 4), but consider it inappropriate to place these REAA's in a single service area prior to adequate public hearings.

Conclusion

The major question facing unorganized borough residents with respect to the Alaska Coastal Management Program is what form coastal management should take in their areas. Coastal resource service area boundaries represent only one aspect of this question, and one that cannot be responded to in an informed manner without considering what a coastal management

program might consist of, and how it should be carried out. These answers can only be furnished after a thoughtful educational and local involvement effort which was not possible in the constricted time frame and with the limited subject matter that applied to consideration of service area boundaries.

The Office of Coastal Management's recently completed extensive series of public workshops has provided a crucial first step in informing localities and their citizens about coastal management. With a Coastal Policy Council that is just becoming operational, and basic guidelines and standards that are only now being formulated, disseminated, and reviewed, final determination of service area boundaries at this time is premature, however.

We strongly encourage that the Coastal Policy Council devote careful attention to the complex question of coastal planning and management in the unorganized borough, and that service area boundaries be considered in the more appropriate context of but one component of broader questions involving the unorganized borough, before final boundary determinations are made. A minor amendment to the Alaska Coastal Management Act, as described in this report, is required to allow service area boundaries to be considered in this context, and we support such a change as a step which would strengthen Alaska Coastal Management Program effectiveness.

MEMO

TO: Lisa Rudd FROM: Annette Smith

January 26, 1978

Subject: Approval of Coastal Management Guidelines and Standards

I asked Jack Chenoweth about the procedure for legislative approval of the guidelines and standards of the Coastal Management Policy Council and the possibility of amending them should the Committee feel this was necessary.

If we approach the guidelines as though they are part of the Coastal Management Program, then legislative approval is accomplished by concurrent resolution (46.35.080). In his opinion this precludes any amendment of the guidelines during the legislative process. It would be simply approval or rejection of the entire package. Therefore, any amending of the guidelines would have to be done to the hearing draft and submitted to the Council at its meeting in March when it deliberates on the final draft to be submitted to the Legislature.

Sec. 46.35.080 does not name the guidelines and standards specifically as part of the Program which is to be approved by concurrent resolution of the Legislature. It seems to include everything else which would logically make up the Alaska Coastal Management Program, i.e., each individual district program and any amendments or revisions will be submitted for approval by the Legislature as they appear.

Sec. 46.35.040 (p.7) identifies the guidelines and standards as "regulations" to be adopted under the provisions of the Administrative Procedures Act (AS 44.62). As regulations, they will eventually be reviewed by the Administrative Regulation Review Committee of the Legislature which can recommend annulment of certain regulations.

Section 6 of the CZM law provides that the Administrative Review Committee will review regulations adopted by the departments to insure conformity with the objectives and standards of the CZM Program.

Lisa:

Here's a copy of Joe Josephson's notes on CZM guidelines, given to the council in written form at the last meeting in Juneau.

Specifically, the problem we have is that an oil and gas lease is not specifically designated as a matter of "state concern", and although the guidelines and the statute clearly refer to "energy facilities" as matters of state concern, shouldn't the lease itself also be included under that definition? If it isn't, then there is vagueness in the law that will lead to litigation down the road...

You might raise the question, if you wish, at your meeting with CZM people on Friday. Otherwise, I'll keep you informed as to our progress with the council in getting the guidelines to clarify this matter....State DNR, incidentally, supports this inclusion of leases as matters of state concern...

Our intent is to in no way limit local govt P&Z jurisdiction over surface uses, but rather require that local govt P&Z be required to justify their action with an analysis, procedure, etc. which they would be required to do if with all "land uses of state concern", e.g. energy facilities. If an oil and gas lease is not included as an "energy facility" or designated as a "use of state concern", then the local govt can do what it wishes with zoning decisions over state oil and gas leases, with no requirement to justify their action.

Tim Bradner

1-12-78

Joe P. Josephson

NOTES FOR ALASKA COASTAL POLICY COUNCIL

Premise: Federal and state coastal zone management laws have as a principal goal the improvement of intergovernmental cooperation and coordination in the regulation and management of activities in the coastal zone.

Evidence for Premise: 1. Staff Comment #15: "The Council will determine if local programs are consistent with the guidelines and standards.

"The guidelines and standards will be the basic criteria for federal agencies to determine consistency..." (p. 5).

2. Staff Comment #25: "The purpose of coastal management is to coordinate efforts by different units of government, not establish new permits or layers of control..." (p. 16).

3. Staff Comment #2: "Standards will be implemented, primarily, by local zoning and existing state regulations...". (p. 22).

4. Staff Comment #36: "A basic concept leading to the development and approval of the Alaska Coastal Management Act was that no new coastal management permits would be created. The guidelines and standards may be applied as criteria for existing regulatory efforts, however." (p. 36).

5. Staff Comment #8: "The Act provides a test for the Council to apply to district programs when it is stated that a regional interest is being limited by local action." (p. 36)

6. Staff comment #25: "The state is responsible for siting decisions on a regional or statewide basis. The coastal management process will cause coordination with coastal districts. (p. 43).

7. Staff Comment #26: "District program guidelines and the standards encourage proper siting, not prohibition of (energy) facilities." (p. 43).

8. State statutes:

a. AS 46.40.070: Local restrictions or exclusions on a use of statewide concern should be approved in a local management plan only if "the District has based its restriction or exclusion on an analysis

showing that the proposed use is incompatible with the proposed site."

b. AS 46.40.020: Requires the adopted collection of local district plans to be "consistent" with "the recognition of the need for a continuing supply of energy to meet the requirements of the state and the contribution of a share of the state's resources to meet national energy needs".

c. AS 46.40.030: Requires district programs to be consistent with state guidelines and standards, and to include a description of the uses and activities which will be considered both proper and improper within the coastal area; a statement of policies to be applied, and the procedures to be used to determine whether specific proposals for land and water use activities shall be applied; and a designation of policies to be applied in coastal areas which merit "special attention".

d. AS 46.40.040: Requires the Alaska Coastal Policy Council to "initiate a process for identifying and managing uses of state concern within specific areas of the coast...". (State guidelines and standards must include policies and procedures to determine whether specific proposals for land and water use activities within a local district shall be allowed.)

e. AS 46.40.060: Requires the Council to find that local district programs are "substantially consistent" with all provisions of AS 46.40 and that the programs do not "arbitrarily or unreasonably restrict or exclude uses of state concern" before a local program can be approved. It also provides for mediation of disputes between the Council and local districts over elements of a local coastal plan.

f. AS 46.40.100: Provides for enforcement of local coastal programs and establishes a right to petition the State Council to show that a district coastal program is not being properly implemented or enforced.*

9. Legislative History of the Coastal Zone Management Act of 1972 (P.L. 92-583):

Senate Report No. 92-753, 3 U. S. Code Cong. &

Admin. News 4776 (92d Cong.):

"The intent of this legislation is to enhance state authority...

"...At present, local governments do possess authority in the coastal zone...Local government needs financial, planning, political, and other assistance to avert damage to natural values in the coastal zone...

"...The American Law Institute has estimated that at least 90% of the current land use decisions being made by local governments have no major effects on state or national interests. Local governments should maintain control over a great majority of matters which are only of local concern. The range of problems that arise in the coastal zone, however, often calls for wider jurisdictional range...

""It is the intent of the Committee to recognize the need for expanding state participation in the control of land and water use decisions in the coastal zone...".

10. See also, e.g., Mandelker & Sherry, "The National Coastal Zone Management Act of 1972", 7 Urban Law Annual 119 (1974): "...CZMA also seems directed toward a centralized supervision of shoreland uses that require state control... The second additional development control requirement...requires that the state CZMA program provide for 'adequate consideration of the national interest involved in the siting of facilities necessary to meet requirements which are other than local in nature.'...Critics of the American land use control process have long argued for greater state involvement in the regulatory system and have called for greater assumption of state power over the land use decisions of local government. Though restricted in application to the coastal zones of the thirty coastal states, the Coastal Zone Management Act of 1972 represents the first national effort, through congressional initiative, to bring about a re-allocation of these land use control powers."

See also W. Brewer, "The Concept of State and Local Relations under the CZMA", 16 William & Mary L. Rev. 717 (1975): "One of the goals of the Coastal Zone Management Act of 1972 is to shift the focus of decisionmaking in certain

areas of regional and national interest from the local to the state level."

11. 15 CFR 923.11; 15 CFR 923.43 (requires that state programs provide "a method of assuring that local land and water uses regulations within the coastal zone do not unreasonably restrict or exclude land and water uses of regional benefit"); 15 CFR 923.52 (requires the state to "consult" with industry to "determine the potential regional, interstate, national and/or international demand for such facilities in each state" and says that "the adequacy of a state's consideration" during program development of national interest involved in the planning for or siting of facilities which may be more than local in nature" is very important in terms of obtaining federal approval of state programs.)

Query: With respect to energy development sites, and energy production areas leased by the state, do the proposed guidelines and standards adequately protect the national and state interest?

Relevant Provisions:

6 AAC 80.020 - would require the Division of Policy Development and Planning to determine the consistency of state actions with the Alaska Coastal Management Program and to respond to federal agency determinations of the consistency of federal actions therewith. DPDP would not have a like role with regard to local actions. However, "the Council shall identify specific uses of state concern (as defined in AS 46.40.210(6)) and areas of the coast where uses of state concern shall be sited and managed...". Also, the Council "shall direct the development of management policies and practices for uses of state concern by state agencies and coastal resource districts". Query: what is the definition in AS 46.40.210(6)? What does it mean to "direct the development of management policies and practices"? What authority is thereby given?

6 AAC 80.060 - "Sites suitable for the development of major nearshore and onshore petroleum-related facilities shall be identified by the state in cooperation with coastal resource districts. The siting and approval of these facilities shall be based on the policies of the State of Alaska concerning the onshore and nearshore aspects of

OCS development. Coastal resource districts may use and apply these policies in the preparation of district coastal management programs." Query: Why is the reference just to state "policies...concerning the onshore and nearshore aspects of OCS development"? Why does the paragraph say only that districts "may" use and apply these policies, instead of that they "must" or "shall" do so?

6 AAC 85.010 - Boundaries within a district coastal management program "may diverge from the interim boundaries (the requirements for which are set out in the same paragraph) but must "exclude those areas owned, leased, held in trust, or whose use is otherwise subject solely to the discretion of the federal government, its agents, and officers." Query: why is this exclusion only as to federally owened, controlled, or leased areas? What is the relationship intended as to state-leased lands, and the obvious state interests to be inferred, i.e., the attainment of production from the leased areas where the resource exists in commercial quantities?

6 AAC 85.010(7) - "Policies and regulations (of the district coastal management program) shall be consistent with the standards of the Alaska Coastal Management Program contained in 6 AAC 80 and shall meet...additional criteria...".

6 AAC 85.010(8) - (The district plan shall include) "a description "of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to the land and water within the coastal area. This description shall be based upon the district's statement of overall needs, objectives, or goals. or the district's comprehensive land and resource use plan, and shall be consistent with the standards of the Alaska Coastal Management Program contained in 6 AAC 80."

6 AAC 85.010(9) - "...It shall be the general policy of the coastal resource district to approve specific proposals for land and water uses and activities which are consistent with the district coastal management program."

6 AAC 85.040 - (Districts shall provide)"opportunities for coordination and review by governmental agencies and other parties with a significant interest in coastal resources...".

PROBLEM: Since federal regulations, and federal and state statutes, seek to promote coordination of government activities, and to recognize paramount national and state interests, the proposed new regulations should make manifest, as a matter of legislative housekeeping, that local coastal districts will not thwart state land management policy. This is obviously the intended policy, and indeed a goal of the Coastal Zone Management Act. (See above). But it must be an explicit regulatory standard governing the review of coastal district plans and plan implementation.

There are many ways to accomplish this correction of an oversight, or of the susceptibility of the existing draft to misinterpretation inviting dispute or litigation, including the following:

Add a provision saying that "coastal resource districts shall consider that the uses contemplated by the issuance of state leases for mineral and petroleum resource extraction are specific uses of state concern. District coastal management programs and plans shall be consistent with such uses."

Or/And

Add to proposed 6 AAC 85.010(7): "Policies and regulations (of the district) shall be consistent with the standards of the Alaska Coastal Management Program contained in 6 AAC 80 and shall meet...additional criteria, <u>including consistency with uses contemplated by the issuance of state leases within the district for mineral and petroleum resource extraction or related purposes</u>."

Or/And

Add to proposed 6 AAC 85.010(8): "The description of the uses and activities which will be considered proper within the coastal area shall not be inconsistent with established state policy as made manifest by the issuance of leases in effect for the exploration or extraction of mineral or petroleum resources of the state."

Or/And

Add to proposed 6 AAC 85.010(9): "...It shall be the general policy of the coastal resource district to approve specific proposals for land and water uses and activities which are consistent with the district coastal management program, and the classification and management policies governing state lands as otherwise established or promulgated."

RATIONALE

1. Protects paramount state interests and state policy governing state lands.
2. Creates a more favorable environment for business and investment, tending to increase bidding on state leases in a more predictable climate.
3. Avoids possibility of regulatory vagueness leading to (1) intergovernmental conflicts or (2) conflicts between private parties and government, or (3) litigation.
4. Proposed state preleasing procedures will provide ample opportunity for comment and input from districts and municipalities prior to state decision to lease.

J. P. J.

HB
707

LISA — THIS WAS DELIVERED BY NELS ANDERSON.

AS

5/15/78

Re: telephone conversation with Gordon Ryan, City Manager of Dillingham. I conveyed to him what was in the letter of May 15 from the Department of Environmental conservation - that the Commissioner doesn't see the need for HB 707.

Gordon Ryan said that they might have problems with the new site location. He says the site they're looking at now will probably be unacceptable by DEC because of the high water table therefore he still sees the need for HB 707.

5/16/78 - Sent copy of DEC's letter to Gordon Ryan asking for his response in writing as soon as possible.

File

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

May 15, 1978

The Honorable Nels A. Anderson, Jr.
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Anderson:

I understand that you may be interested in pursuing passage of HB-707. As progress is being made toward solving the Dillingham problem, you may wish to reconsider the need for this bill. It is my impression that the Dillingham situation is well on the way to a mutually acceptable solution.

As you probably know, Dillingham applied for a permit on or about April 1 as required by a compliance order. On April 12 Richard Williams and Gary Garthwait of our Department, and Mr. Don Caswell, Public Works Director, City of Dillingham visited the proposed site for a new landfill on Wood River Road. Mr. Williams and Mr. Garthwait were optimistic about the general potential of the site. Mr. Caswell confirmed the statement in Dillingham's permit application that soils and groundwater data would be available after the spring melt.

On April 19, 1978 Mr. Reinwand, our Deputy Commissioner reminded Mr. Ryan, Dillingham's City Manager, of the need for the soils and groundwater data. Mr. Reinwand also furnished Mr. Ryan with some sample development plans for the site.

Mr. Garthwait has maintained contact with Dillingham officials and is not aware of any real problems they are having meeting our requirements. If you are aware of something I am not aware of, I would greatly appreciate a telephone call.

Sincerely,

Ernst W. Mueller
Commissioner

Gordon Ryan - 842 - 5211

5/15/78

Gordon Ryan -

Enclosed a letter we've received from DEC.

Please respond to the letter in writing and send to our office as soon as possible.

Thank you.

Sincerely,

Adelaide Gorman

for NELS A. ANDERSON, JR.

NAA/ah
ENCLOSURE:

tax base — $9½ mil.
tax rate? — 17 mils
budget $1.2 mil.

Introduced: 1/31/78
Referred: Community & Regional Affairs

IN THE HOUSE BY ANDERSON

HOUSE BILL NO. 707

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

HB7

A BILL

For an Act entitled: "An Act relating to sanitary landfills."

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

* Section 1. AS 46.03.020 is amended by adding a new paragraph to read:

(12) require relocation of municipal sanitary landfills; if the municipality has not received patent to the total amount of land for which it is eligible under AS 29.18.190 and 29.18.200, and if exercise of the municipality's power of eminent domain would be required to provide a suitable relocation site, the department may not require relocation until a suitable relocation site becomes available without requiring the use of the power of eminent domain.

* Sec. 2. AS 46.03.900 is amended by adding a new paragraph to read:

(25) "sanitary landfill" means a land area used for the disposal of solid waste.

RECEIVED OCT 14 1977

CHOGGIUNG LIMITED
P.O. BOX 247 • DILLINGHAM, ALASKA 99576 • PHONE (907) 842-3033

October 14, 1977

Mr. Gordon Ryan
City Manager
City of Dillingham
Box 191
Dillingham, AK 99576

Dear Mr. Ryan,

Concerning Choggiung's mile 7 gravel pit as a future solid waste disposal site, as you are aware per our discussion recently, Choggiung is developing the pit with a future dump site in mind. We are conforming to D.E.C. and B.L.M. guidelines in that we are not excavating below three feet to the water table and the pit is well concealed from the Dillingham Aleknagik road. This should be a suitable dump site for the City when the gravel is exhausted. This summer we uncovered a rich vein of clean aggregate which extends from the Northern portion of our current excavation. This deposit could supply Choggiung's construction company with superior quality gravel for 3-5 years depending upon market condirions. As you know, the mile 7 pit is the closest gravel source we have to town. Moving out the road to another site would be economically disastrous to our company. We are working to acquire gravel on Native allotments closer to town but as yet have had little success. We therefore regret to inform you that the mile 7 pit will not be available for solid waste desposal until the valuable material in the pit can be sold. We appreciate that the City recently made a large purchase of gravel from us to help deplete the pit, but there's still a long way to go. We're selling gravel at the lowest prices in town. We do intend to turn the pit over to a dump site, but as you can well understand, this cannot occur until the gravel is exhausted. I hope this clarification proves helpful to you and others who may not realize that both Choggiung and the City are doing all they can to solve the dump problem.

Sincerely,

J.P. Godfrey
General Manager

February 14, 1977

Mr. Widom
City Manager
Box 191
Dillingham, Ak. 99576

Cenai Mr. Widem:

Any time that would be convenient you should schedule a meeting. The Choggiung boardland the City council shave a number of interests and we encourage a frank swapping of ideas, frustrations and proposals.

Concerning the gravel pit we hope to begin hauling from this site early thi this summer. The warm winter could make for an early start up for our construction season. At such time as we have reduced the floor of the pit to within four feet of the water table we will consider the development of a sanitary land fill site here. As you know we have been developing the site consonant with the development plan worked up by the people at DEC. So when this area is no longer economically useful to us we will certainly have you in mind. Our letter of September 21, 1976, spelled out our feelings on this matter rather clearly. A copy was sent to all council members at that time.

The Division of Aviation is probably pushing DEC hard. We respect their concerns but if your response must be immediate we suggest you find a new location.

Sincerely yours,

William Tennyson
President

WT/CB/AB

RECEIVED SEP 23 1976

CHOGGIUNG LIMITED
P.O. BOX 247 • DILLINGHAM, ALASKA 99576 • PHONE (907) 842-3083

September 21, 1976

Ivan Widom
City Manager
City of Dillingham
Dillingham, Alaska 99576

Camai Mr. Widom:

Choggiung Ltd. has worked diligently this summer to clear the 7 mile gravel pit for use as a sanitary land fill site for the City of Dillingham. Fortunately or unfortunately, depending on your view, the pit area still contains an impressive amount of gravel. The quality of the gravel is excellent and our best estimates indicate that at least 12' - 15' feet of gravel still remain in the two acre circular deposit.

Choggiung Ltd. sold gravel at a reasonable rate this summer from this area. We kept prices down so that gravel use would become common again in this area. We sold gravel to all corners, whether they be private, public, competitors, or what have you. But try as we might we did not lower the pit floor to the minimum three feet above the water table for which we were shooting.

Then we receive a letter from the City stating that the move into the pit is soon to occur. When Mrs. Schroeder and council members met with the Choggiung Board the board indicated their willingness to work towards a solution of the dump problem through use of the 7 mile pit. But this willingness was based on exhausting the gravel and developing and managing a pit satisfactory to the road residents. However, we do not believe that such a move is in the best interests of the community at this time. The result will drive up the price of gravel and waste an excellent deposit in mid-development. Further it will create strained feelings between the City and the Village at a time when these emotions are best bottled.

What it boils down to seems to be this. Since it selected 7 townships of land from the federal government under the provisions of ANCSA Choggiung has acted as the land sugar daddy in this community. Even though less than 1% of this land has been transferred to Choggiung ownership the village corporation has bent over backwards to meet the City's land needs. First it was land for the KDLG tower. Choggiung went out on a limb to make acres available but now the community has a functioning radio station that the entire region appreciates.

The RCA antenna lease recently concluded by the City is another example of Choggiung's willingness to make land use decisions in the best interests of the community. The fragile conveyance arrangement we cooked up for that transaction was again above and beyond the limits of the land laws that control us. But Choggiung made these efforts in your behalf because a community value was at stake.

Yet another indication of this same attitude on Choggiung's port is the conveyance of land for the first City garbage dump project. When the City requested the acreage Choggiung manipulated the land laws so that this land would be under your management control. Unfortunately the road proved worthless because the area was unsuitable for land fill purposes. But Choggiung did not smirk or cast the City adrift even then. The village worked hard to convince the housing authority that this same tract could be used for housing purposes. The village even suggested that the Authority should purchase the road from the City as then the expenditures there would not be a total loss. You have copies of our correspondence on this matter.

We offer these examples of Choggiung's willingness to make land use decisions and to expend considerable effort that benefits the community as a defense of our unwillingness to put garbage over gravel at 7 mile. The airport pit has served the City well since the City began expending effort to control this situation. Rather than ruining the 7 mile pit or creating a marginal temporary site in this area we urge the City to postpone occupation of 7 mile until the gravel here has been substantially depleted. As any review of the 7 mile site will show, Choggiung has been working this deposit in accordance with the development plan prepared by the State DEC. Visual screening has been accomplished through the use of spoil berms. A constant eye has been peeled for the water table so that excavation does not go too deep. We have been playing ball to the best of our ability and now we request that you take these factors into account.

It should be remembered that garbage dumps and airports are good neighbors in Anchorage and other municipalities with much heavier air traffic than Dillingham. Another fact that springs to mind is that the City is not always so quick to take the advice and direction of the Division of Aviation in land use matters. Perhaps an extension of time will allow cogent land management in the 7 mile area to develop.

We appreciate your correspondence on this matter and look forward to a responsible land use decision from the City.

Sincerely yours,

William Tennyson
President

WT/TH/AB

cc: Freeman Roberts
David Carlson
Don Sagmoen
Orris Welch
Perry Adkinson
Jim Bingman

CITY OF DILLINGHAM
ALASKA

P.O. BOX 191 DILLINGHAM, ALASKA 99576
TELEPHONE (907) 842-3483 or 842-3933

July 2,1976

Mr Widow
Ask me
Laura

Mr. William Tennyson,Sr.
President
Choggiung Limited
P.O.Box 247
Dillingham, Alaska 99576

Dear William:

The City Council discussed the 1280 acres which will be reconveyed to the city at last nights meeting. They appreciate your boards efforts to provide us with areas for such things as potential dump sites,gravel,sewer needs, etc.

They have requested I ask if it would be possible to square off the area marked 9 and change this amount to the Catholic Mission area, Survey 3699, for possible school or educational purposes. Twenty-five acres were mentioned.We realize the council has not given all of the input to your board on this matter that they perhaps could have,however, the Catholic Mission property has been discussed for some time as a school or college site. We are aware that some of the land has been already set aside for Prince,Jones,Franklin and the church.

Would it be possible to have some of our council meet with your board at the next regular meeting to discuss both the 7 mile pit and this reconveyance?

Sincerely yours,

Laura

Laura M. Schroeder
Acting, City Manager

RECEIVED JUN 2 1976

CHOGGIUNG LIMITED

P.O. BOX 247 • DILLINGHAM, ALASKA 99576 • PHONE (907) 842-3083

May 28, 1976

Ms. Laura Schroeder
City of Dillingham
P.O. Box 191
Dillingham, Alaska 99576

RE: GARBAGE DUMP

Camai Laura:

Our meeting is scheduled for June 2. It beginsat 7 but you will not come up until 8. We received a copy of a petition indicating that the road people and others were not happy with the Mile 7 alternative. I also received an indication that the folks at PHS figure that the land they manage will not support additional land fill activities. Has aviation softened their line? The dumps are at the airports in Anchorage and they certainly have a more active air transport industry there. The problem appears to be a thorny one and I believe that much care and preparations should precede any decision.

Sincerely,

Tom Hawkins

Tom Hawkins
Land Manager

TH/RMH

RECEIVED JUL 1 5 1975

CHOGGUING LIMITED
P. O. BOX 216
DILLINGHAM, ALASKA 99576

July 14, 1975

Mr. John Merrick
Bureau of Land Management
4700 East 72nd
Anchorage, Alaska 99507

Re: GARBAGE AA-6659A

Dear Mr. Merrick:

Sanitary land fill plans march forward. Gary Garthwart of the State's Department of Environmental Conservation visted Dillingham and gave us a go ahead on the site we described to you. We attach his letter to the City Manager.

Now the crunch. DEC cannot issue permits unless you assure the City's land tenure. Choggiung plans to reconvey all of the unsurveyed land in Section 16 T13S R55W S.M. to the City. We will also reconvey Lot 2 of USS 4974 to them. But as things go I.C. may never issue. So we need that interim action that will let us do what needs to be done.

We look forward to your response.

Sincerely,

Tom Hawkins

Tom Hawkins
Land Planner

TH/RH
cc: City of Dillingham/ Ray Kase
Bureau of Land Management/ Bob Sorenson

Fall, 1977

Attempts Made by the City of Dillingham to Relocate Landfill Site

I. SITE NORTH OF TOWN ON CHOGGIUNG LAND SELECTION

A. Choggiung managed to secure permission for us to use this land, conveyed by quit claim deed, which they have not actually received by reconveyance yet themselves.

B. Site approval given by DEC. (They now say it was not approved)

C. All of our Local Service Roads and Trails monies for three years used to build a road to this site (Amount $65,000+).

D. Road was completed in fall of 1975.

E. When crew began digging trench for solid waste, water level was too high and the hole filled with water after digging only a few feet. Difference of opinion on whether the area could be drained and used. Most people of the opinion that if drained it would take a year or more before it would be usable.

II. ATTEMPTS MADE TO SELECT A DIFFERENT SITE

A. Worked closely with Tom Hawkins, Land Planner for Choggiung in attempt to select another site.

B. After consideration of several different locations which had to be abandoned due to proximity to airport, in line of flight, no access, too near stream, etc., 7 mile gravel pit appeared to be best location found.

C. Choggiung informally agreed to make this site available after gravel was removed. City paid to have a test boring done to determine how much gravel remained and how high the water table was. It was determined that an additional 15 feet of gravel was in the pit. Members of City Council met with Choggiung Board.

D. Stockholders of Choggiung who live near the area of gravel pit drafted a petition signed by over 70 stockholders protesting the location of the landfill in this gravel pit.

E. Choggiung Board reversed plan to make the pit available, stated it is doubtful that pit is located within city limits, said they had already given us one "dump site" and asked how many times they have to do this for the city.

F. Relations became somewhat strained between city and village corporation.

III. FACTORS CONTRIBUTING TO PROBLEM

A. Lack of continuity. Since the effort was begun in 1975 to relocate the landfill, the city has had 4 city managers and 2 acting city managers, 4 public works directors. Choggiung has had 3 managers.

B. Everyone agrees the dump must be moved but nobody wants it

C. City attempts to complete needed projects using its own labor force in order to stretch limited funds available as far as possible. For this reason, water and sewer work, road building, a city dock, cold storage plant remodelling, as well as normal maintenance tasks have been carried out by a public works director, foreman, and 5 general maintenance crew. The 5 man crew are CETA employees. Turnover has been rapid, many leave to go fishing during the summer and so training must be repeated frequently. Additional help is hired when special funding is available, such as for the cold storage remodelling.

IV. ATTEMPTS TO MAINTAIN PRESENT SITE IN BEST POSSIBLE CONDITION.

A. Two landfill maintenance people are hired through the CETA program to control dumping and keep the area as clean as possible.

B. D-7 Caterpillar was purchased at a cost of over $30,000 to push back the garbage and compact daily.

C. A permit was received to kill birds at the dump. This procedure broke down temporarily due to change of city personnel, but was reinstated with good results.

V. OTHER ATTEMPTS TO RELOCATE SINCE DEC HEARINGS JUNE 6, 1977.

A. Other possible sites pursued with the following results:

1. Owner of abandoned gravel pit contacted about possible purchase by city. Owner not interested. He has sold lots nearby for new homes and some have been built. Pit is not too desirable because there are no screening trees and it was not developed in a way which would make it suitable.

2. Owner of property contacted the city and offered to sell his land since he was leaving the area. Price requested was not to be devulged, but was in the 6 figure bracket. Site would also require great deal of development. ↓ too near airport.

3. Another abandoned gravel pit was investigated. It is on land selected for a native allotment, has not been granted yet. BLM was contacted by city to try to learn status. They said status was indefinite due to possible mineral availability, and would require several hearings before status could be resolved. Nothing had been started on these hearings and no plans to begin were prospective. This site had been considered several years ago and local residents protested because of a nearby stream. They secured support from Fish and Game in their protest, and the site was dropped at that time.

4. Better relationship regained with Choggiung and further attempts made to secure Mile 7 pit. They have discovered a new vein of gravel and do not foresee its availability for several years.

Dillingham Landfill (Continued)

VI. ALTERNATIVES

A. Attempt to drain original new site to which road was built. One problem involved is that road is already deteriorating and garbage trucks would have difficulty using it, especially during breakup. If road must be rebuilt, this would use a good portion of our LSR&T monies again, and streets are desperately needed in the townsite to open up building lots which are now locked in. If the town is to develop, these must be built.

B. Wait for Choggiung to empty their pit and make every effort to maintain the present dump in a satisfactory manner to eliminate the bird hazard. Possibly a high fence could be built around the area to cut down on the unsightliness inherent in any landfill.

The City of Dillingham has not been indifferent to the need to move the landfill site. They have spent a considerable portion of the city's available resources, both monetary and manhours, toward that end. Now that a city manager and public works director have been secured who intend to stay for a long period of time, and as they have become knowledgeable about the problems existing, a solution is being actively sought.

An attempt was made to build roads this fall with LSR&T 2 years allocation of $91,000. Originally we were told that none of the funds could be used for the purchase of gravel. Later this was clarified to state that if we could document that no free gravel was available to us from any source, we could purchase it. The city council appointed a committee to revise the priorities of the streets to be built and the Dept. of Transportation was contacted to clarify the procedure to be followed. The council hoped to help empty Choggiung's gravel pit by expending these monies for gravel for road building.

Procedure involved (see attached) was so lengthy and time consuming that it was doubtful if it could have been completed this fall unless very good weather was promised. This project, along with additional funds to bring the total to $135,000 will be ready to begin in the spring of 1978.

Telecom Robert Haneline/Dept. Transportation 9/20/77 (243-1255)

Procedure for securing Local Service Roads and Trails Funds

1. Contract agreement signed by local governing body sent to Anchorage office. It will be forwarded to Juneau for action by their headquarters office.

2. Agreement includes the following:

   a. Statement of intent
   b. Cost estimate
   c. Description of roads to be built.
   d. Project location map.
   e. Typical roadway cross-section showing width, slopes, etc.

3. Resolution signed by city council stating they want the funds authorized to be spent on this project.

4. Something to show that we have right-of-way easements. Could be a townsite map if adequate rights-of-way are shown.

5. Need backup statement showing that no free access gravel pits are available for our use and that we will have to purchase the gravel. Also stipulate the cost per yard which will be paid.

NO FUNDS CAN BE EXPENDED BEFORE APPROVAL OF THIS AGREEMENT IS REACHED OR WE WILL NOT BE REIMBURSED FOR THEM. Will take about 1 week to get this back.

Second step - After approval of agreement, can proceed with design and charge these costs to the project.

BEFORE ADVERTISING a list of bid items, contract plans and estimate of cost must be sent to Dept of Transportation for approval. After this approval is given, we can advertise for bids. Minimum bid period on small projects of this type is 15 days. At end of bid period, we can open the bids.

BEFORE AWARDING CONTRACTS the bids must be submitted to Dept of Transportation for their approval.

The specs can be written in such a way that alternates can be provided, perhaps each street listed separately and bid on as many as they want. This way can utilize the full amount of money available.

Priority list can be changed up until the time of the resolution, then must be followed.

Mr. Haneline will send a book of specs used on a job at Aleknagik which would be of help to us and perhaps eliminate need for engineering firm. He stated that starting on construction this late in the season would probably result in a waste of materials due to high moisture content and would be a drain on our funds.

RECEIVED JUN 2 7 1975

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF ENVIRONMENTAL CONSERVATION

SOUTHCENTRAL REGIONAL OFFICE

SOUTHCENTRAL REGIONAL OFFICE
MACKAY BLDG.
338 DENALI STREET
ANCHORAGE 99501

June 25, 1975

Mr. Ray Case
City of Dillingham
P.O. Box 191
Dillingham, AK 99576

Dear Mr. Case:

Kyle Cherry informed me of the plans the City of Dillingham is making for operating a sanitary landfill. Needless to say, we are pleased to hear of your plans and will certainly assist you in planning and site selection. I have made many attempts the past three days to call you but have not succeded in getting through. I would like to spend July 2nd in Dillingham and would like to meet with you to discuss your plans and look at the proposed site at that time. I plan to arrive on the morning Wien flight and leave in the afternoon if possible.

I will continue to try to call you to confirm this meeting and would appreciate hearing from you if I have not contacted you by the time this letter arrives.

I look forward to working with you on this project.

Very truly yours,

Gary F. Garthwait
Sanitary Engineer I

RECEIVED FEB 5 1975

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF ENVIRONMENTAL CONSERVATION

SOUTHCENTRAL REGIONAL OFFICE / 338 DENALI STREET
MACKAY BUILDING ROOM 850
ANCHORAGE 99501

February 3, 1975

Mr. Samuel Coxson
City Manager
City of Dillingham
P. O. Box 191
Dillingham, Alaska 99567

Dear Mr. Coxson:

Enclosed is information we discussed regarding Solid Waste Processing.

The cost data presented is not applicable to Dillingham because of several factors including recent excalating materials costs, these processes become more economical when dealing with large scale installations, and the remoteness of Dillingham from manufacturing sources. I also wish to restate that processes such as shredding and baling are only methods of reshaping Solid Waste and the problem of ultimate disposal still remains even though the waste goes through the processing stage.

I have reviewed past correspondence between you and our department and see that Lance Elphic has sent you some information on refuse incineration. You stated you found incineration to be too costly and therefore are investigating other alternatives. I believe you will discover that other methods of processing will be even more costly because unlike with incineration, you are still faced with landfilling a large volume of waste. Shredding has proven advantageous when it preceeds resource recovery or when landfill space is very costly. Baling reduces volume but still requires landfilling. Processing of waste becomes economical when it reduces the cost of disposal. I would estimate that shredding or baling would only slightly effect your landfilling cost whereas incineration would effect that cost somewhat more. Our requirements for landfilling the shredded or baled material are basically the same as for landfilling the raw refuse and so these processes would not eliminate your landfill problems.

As Mr. Elphic stated, time is of the essence, and if processing is not presently feasable, a properly located and operated landfill needs to be developed. As you stated in our conversation , regardless of the processing method, a landfill for ultimate disposal is necessary.

Sincerely,

Gary F. Garthwait

Gary F. Garthwait
Sanitary Engineer

cc: Dick Stokes

STATE OF ALASKA
DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH O – JUNEAU 99811

February 10, 1978

The Honorable Lisa Rudd
Chairman
Community and Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Madam Chairman:

On January 31, 1978, HB 707--relating to the solid waste management authority of the Department of Environmental Conservation--was introduced and referred to the House Community and Regional Affairs Committee. The immediate focus of the bill appears to be to assist the City of Dillingham in its opposition to the department's attempts to alleviate the public safety and environmental hazards created by that city's dump. That matter is now in the courts. In the long run, the bill could preclude approval of Alaska's solid waste management plan by the U.S. Environmental Protection Agency. Aside from being an embarrassment to a state trying to demonstrate its environmental responsibility, EPA disapproval would also involve a loss of federal solid waste management funds to the state, and, in the future, local governments, and may very well result in increased federal involvement in solid waste management in Alaska.

In analyzing the bill, it is important to understand the concept of a "sanitary landfill." A sanitary landfill has been universally defined as a solid waste facility sited to avoid safety, health and environmental hazards, confined to the smallest practicable area, and covered on a daily basis. Over the past several years, my department has worked closely with Alaska municipalities to convert their "dumps" to "sanitary landfills." Normally, this can be accomplished without requiring the closing of the existing facility. The program, I believe, has met with a substantial amount of success.

In some cases, however, cooperation has not been enough, and enforcement action is necessary. The City of Dillingham provides a case in point. Because of its location, the Dillingham dump creates both water pollution and public safety hazards. The proximity of the dump to the airport is

the department's greatest concern. Dumps--particularly poorly operated ones--attract birds, which in turn threaten air safety. A near catastrophe in Homer in September, 1976, which was disclosed at hearings on the Dillingham facility, illustrates well the magnitude of that threat. A Wien 737 jet with 52 passengers encountered a flock of sea gulls upon takeoff. One engine exploded and another stalled as several birds were ingested into the jet engines. Thankfully, the pilot was able to restart one engine and return to Homer before crashing into the sea. The cost to Wien from this one incident exceeded $250,000.

Because of this hazard, dumps located close to airports must, in certain circumstances, be relocated. Dillingham has recognized that this is the case with their facility, but has been, in our view, less than aggressive in finding other sites. HB 707, by precluding the department from directing relocation in the event that eminent domain is necessary, would substantially impair the department's ability to reduce adverse impacts associated with local dumps. While we are confident that relocation of the Dillingham facility can be accomplished without the use of eminent domain, the bill may well thwart necessary remedial action in future cases.

This is particularly true in light of the Resource Conservation and Recovery Act, passed by Congress in 1976. (P.L. 94-580) The Act authorizes the establishment of minimum standards for both hazardous waste disposal and solid waste management in general (secs. 3004, 4002), and provides states with the opportunity to develop solid waste programs to implement those standards (secs. 3006, 4007). My department is working hard to develop such a state program. The primary consequences of failure to develop an adequate program are (1) loss of solid waste management grant funds (sec. 4007(b)); and (2) direct U.S. Environmental Protection Agency involvement in local solid waste management (secs. 3005, 3006). EPA, it should be noted, can directly enforce its guidelines for solid waste management if an imminent environmental or public health hazard is present (sec. 7003).

The fundamental goal of the federal act is to convert existing dump facilities to sanitary landfills--which have been defined by EPA in the manner stated at the outset of this letter (except for the cover requirements). The act also mandates the closure of open dumps. To accomplish this, relocation of municipal facilities will sometimes be

required. The draft EPA guidelines, for example, explicitly require relocation where the facility is in close proximity to an airport--as is the case in Dillingham. Because HB 707 would deny the department the enforcement authority necessary to carry out the federal guidelines, and because the bill defines "sanitary landfill" to include open dumps--no matter how great the hazards they pose to the environment and human life--the likely consequence of its enactment would be substantial direct federal control over Alaska's solid waste problems. This would not only make solid waste control substantially more onerous on Alaska's municipalities, but would add considerable ammunition to the assertion that Alaska is incapable of managing its own affairs.

If you or any member of the committee have questions on this matter, please do not hesitate to contact me.

Sincerely,

Ernst W. Mueller
Commissioner

cc: Mike Whitehead
Keith Specking
Jerry Reinwand
Dick Stokes
Dale Wallington
Jon Tillinghast

Al -

Will you move the amendment on SB 388 (coastal Mgmt - delete 1st section) & then move the bill?

Thanks -

L.

I'M PREPARED TO VOTE ON IT, NOT MOVE IT.

AL

HB
733

RUDD-HB733

DEVELOPMENT CITIES

Chapter 22 includes maximum participation by state agencies in ... review, guidance, financial and program assistance, but gives major control to the development city. The development city has all the powers of a regular general law city of its particular class.

There is no clear designation of the responsibilities of the developer, financial or otherwise, except that he must present an approved local hire agreement as a prerequisite to incorporation, and he must show satisfactory contracts for company products to show that the whole project should succeed.

State participation:

1) Council, membership includes Commissioner of DC&RA
Members appointed by Governor and serve at his pleasure.

2) State review of preliminary planning.
(Doesn't say anything about consistency with state regulations, though I suppose that is implied.
Doesn't say anything about the final comprehensive plan.
Doesn't say who will pay for either the preliminary plan or the comprehensive plan. Just says the city shall do it. So, it seems within the city's perrogative to approach the state for at least partial funding.)

3) State review of contracts for sale of company products before city can proceed with capital plans. This seems to be the major limitation on the city.

4) State to participate in local hire agreement with developer e.g., recruitment, vocational training, relocation assistance...

5) State agencies to look out for funds to help finance city's capital improvement program.

6) Revenue sharing program, state land selection.

Major control and options to City:

1) Time limits provided forall state action, but none designated for city.

2) All provisions of Title 29 apply where consistent with Chapt. 22
Thus city has all the powers and perogatives of a general law city.

3) Council acts as own housing and urban renewal authority.

4) At least 2 council members represent the developer.

Differences from regular cities:

1) Council is 5 members instead of 6 or 7
Appointed by governor - 1 mbr = Commissioner of DC&RA
- 4 public members

2) Exec. Dir. appointed by Council instead of Mayor
Has all powers of executive under Title 29
so he can be manager and mayor

3) State keeps close review of city programs.

4) City gets preferential treatment for state funding in that state agencies are charged to keep an ey out for funds to help finance city's capital program.

DEVELOPMENT CITIES

Sec. 29.18.220 Legislative findings. The legislature finds that the development of natural resources in isolated and relatively unpopulated areas requires a policy and procedure which will provide planning, financial and other assistance necessary for encouraging orderly development of well-planned, diversified and economically sound new cities necessary to support the sound development of the state's resources by both the private and public sector. It is the purpose of && 220-460 of this chapter to set out the mutual responsibilities of the private and public sectors to achieve these objectives with a view to securing information valuable to future legislatures so that general legislation applicable to the establishment of development cities may be perfected.

Sec/ 29.18.230 Class of city is designated by DC&RA.

Sec. 29.18.240 Incorporation is achieved by petition of industrial developer and decision by Local Boundary Commission, or by Act of the legislature.
Area must not be served by existing municipality or be reasonably practicable to be served by existing municipality.

Sec. 29.18.250 Petition must include the usual (class, name, boundaries) plus "maps, documents, preliminary economic development projections preliminary population projections, outline of the industrial developer's investigative and development expenditures and its proposed capital program, and other information required by the DC&RA to show that the proposed city meets the standards for incorporation."
Petition also includes local hire agreement.

Sec. 29.18.270 DC&RA to investigate petition and determine whether development expenditures and proposed capital program by developer serve the public interest and demonstrate probability of being carried forward to a successful conclusion.
DC&RA to report findings to LBC.

Sec. 29.18.290 Decision on Incorporation by LBC. Must not be able to be served by existing municipality either by annexation, service area, etc. and must serve the public interst.
There is provision for borough to serve area under contract with developer and implement the proposed development program, but borough may decline to do so.
(preferential designation?)
LBC may dissolve city if development does not take place within 5 years, but decision may be appealed under Admin. Procedures Act.

Sec. 29.18.300 Preliminary planning is to be done by the city and submitted to state. This is preliminary to the final comprehensive plan.
State review is by dev. of planning & research, DC&RA and DEC.

There are time limits throughout pertaining to state action.
DC&RA report on petition -- w/in 60 days
LBC decision on inc. -- within 60 days
State agency review of
preliminary plans --- within 60 days

Sec. 29.18.320 City may not proceed with commitment of funds or formal undertakings for physical development until it produces contracts for sale of company products or other evidence to show it will succeed.
State review, but state must act or city can proceed.

Sec. 29.18.330 Local hire agreement and on-the-job training.
State to assist through its various programs, e.g., recruitment, vocational training, relocation assistance...

DEVELOPMENT STAGE means that period of time extending from the date of incorporation until the population reaches 400 or 5 years has elapsed, whichever is earlier.

Sec. 29.18.340 Council, appointed by Gov., Commissioner of DC&RA and 4 public members (at least 2 members from developer's list of nominees)
Serves at the pleasure of the Gov. Councilmen need not be residents.
Powers -- of school board, if outside a borough
-- of planning commission, with review by state

Sec. 29.18.370 City Executive Director appointed by council (may be a member)
Powers and duties of executives as set out in Title 29.

Sec. 29.18.390 State agencies to insure needs of development city are considered in the allocation of funds for capital improvement projects.

Sec. 29.18.400 Transition. 400 permanent residents.
Gradual election of council members and increase in membership; election of mayor (4th year) and at year 4 may elect to become home rule.
If, after 5 years the population is not yet at 400, DC&RA will order an election of city officials and designate a new class city if appropriate.

Sec. 29.18.410 Council acts as its own housing and urban renewal authority "if such powers have been granted to cities under applicable provisions of law."

Sec. 29.18.420 Land Selection. DNR to get transfer of federal lands to state and then city to select 10%. Cost of survey borne by city.

Sec. 29.18.430 Revenue Bonds may be issued without voter approval during development stage -- just majority vote of the council.

Sec. 29.18.440 Shared Revenues. City is entitled to revenue sharing as per other cities.

Sec. 29.18.450 All provisions of Title 29 apply to development cities.

HB

741

AMENDMENT

To: CSHB 741

Page 1, line 14: After "services," insert "(i)"

Page 1, line 22: After "service", delete the comma, insert a semicolon and the following new material:

"and

(ii) during the fiscal year in which a payment is made under (i) of this subparagraph, payment shall be made to the borough or unified municipality for the portion of the fiscal year during which police protection services are initiated, to be determined at the rate authorized in this paragraph on the basis of the new population ~~of the service area~~ served by the implementation of the police protection service and the fractional portion of the fiscal year in which police protection service is implemented."

Original sponsors: Rudd, Cotten and Miller

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 741

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing state aid for extending municipal police protection services; and providing for an effective date."

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

* Section 1. AS 43.18.010(a)(1) is amended by adding a new subparagraph to read:

(C) in addition to the payment authorized in this paragraph, to facilitate the extension of municipal police protection services, (G) payment shall be made to a unified municipality or organized borough assuming responsibility for police protection services areawide within the municipality, in the area of the borough outside cities, or within a service area of the municipality; the payment authorized by this subparagraph may be paid only in the fiscal year in which extension of police protection is implemented and shall be determined at the rate authorized in this paragraph on the basis of the population to be served by the extension of the service;

* Sec. 2. This Act takes effect July 1, 1978.

M E M O R A N D U M

TO: Lisa Rudd FROM: Annette Smith AS

REF: HB 741, revenue sharing for extension of police services. Memo from Anchorage Municipality, May 15, 1978

The attached memo from the Municipality of Anchorage poses three questions. I checked with the DC&RA for the answers.

(1) When does it take effect?

July 1, 1978

(2) How long will the extra $12/capita extend?

For the first year of operation.

(3) Will a unified municipality or organized borough receive the regular $12/capita for operational costs of the extended service if those services begin on a date other than July 1?

No

Chugiak/Eagle River plans to begin service on April 1, 1979. They will be eligible to receive $12/capita under HB 741 as soon as they apply, (providing the operation is in full swing, ie., providing 24 hour service).

This would be for the period of operation from April 1 to July 1, 1979. Under present statute this period from April to July 1, 1979 would not be eligible.

Then, on July 1, 1979, Chugiak/Eagle River will be eligible for the regular $12/capita allowed under the regular revenue sharing program. The provisions of HB 741 do not come into play at this time.

If the service is begun on July 1 of a given year, then the municipality is entitled to the regular $12/capita plus the extra $12/capita of HB 741. At total of $24/capita if thereby received if the service is begun on July 1.

Muldoon and Sand Lake expect to start July 1, 1978.

Anchorage would like to get the total of $24/capita for the situation in Chugiak/Eagle River, where they expect to start police service in April instead of July.

Anchorage also would like to be given the extra $24/capita when they start to hire personnel and not have to wait until they are providing the normally required 24 hour service.

I do not know how you wish to respond to the Municipality. I understand they have talked directly to the DC&RA. Also, last week at the teleconference they asked the same question. I believe they are only asking the questions as an introduction to their proposed amendment.

annette - do U dope this out, we don't need amendment to my bill. We need amendment to present law, giving pro-rated payment for part of the year service. ~~Only amendment~~ If I am right, plz. have Jack draft -

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MUNICIPAL MANAGER

May 15, 1978

Dear Legislator:

We have three basic questions concerning HB 741: (1) When does it take effect?; (2) How long will the extra $12 per capita extend?; and (3) Will a unified municipality or organized borough receive the regular $12 per capita for operational costs of the extended services if those services begin on a date other than July 1?

We have included suggested language which answers these questions as follows. HB 741 would take effect when the unified municipality or organized borough incurs start-up costs associated with the extension of services. Such start-up costs begin when the municipality or borough begins to select personnel for the extended services.

Under our suggested language the additional $12 per capita would last for an entire year. For example, when the Municipality of Anchorage begins hiring personnel in January 1979, for extension of services to Chugiak/Eagle River in April of 1979, we would receive the additional $12.00 per capita from January 1979 to January 1980.

Finally, because we would be operational in Chugiak/Eagle River in April 1979, and not eligible for the regular $12 per capita for operational costs until July 1979, the suggested language would allow us to receive the regular $12 per capita from April to July 1, 1979.

The suggested language is as follows:

78

Paragraph C

In addition to the payment authorized in this paragraph, to facilitate the extension of Municipal Police Protection services, payment at the rate of $12 per capita on the basis of the population to be served by the extension of the services shall be made to a unified municipality or organized borough assuming responsibility for police protection services areawide within the municipality or within a service area of the municipality; the payment authorized by this subparagraph shall begin when the unified municipality or organized borough begins to incur start-up costs associated with the extension of municipal police protection services, and such payment shall continue for one full year. If the extension of municipal police protection services becomes operational on any date other than July 1, then the payment authorized in (a) of this paragrach shall begin on the date the services become operational.

Would require new fiscal note

departs from general thrust of existing law

This suggested language may present problems regarding appropriation for the regular $12 per capita for operational costs for the extended service, e.g. an appropriation at the time of start-up and an appropriation on July 1.

I will be down in Juneau this week, and then will be ready to discuss this and any other problems with our suggested language for HB 741.

Sincerely,

Mitchell D. Grave
Administrative Assistant
to the Municipal Manager

CC: Mayor Sullivan
Municipal Attorney
Management & Budget Officer
Police Chief

Representative Buchholdt
Representative Bruening
Representative Meakins
Representative Rudd
Representative Cotten
Representative Miller

Municipality of Anchorage
5/78

HB 741: AN ACT PROVIDING STATE AID FOR EXTENDING MUNICIPAL POLICE PROTECTION SERVICES; AND PROVIDING FOR AN EFFECTIVE DATE, and SB 420: AN ACT MAKING A SPECIAL APPROPRIATION TO THE MUNICIPALITY OF ANCHORAGE FOR POLICE PROTECTION; AND PROVIDING FOR AN EFFECTIVE DATE.

The Municipality of Anchorage strongly supports the approval of HB 741. The bill would provide for much needed assistance in helping to defray the start-up costs associated with extending municipal police protection services. Included in such initial costs are the acquisition and training of new police officers prior to the date the extended police protection can be provided, purchase of uniforms, vehicles, communications equipment and other equipment and supplies.

The State of Alaska will also benefit from passage of HB 741. Knowing that the State will assist in defraying the large start-up costs, municipalities may be more encouraged to establish or expand their own police protection services thereby dramatically reducing the state's responsibility for policing in those areas. This would permit a reduction in recurring state expenditures or enable the state to shift its police resources to other areas of the state.

With approval of HB 741, but only with the approval of HB 741, the Municipality of Anchorage would remove its request by SB 420 for supplemental appropriation to the Municipality for extending police protection into the Muldoon/Sand Lake areas effective July 1, 1978. However, we would recommend a supplemental appropriation to a municipality which has made previous commitments to expand police protection services at a time other than July 1st. This would be a pro-rata portion of the year's regular police services state shared revenues to help defray normal police operations (rather than initial start-up costs) from the date of provision of such services until the following July 1st. (In Anchorage's case, police services will be implemented in Eagle River/Chugiak on 4/1/79.)

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MUNICIPAL MANAGER

May 15, 1978

Dear Legislator:

We have three basic questions concerning HB 741: (1) When does it take effect?; (2) How long will the extra $12 per capita extend?; and (3) Will a unified municipality or organized borough receive the regular $12 per capita for operational costs of the extended services if those services begin on a date other than July 1?

We have included suggested language which answers these questions as follows. HB 741 would take effect when the unified municipality or organized borough incurs start-up costs associated with the extension of services. Such start-up costs begin when the municipality or borough begins to select personnel for the extended services.

Under our suggested language the additional $12 per capita would last for an entire year. For example, when the Municipality of Anchorage begins hiring personnel in January 1979, for extension of services to Chugiak/Eagle River in April of 1979, we would receive the additional $12.00 per capita from January 1979 to January 1980.

Finally, because we would be operational in Chugiak/Eagle River in April 1979, and not eligible for the regular $12 per capita for operational costs until July 1979, the suggested language would allow us to receive the regular $12 per capita from April to July 1, 1979.

The suggested language is as follows:

Paragraph C

In addition to the payment authorized in this paragraph, to facilitate the extension of Municipal Police Protection services, payment at the rate of $12 per capita on the basis of the population to be served by the extension of the services shall be made to a unified municipality or organized borough assuming responsibility for police protection services areawide within the municipality or within a service area of the municipality; the payment authorized by this subparagraph shall begin when the unified municipality or organized borough begins to incur start-up costs associated with the extension of municipal police protection services, and such payment shall continue for one full year. If the extension of municipal police protection services becomes operational on any date other than July 1, then the payment authorized in (a) of this paragraph shall begin on the date the services become operational.

This suggested language may present problems regarding appropriation for the regular $12 per capita for operational costs for the extended service, e.g. an appropriation at the time of start-up and an appropriation on July 1.

I will be down in Juneau this week, and then will be ready to discuss this and any other problems with our suggested language for HB 741.

Sincerely,

Mitchell D. Gravo
Administrative Assistant
to the Municipal Manager

CC: Mayor Sullivan
Municipal Attorney
Management & Budget Officer
Police Chief

Representative Buchholdt
Representative Gruening
Representative Meekins
Representative Rudis
Representative Cotten
Representative Miller

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill no. 741

Title "An Act providing state aid for extending municipal police protection services"

Requested by House Community & Regional Affairs Date 2/14/78

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Development

Budget Request Unit(s) Affected Municipal Revenue Sharing

EXPENDITURES (Thousands of Dollars)

		FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		680.4	Ø	585.4	Ø	
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		680.4	Ø	585.4	Ø	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions

1. Municipal residents currently receiving state aid for police protection services would not be counted under this bill.
2. Populations have been upwardly adjusted at the annual compounded rate of 2 1/2%.
3. The Muldoon, Sand Lake, Chugiak and Eagle River service areas of the Muncipality of Anchorage will be eligible for payments during fiscal year 1979.

IV. DATE 2/15/78 PREPARED BY Bruce Aronson Bruce Aronson

AGENCY Department of Community and Regional Affairs

PHONE 465-4700

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) ✓

33–001 (Rev. 12/77)

4. The population of the Fairbanks North Star Borough and the City and Borough of Juneau will be receiving municipal police protection services during fiscal year 1981.

5. No other boroughs will assume additional police protection services.

6. No major changes in the State's Department of Public Safety policies are anticipated.

7. Assumption of services may be areawide, nonareawide, or on a service area basis.

HB

760

Senate bill take off taxes - ?

fiscal note -

Introduced: 2/27/78
Referred: Finance

IN THE HOUSE

BY PHILLIPS, GRUENING AND MEEKINS

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 760

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the registration tax on motor vehicles."

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

* Section 1. AS 28.10.255(b) is amended to read:

(b) The tax is levied upon motor vehicles subject to the license tax under sec. 200 of this chapter, not including mobile homes, and is based upon the age of vehicles as determined by model year according to the following schedule:

	Tax According to Age of Vehicle Since Model Year:							
	1st	2nd	3rd	4th	5th or over (unless prescribed)	6th	7th	8th or over
Motor Vehicle								
(1) motorcycle	$ 8	$ 7	$ 6	$ 5	$ 4			
(2) vehicles specified in sec. 200(b)(2) of this chapter	60	50	40	30	20	$15	$10	$ 5
(3) vehicles								

	specified					
	in sec.					
	200(b)(3)					
	of this					
	chapter	60	50	40	30	20
(4)	vehicles					
	specified					
	in sec.					
	200(b)(4)					
	of this					
	chapter					
	5,000					
	pounds					
	or less	60	50	40	30	20
	5,001-					
	12,000					
	pounds	100	80	60	50	40
	12,001-					
	18,000					
	pounds	150	120	100	80	60
	18,001					
	pounds					
	or over	200	160	130	100	80
(5)	vehicles					
	specified					
	in sec.					
	200(b)(5)					
	of this					
	chapter	100	80	60	50	40

(6) vehicles specified in sec. 200(b)(6) of this chapter	8	7	6	5	4
(7) vehicles specified in sec. 200(b)(7) of this chapter	60	50	40	30	20
(8) vehicles specified in sec. 200(b)(8) of this chapter	60	50	40	30	20
(9) vehicles specified in sec. 250 of this chapter	40				

* Sec. 2. AS 28.10.255 is amended by adding a new subsection to read:

(i) A resident 65 years of age or older is entitled to an exemption from tax levied under (b)(2) of this section for one motor vehicle subject to license tax under sec. 200(b)(2) of this chapter. No exemption may be granted except upon written application for exemption on a

form prescribed by the department. The state shall reimburse a borough or city, as appropriate, for the tax revenues lost to it by the operation of this subsection.

February 1, 1978

Mr. Jerome R. Sager
1774 Dimond Parkway
Anchorage, Alaska 99507

Representative Lisa Rudd
2827 Lore Road
Anchorage, Alaska 99507

Dear Representative Rudd:

The vehicle registration tax legislation passed two years ago is much in need of revision for the following reasons:

(1) Registration tax is not deductible from Federal Income Taxes, while Personal Property Taxes are deductible. The wording of the present registration tax could be revised to correct this.

(2) The owner of an old car, regardless of the value of the car, must pay $20.00 in tax. This means that a car valued at $200.00 pays $20.00 tax or 10%. This violates the States rule prohibiting municipalities from levying a property tax higher than 30 mills.

(3) A person endeavoring to conserve by buying a smaller car must pay a tax equal to any larger car of this same year. In our present energy conscience society this seems counter-productive.

I urge you to give this some consideration.

Incidently, as a result of this legislation that will "reduce the average taxpayers personal property tax," my tax increased 400%.

Sincerely,

Jerome Sager

Jerome R. Sager

JRS/rrp

HB 760

7± chevelle

$3,000

February 16, 1978

Ms. Lisa Rudd
Representative for Dist. 11 - Senate Dist. I
Pouch V
Juneau, AK 99811

Dear Ms. Rudd:

We are writing in regards to the fee schedule on our new 1978 vehicle registration forms.

As far as we are concerned, the base tax fee of $20.00 for vehicles with a model year of 1974 and older is far too high.

Last year, our two older model automobiles were valued at a combined value of $300.00, and we paid approximately $3.00 tax on the two vehicles!! Now we are expected to pay $40.00 tax and an additional $60.00 in registration fees!! That is a very high expense for the value of the two cars. Don't you think?

Something must be changed, and we are counting on you to help us get the base tax fee lowered, for older model automobiles, to no more than $5.00. This is a much more reasonable figure.

Thank you so much for your time and help.

Sincerely,
David R. Sweezey
Christie A. Sweezey

David R. Sweezey
Christie A. Sweezey
3031 North Circle
Anchorage, AK 99507

G — see if our standard MV letter works. Thanks. J.

P. O. Box 492
Girdwood, Alaska 99587
February 28, 1978

Representative Lisa Rudd
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

I am upset about the rate schedule for personal property tax on motor vehicles now being collected by the State for the Municipality of Anchorage. The method of collection seems fair and reasonable: that does not concern me. But the rate schedule for this tax is inadequate to the point of being unjust and inequitable.

Last year I paid personal property taxes to the Municipality of Anchorage in the amounts of $2.64 for my automobile and $1.52 for my motorcycle. This year, under the new system, I am being charged $20 for the same car (now 11 years old) and $4 for the same motorcycle. I am sure you would agree that this is an unreasonable and unjustifiable increase in my taxes.

While I am being overtaxed for my older car, the owner of a new car, according to a source in the Municipal Tax Assessor's Office, may be undertaxed by an even greater amount. In addition, under this rate schedule the owner of a new $40,000 Rolls Royce will be taxed exactly the same amount as the owner of a new $5,000 Volkswagen.

I am certain that a more equitable rate schedule for motor vehicle taxes can be put into effect without a great deal of difficulty. And, with a new rate schedule, it is possible that more tax would be collected than presently.

Please see what you can do on this matter. May I look forward to some tax relief this year or am I stuck with a 750% tax increase on my car?

Thank you very much.

Sincerely,

Pat Preis

Pat Preis

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

ANCHORAGE ASSEMBLY

February 8, 1978

Senator Ed Willis
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Ed:

Thank you for your quick response to the auto registration tax problem. I have a copy of your Senate Bill 471 which was introduced on February 7th and referred to State Affairs and Finance.

The tax deductibility problem seems to be taken care of by the name change from "Annual Motor Vehicle Registration Tax" to "Annual Motor Vehicle Property Tax." Property taxes generally are deductible while registration taxes are not. Additionally, the reference on line 13 to a percentage of fair market value is indicative of the fact that the tax is indeed ad valorum oriented and thus deductible qualified.

The election to pay one and one-half percent of value in lieu of the tax set forth in the table is a good stroke. This will properly address the problem of older, low value vehicles and will restore everyone's original intent that older vehicle owners would pay their fair share but not more. I cannot assess the impact of paperwork on Department of Revenue but you might expect that department to raise some concern. I expect that other alternatives to solution of the problem might surface once the bill goes to hearing.

The exemption of one vehicle from taxation for the elderly will be welcomed by persons in that group. Seniors have always been subject to personal property tax (even under the old system) so this is a new benefit for them. I have no problem with this since the State will reimburse the municipality for any potential lost revenue. I don't know whether this section will receive flak from representatives of other jurisdictions which do not levy such a tax or whether the statewide price tag on such an exemption is one which is affordable. Again, I am sure this will all be hashed out in committee.

Ed, let me thank you for your responsiveness on this. You have pointed out that several changes may take place once the committees start their review. Regardless of the exact end product you are to be commended for starting things moving.

Sincerely,

Dave

Dave Rose

[illegible]

I AM GOING TO TRY AGAIN TO SEND TWO PAGE LETTER AND I HAVE POST TO SEN. WILLIS VIA CRT.

TO: SENATOR ED WILLIS

SUBJECT: TESTIMONY FOR STATE AFFAIRS COMMITTEE, FEB. 16, 1973, REGARDING AUTO REGISTRATION TAX

FROM: DAVE ROSE, ANCHORAGE MUNICIPAL ASSEMBLYMAN

GOOD AFTERNOON, I REGRET THAT I AM UNABLE TO BE IN JUNEAU WITH YOU TODAY TO DISCUSS THE PROBLEMS BEING ENCOUNTERED WITH THE AUTO REGISTRATION TAX IN ANCHORAGE. I DO APPRECIATE, HOWEVER, THE OPPORTUNITY TO ENTER THIS TESTIMONY AND AM PARTICULARLY APPRECIATIVE OF THE COMMITTEE'S WILLINGNESS TO DISCUSS THE MATTER AND SEEK SOLUTIONS.

BASICALLY THERE ARE TWO PROBLEMS: FIRST, THE TAX ADVERSELY AFFECTS THOSE WHO OWN OLDER VEHICLES IN THAT IT PROVIDES HIGHER TAXATION UNDER THIS SCHEME THAN UNDER THE OLD PERSONAL PROPERTY TAX SCHEME. SECONDLY, THERE IS A STRONG PROBABILITY THAT THE CURRENT TAX IS NOT INCOME TAX DEDUCTIBLE WHEREAS THE OLD PERSONAL PROPERTY TAX WAS DEDUCTIBLE.

THIS MATTER WAS DISCUSSED BEFORE THE ANCHORAGE ASSEMBLY UNDER SPECIAL ORDERS OF BUSINESS ON TUESDAY EVENING, FEB. 14, 1973. AT THAT TIME THE ASSEMBLY DISCUSSED THE BILL BEFORE YOU THIS AFTERNOON AS WELL AS ALTERNATIVES. THIS TESTIMONY REPRESENTS THE POINT OF VIEW OF THE ANCHORAGE MUNICIPAL ASSEMBLY.

WITH RESPECT TO TAXATION DEDUCTIBILITY: THE ASSEMBLY FULLY SUPPORTS THE PROPOSED CHANGE OF THE NAME OF THE TAX FROM "REGISTRATION" TO "PROPERTY". THIS MAY ASSIST IN CONVINCING INTERNAL REVENUE THAT WE ARE TALKING ABOUT THE TYPE OF TAX WHICH IS DEDUCTIBLE.

WITH RESPECT TO ADJUSTMENT OF TAX RATES: TESTIMONY BY THE MUNICIPAL ASSESSOR INDICATES THAT 65 PERCENT OF OUR PEOPLE PAY LESS TAXES UNDER THE AUTO TAX APPROACH THAN UNDER THE PERSONAL PROPERTY TAX APPROACH; 15 PERCENT PAY ABOUT THE SAME, AND 20 PECENT PAY MORE. THOSE WHO PAY MORE ARE THOSE WHO OWN THE OLDER VEHICLES. WE HAVE DOUBTS THAT THE ELECTION TO PAY ONE AND ONE HALF PERCENT OF FAIR MARKET VALUE - AS PROVIDED IN SB 471 - IS GOING TO BE ADMINISTRATIVELY WORKABLE. IT IS PERHAPS THE FAIREST APPROACH BUT PROBABLY WILL BE EXTREMELY COSTLY TO EXECUTE. FOR EXAMPLE, THE TAXPAYER WHO HAS A ONE DOLLAR DIFFERENCE BETWEEN THE TAX TABLE AND THE ELECTION WOULD PROBABLY TAKE THE ELECTION ROUTE THUS INCURRING A HIGH GOVERNMENT COST IN EXCESS OF THE ONE DOLLAR SAVED.

THE ASSEMBLY RECOMMENDS THAT SB 471 BE ALTERED TO PROVIDE FOR AN EXTENSION OF THE EXISTING TABLE FOR AUTOMOBILES. PROVIDE FOR A SIXTH YEAR AT AT TAX RATE OF 15 DOLLARS; A SEVENTH YEAR AT 10 DOLLARS AND AN EIGHT YEAR AND OLDER COLUMN AT 5 DOLLARS. WE FEEL THAT ALL VEHICLES, REGARDLESS OF AGE, SHOULD PAY AT LEAST FIVE DOLLARS AND THAT THE CHART SHOULD NOT BE CUT OFF IN SUCH A MANNER AS TO PROVIDE FOR NO TAX AT ALL ON SOME VEHICLES.

THE ASSEMBLY DID NOT DISCUSS THE PROVISION OF THE BILL WHICH PROVIDES EXEMPTION FOR THE ELDERLY AS THERE HAS BEEN NO INITIAL REQUEST FOR SUCH AN EXEMPTION. IF THE EXEMPTION IS PROVIDED, WE CONCUR WITH THE WORDING IN THE BILL; PARTICULARLY THAT WHICH APPEARS ON LINES 21 AND 22.

I HOPE I HAVE BEEN OF SOME HELP IN THIS MATTER. IF YOU HAVE QUESTIONS, I [illegible]

SSHB
760

DEPARTMENT OF PUBLIC SAFETY
DIVISION OF MOTOR VEHICLES

The Honorable Randy Phillips
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

February 28, 1978

RE: SSHB 760

Dear Representative Phillips:

In an attempt to respond to your request for a fiscal note dealing with Section 2, of SSHB 760, I want to make you aware of the fact that the following figures are based upon certain assumptions. The department does not have the data required to give you an accurate projection of lost revenue in these communities.

According to the Office of the Aging there are approximately 2432 people in the three communities affected by this bill who are age sixty-five (65) or older. There are 1727 in Anchorage, 540 in Ketchikan and 165 in Petersburg.

In order to provide you with approximations the following assumptions were made:

(1) We assumed that 65% of the people in this category own vehicles.
(2) We assumed that the average age of these vehicles was four years.
(3) We assumed that all of these vehicles were passenger vehicles.

Given these assumptions the projected revenue loss is $47,430.00. This is broken down as follows:

	# 65 or older	# Vehicles	Revenue Lost
Anchorage	1727	1123	33690
Ketchikan	540	351	10530
Petersburg	165	107	3210
Totals:	2432	1581	47430

If we can be of further assistance please contact us again.

Sincerely yours,

Robert J. Stickles
Chief of Driver Services
Division of Motor Vehicles

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 760

Title "An Act relating to the registration tax on motor vehicles."

Requested by Phillips, Gruening and Meekins Date 2/3/78

II. FISCAL DETAIL

Agency Affected Department of Public Safety

Program Category Affected n/a

Budget Request Unit(s) Affected n/a

EXPENDITURES (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND			30.0	30.0	32.0	35.0
FEDERAL FUNDS						
OTHER (Specify)						
Program Receipts			(30.0)	(30.0)	(32.0)	(35.0)

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

$10-reduction of collection on each vehicle over 5 years old

64,000 - vehicles effected by reduction at 5% commission rate

Net result is $30,000.00 estimated loss of program receipt revenue

IV. DATE 2/16/78 PREPARED BY Trygve R. Hermann, Director, Admin. Services

AGENCY Department of Public Safety

PHONE 465-4322

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 10/76)

HB
766

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislature

ATTENTION Lisa Rudd

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

Remarks:

FROM:
MAIL STATION NUMBER ~~3100~~ 0800

DEPARTMENT CED

BY Insurance DATE 4/24

02-002 (REV.10/73)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
Division of Insurance

The Honorable Richard Eliason
House of Representatives
Alaska State Legislature

April 25, 1978

Richard L. Block
Director

You asked me the other day if I could provide you with the copy of conditions that I suggested be imposed, should municipalities allow unbonded contracts of up to $250,000.

What is attached is the information which I provided the Community and Regional Affairs Committee at their hearing on HB 766.

This is indeed a very rough cut at some suggested conditions and is not to be interpreted as either exact or entirely all necessary, but does point out the approach that I think ought to be taken, should any governmental agency allow the use of unbonded contracts for work of any significant size.

Should this be offered as an amendment on the floor, I would urge that there be some minor modifications to reflect some additional information which I have received concerning these conditions.

Should you desire, I would be happy to provide you with a draft of a modified list of suggested conditions.

RLC:lc2:7
cc: Lisa Rudd, Chairman
Community and Regional Affairs
Committee of the House

Additional material requested from Div. of Ins.
AS

The State, or a political subdivision of the State, may award a contract of up to $200,000 without the requirement of bond, provided all of the following conditions are met:

(1) The contractor is, and for five years immediately preceding the award of contract has been, a licensed contractor having its principal offices in the state;

(2) The contract is for alteration, repair or maintenance of existing buildings or improvements and requires the performance of substantially all work by the contractor utilizing his own tools, equipment and employees, and requires the contractor to use no subcontractors.

(3) The contractor has a financial statement as of no earlier than nine months prior to submitting the bid for the contract, certified by a certified public accountant showing:

(a) a net worth of no less than 20% of the face amount of the contract;

(b) A profit from contracting operations for at least both of the last two fiscal years preceding the award of the contract, and for at least three of the last five years preceding the award of the contract;

(c) The contractor has not defaulted on any contract awarded him in the last three years.

(4) The contractor provides evidence that he has fully performed contracts of similar work in the state in both of the last two years preceding the award of the contract.

(5) The total amount of all contracts being performed by the contractor during the term of the subject contract, including the contract being awarded under this statute, does not exceed seven times the net worth of the contractor.

(6) The State, or political subdivision, awarding the contract has received bids from at least three other contractors, whose bids are accompanied by a bid bond or who meet the qualifications of this subsection, and the successful contractor's bid is not less than 10% lower than the average of all bids on the same job

(7) The State, or political subdivision, establishes a disbursement procedure wherein:

(a) funds are disbursed in periodic progress payments relating to the amount of work performed to date of disbursement;

(b) No less than 10% of each disbursement is withheld to the end of the contract to assure completion fo the contract;

(c) the State or political subdivision performs such audits and requires such lien releases as is appropriate to assure payment of all employers of and suppliers to the contractor.

A M E N D M E N T

Offered in the HOUSE By Rudd

TO: CS FOR HOUSE BILL NO. 766

Page 1, lines 12 - 15: delete all material and insert the following:

Sec. 36.25.025. EXEMPTION BY MUNICIPALITIES. (a) A municipality may exempt contractors from compliance with the provisions of sec. 10(a) of this chapter if

(1) the contract is one for the alteration, repair or maintenance of an existing building or improvement and

(2) the estimated cost of the project does not exceed $250,000.

(b) An exemption authorized by this section shall be granted by ordinance. No ordinance is effective to grant the exemption provided in this section unless it

(1) establishes or incorporates by reference a provision for disbursement by which

(A) funds are disbursed in periodic progress payments in relation to the amount of work performed under the contract to the date of disbursement;

(B) not less than 10 per cent of each disbursement is withheld by the municipality to the end of the contract; and

(C) lien releases sufficient to assure payment of all employees and suppliers of the contractor are required; and

(2) provides that

(A) a contractor claiming the benefit of the exemption has been a licensed contractor for at least two years preceding the award of the contract and has his principal office in the state;

(B) the contractor has not defaulted on any contract awarded to him during the three years preceding the award of the contract; and

(C) the contract requires substantially all work by the contractor utilizing his own tools, equipment and employees, and prohibits the use of subcontractors.

TO: Lisa FROM: Annette

HB 766

I talked with Rocky Gutterrez of Sitka about this bill. He said he believed the bill was proposed by small contractors who have difficulty getting adequate bonding for projects.

Construction performance bonds apparently are based on the contractor's experience and his assets -- mostly finances, plus various other small details such as the contractor's financial statements must be done by a CPA. Cost of a bond is based on a percentage of the project -- usually 1.5%.

Performance bonds come into play when a contractor defaults on the contract for some reason, like bankruptcy, Then the insurance company picks up the tab or finishes the project as the case may be. Mr. Gutterrez says there have been times when it took the city 2 years to collect from the bonding company.

Mr. Gutterrez favors the legislation in that it allows municipalities to use local contractors who may not be able to get a performance bond. The cost of the bond is just added on to the bid price, he says. (That cost, on a $250,000 project at 1.5% would be an additional $3,750.) There are contractors in Sitka who are perfectly capable of doing small projects for the city but are unbonded and the city believes it is good policy to give the local guys the jobs. Sitka handles such situations by requiring the deposit of a 25% performance cashiers check with the city. This narrows the field at the outset. The municipality also provides for advance payments on materials once presented with all the invoices for same. Rocky believes most $250,000 jobs would be preferably handled this way by the city rather than requiring a bond. But, he said, there may be instances when the city would believe that the project risk is such that a performance bond would be desireable. In that case, such would be required in the contract specifications.
I would say that Sitka has things under control.

Small contractors do have difficulty obtaining bonds. I guess this is due to the conservative nature of the insurance business and the bad track record which Alaska has. (There have been several defaults in the state, particularly to the Westward.)

There are very few bond brokers in Alaska and they remain in the larger towns like Anchorage and Juneau. The bonding companies are generally in Seattle. I talked with Dawson Company here in Juneau who do some bond brokering. They say it is particularly hard on small contractors in small towns becuase there is little or no money in bonding these outfits and they do not have access to the bond brokers. It is not worthwhile for Dawson to go out to the towns to check out these small outfits. Also, bonding companies (these being the big guys in Seattle) require CPA financial statements for the contracting companies. Many smaller towns do not even have a CPA nearby.

This bill can be seen as helping the small contractor in a small municipality who normally cannot obtain the necessary bonding. And it may be seen as a help to the small municipality from the stand point of their desire to use local contractors for small projects. My only comment is that it is the small contractor who is most likely to default on a contract and it is the small community which is least likely to have the money to pick up the tab or to pay the expenses of prosecuting through the courts. While there is argument that a municipality need not pass such an ordinance, it is also the small municipality which is most likely to yield to pressure from a local contractor to pass such an ordinance. Very often it is the weight of the state or the restrictions in state statutes which guides local decisions and keeps them out of trouble.

HB
781-782

COMMITTEE REPORT

HOUSE

2/9/78

FURTHER: FINANCE

Date: 3-24-78

Mr. Speaker:

The Committee on C&RA has had HB 782
"An Act providing for the issuance of g.o. obligation bonds in the amount of $30,106,000 for the purpose of paying the cost of cultural facilities; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) 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 _____ ( ) new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

Robert Ellis
Niels O. Anderson Jr. Do Pass
Merle Y. Snider Do PASS
K Rudd - do pass if HB 731 amended
Tim Kelly
_____
_____
_____
_____

OTHER RECOMMENDATIONS:

Vote Last Week
_____
_____
_____
Do Not Pass Unless Amended
_____
_____

K Rudd
Chairman

H 60 (rev. 6/77)

COMMITTEE REPORT

HOUSE

2/9/78

FURTHER: FINANCE

Date: 3-27-78

Mr. Speaker:

The Committee on C&RA has had HB 781
"An Act authorizing state aid to municipalities for the construction and development of cultural facilities."

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) 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 781

and _____ ( ) new title (X) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

P.S.O.P. with Draft

Hobart Anderson DoPass

Merle H Snider DO PASS

Tom Kelly

OTHER RECOMMENDATIONS:

Not known NO Rec

Do Not Pass unless amended

J B Rudd
Chairman

H 60 (rev. 6/77)

CULTURAL FACILITIES DEVELOPMENT COMMITTEE

(Preliminary Data for Bond Issue)

Contact person:
Shirley Rediger
State Coordinator
586-6806 Juneau
225-3077 Ketchikan
127 So. Franklin St.
Juneau, AK 99801

Allan Gregg
President, CFDC
Box 1069 1078
Wrangell, AK.
Phone 874-3570

BACKGROUND:

A state wide hearing conducted by the Alaska State Arts Council in 1974 revealed a crucial needs for cultural facilities in most Alaskan communities.

A direct resultant of this hearing was the formation of a state committee. This committee developed the concepts and found funding for a Theater Development Project, a unique experiment in a community arts planning. An appropriation of 68,000 from the Alaska Legislation, 10,000 grant from the National Endowment For The Arts, and 5,000 from each participating municipality was secured. This funding allowed communities to hire consultants and technicians to implement the planning process. For the most part, communities used the services of Eldon Elder Associates, Inc., 27 West 67 Street, New York, New York 10023.

The plans developed for each community are available under separate cover. A typical report of the planning and research in each community includes the following:

History of the Project
Community Characteristics
Plan Development
Cost of Project
Site Selection
Recommendations for Future Action

At the present time the Cultural Facilities Development Committee has engaged a part time executive to assist the committee is compiling the data necessary to promote and implement a bond issue which will provide the funds necessary to build these Cultural Facilities.

This is a brief outline of the Cultural Facilities Development for your initial review.

However, detailed data available by November 1st on these facilities will include:

1. Comprehensive report from Eldon Elder Associates or other theater consultants. (see sample book attached)

2. Summary statement of the facility: purposes for which it will be used; why it is needed; what benefits will accrue the community; how maintenance staffing and programming for the facility will be financed.

3. Summary of physical layout: space allocations, dimensions and schematic drawings, if possible.

4. Site acquisition: a copy of written agreements where applicable.

5. Cost breakdown: architect's and engineer's fees, equipment, parking, inflation (1979-80 construction target dates) 1% construction cost for art works.

6. Official letter or resolution from municipality to show municipality's willingness to administer funds for construction and management of facility (if appropriate).

Annette - I guess we need all this info for our deliberations on the bond proposal —

COMMUNITIES INVOLVED IN THEATER DEVELOPMENT PROJECT

Eleven 12 communities have been involved in planning for a cultural facility. The communities are as follows:

Anchorage	Naknek
Angoon	Petersburg
Cordova	Sitka
Dillingham	Skagway
Haines	Juneau
Ketchikan	Kodiak

BRIEF SUMMARY DESCRIPTION OF EACH FACILITY

ANGOON: Contact Person

Maxine Thompson
City Clerk
P. O. Box 189
Angoon, AK

This cultural facility will be called the Living Museum. Its primary purpose will be to serve as a museum for the artifacts owned by the community.

The building will be fireproof which will maximize the security of the art objects. Local clans and individuals may deposit their artifacts in this facility for safe keeping and may check them out to use for dancing, pay-off parties or other Indian activities. Another facet of the proposed facility will be space and equipment which can be used for cultural arts activities, particularly, Tlingit dancing, movies, speakers, lectures and so on. It is felt that this building will be great asset in developing tourism.

The building is 2,000 square feet of space and will cost $500,000. City land will be used and the City will own the facility.

ANCHORAGE: Contact Person

Betzi Woodman
117 E. Cook Avenue
Anchorage, AK 99501
Phone 277-0764

Roy H. Helms
Alaska State Council
on the Arts
619 Warehouse Avenue
Suite 220
Anchorage, AK 99501
Phone 278-1558

Anchorage's cultural facility will be part of the Anchorage Center, a complex for cultural, recreational, community and convention activities. The need for an Arts facility has been defined by the Mayor's Advisory Committee. 138 groups performed in Anchorage in 1975 and an estimated 250 groups performed in 1976. The existing facilities cannot accommodate the demand for space. It is felt that an arts facility would greatly enhance the ability of the local groups, such as the Civic Ballet, Civic Opera, Symphony, Community Chorus and Community Theater to offer more and better quality performance to Anchorage residents.

The Cultural Facilities Development Committee has budgeted 25 million for this facility.

CORDOVA: Contact Person

Chris Putnam
P. O. Box 518
Cordova, AK
Phone 424-7369

The proposed building in Cordova -- The Cordova Arts and Humanities Center, is conceived as a facility available for use by schools, the community, and outside groups for performances and other purposes. The primary use of the building will be for a 350 seat theater with a secondary use as an Arts and Crafts school and show area. Cost of facility $3,420,000.

DILLINGHAM: Contact Person

Dorothy Anderson
P. O. Box 234
Dillingham, AK
Phone 842-5302

A multi-purpose cultural facility is being planned for Dillingham. This building will have many functions including performing arts, day care center, community education, radio broadcasting and university extension courses.

Dillingham is the center of a 10 village community and this facility will serve the entire region as well as the village of Dillingham. The cost of the facility is 9 million. The city of Dillingham agrees to own the facility. A site is available for this building.

HAINES: Contact Person

David Y. Nanney
General Delivery
Haines, AK 99827
Phone 766-2763

The city of Haines is renovating and expanding the Chilkat Center for the Arts. The Chilkat Center for the Arts is an historical building renovated in 1967. The proposed renovation and improvement program will provide much needed equipment and space to insure that a complete facility which will meet the needs of the community will exist in Haines. This will include renovation of heating and plumbing systems, improved building insulation and fire protection, renovation of second floor space to a multippurpose social center and rehearsal room, expanded lobby and display space, construction of a new wing to house shops, dressing rooms, storage areas, and new mechanical equipment and improvements to lighting and sound equipment. Cost of project is $1,474,614.00

KETCHIKAN: Contact Person

John W. "Jack" Shay Jr.
P.O. Box 3159
Ketchikan, AK 99901

Ketchikan is developing a plan for a multi-purpose cultural facility that will implement furthering both the performing and the visual arts in a manner that will enhance the artist and his work, the cultural opportunities of the local community and the interests and needs of visitors to Ketchikan. A 400 seat theater is planned. Basic structure will be approximately 15,320 aquare feet. Total cost of project is $6 million.

JUNEAU: Contact Person

Jane Stewart
925 Calhoun
Juneau, AK 99801
Phone 586-1220

Juneau will be building a Performing Arts Center. This proposed new center will contain 5900 square feet of floor space. A medium size theater capable of holding 700 to 750 people and a smaller flat floor "forum" with retractable theater seating capable of holding 20 to 250 persons for meetings and cultural presentations. The building also would contain a scenery workshop, costume workshop, a crafts shop for local artists, dressing rooms, rehearsal halls, a performer waiting room (green room), besides office space and radio and future television operations. Projected cost of this facility is $12.3 million.

KODIAK: Contact Person

Gerald C. Wilson
P.O. Box 1792
Kodiak, AK

The Kodiak Community Center will be a round type construction quite similar to the center in Fairbanks. It will be used by every people-oriented organization in Kodiak for art, dance, craft, theater workshops, meetings, crab festivals, state activities, conventions, meetings, education, fisheries oriented businesses, U.S. Coast Guard functions. Kodiak growth makes the Community Center essential to the community's survival. Projected cost is $4 million.

NAKNEK: Contact Person

Anita Erickson
Box 136
Naknek, AK 99633

A community cultural center museum is proposed in Naknek. This will be a single story 8 room building with 2,152 total square feet. This facility will provide a focal point for local cultural programs. Artists could arrange displays and instruction sessions using the facilities. By viewing museum exhibits, visitors to the area could obtain an idea and an appreciation of the transition in life styles that has ocurred locally in recent time. At the present time the oral history program and the collection of historical objects are stored in a Bristol Bay Borough school building.

The shortage of storage space in the school may force these accumulated historical materials to be stored in private homes.

The cost of this building will be ~~$50,000~~ 400,388.

PETERSBURG: Contact Person

Syd Wright
Petersburg High School
P. O. Box 289
Petersburg, AK 99833

The proposed Petersburg Fine Arts Center has a 350 seat theater with supporting rooms, a lobby arts and crafts display area, an arts and crafts room and space for the local FM radio station. This theater will be built on school property. The proposed facility will be a community center and open to use by everyone. The maintenance, staffing and programming will be carried out under the existing school administration structure with the possible addition of a part time technical theater person. The cost of proposed project is $3,549,910.

SITKA: Contact Person

Jan Craddick
P. O. Box 678
Sitka, AK 99835
Phone 747-8581

The proposed Intercultural Arts Center in Sitka is a 68,000 square foot arts center which has been designed to house both the performing and visual arts. The center spaces will include a 750 seat procenium theater, 250 seat arena where productions can be staged in-the-round, a high security art exhibit area, two low security areas for art displays, a community crafts workshop, scene and costume shops, a green room and office spaces. Most if not all of these spaces can be used for a variety of functions. The theater can be used for dramatic and musical productions, for conventions and for public meetings. The arena can also house conventions, and when its bleacher seating is folded back can serve from a caterer's kitchen, 200 in a banquet setting.

The projected construction and equipment cost for the facility is$9.5million (if the building is completed in 1980) as opposed to $7 million if it were built today.

SKAGWAY: Contact Person

Diana Cates
President, Skagway Arts Council
P. O. Box 116
Skagway, AK 99840

The initial plans for performing arts facility in Skagway were to renovate the old railroad depot. The railroad building would be remodeled to accommodate a theater/auditorium, office/exhibition center. Since this building is owned by the U.S. Department of Interior National Park Service, a cooperative joint effort with the city has been attempted. However, at this point in time, the National Park Service has taken the position that the plans conceived by the theater consultant, Eldon Elder are too ambitious and may be in conflict with the National Historical Preservation Act (Section 106)

Since the Skagway community and the Park Service are in an apparent "stalemate" position at this time, the Skagway Performing Arts Center will not be included in the bond package, unless the difficulties are resolved in the next 30 days.

Cultural Facilities Development Committee
(Data for Bond Issue)

UPDATE

SKAGWAY: Contact Person

Dianna Cates
Executive Secretary
Skagway Fine Arts Council
P.O. Box 116
Skagway, Ak. 99840
Ph. 983-2378

The Skagway cultural facility plan has been updated and revised to create a new multi-purpose cultural building. The updated plans include theatre, museum, archives, court space, city government offices, and day care. The building will provide a civic center for a growing population and for the 100,000+ tourists who visit Skagway each year. For this new facility projected cost is 4.7 million

Dear Legislator:

The informational packet you received concerning 12 communities' projected Cultural Facilities did not include this update on Skagway's plan. Please include this in your information about the Cultural Facilities Development Committee.

If additional information is needed at this time, please call the CFDC Coordinator, Shirley Rediger, at 586-6806.

How choose facilities - ?

How many munis. have built civic centers or sports facilities?

Day care centers - ? Office space - ?
Mtg. rooms - ? Convention centers - ?

Oregon -
'88 1st projects chosen - ?

What dept shd. proj. be in - ?

2/22/78

CULTURAL FACILITIES GRANT PROGRAM

HB 781 by Duncan, et. all

Adds a new section to AS 43.18 , State Aid to Local Governments

The bill establishes within the Department of Commerce a cultural facilities fund and grant program to assist municipalities in construction and development of cultural facilities.

Funds are from either direct appropriations or bond issue.

Grants are limited to only one per municipality and the municipality must show active participation in a share of the construction costs and the full maintenance and operation of the completed facility.

Applications must be submitted for review and comment by the Advisory Commission on cultural facilities.

By signed agreement with the Department of Commerce, municipality must
-- have title or extensive lease to the land for the facility;
-- provide the local share of the construction costs;
-- return any excess funds;
-- proceed expeditiously;
-- but not substantially depart from the approved plans;
-- assume costs of maintenanceand operation either directly or by delegation to an approved organization;
-- have the feasibility of the project approved by department

Municipality must use the facility for stated purposes or reimburse the state.

Formula for Local Share

average per capita assessed valuation of municipality/ average per capita valuation of the state x maximum contribution percent to estimated total project cost.

Maximum contribution required -- based on population

Up to 5,000 = 10%
5,001 to 10,000 = 20%
10,000 + = 30%

Land Match. The fair market value of the site land is allowed as part of the city contribution.

Priority list. The bill recongizes funds appropriated may not be sufficient to cover all projects approved. Commissioner of Commerce is to establish a priority list based on regulations.

Cost Overruns. If actual project costs are more than anticipated -- Commissioner may provide additional funds but ratio of state/local participation is maintained.

Annual Report to Legislature. Commissioner reports annually to Legislature on grant program and activities and expenses of the Advisory Commission.

Regulations. Commissioner may adopt regulations to carry out the program.

Definitions: "cultural facility" means a structure or complex the principal purpose of which is to serve the visual and performing arts, including but not limited to a theatre, concert hall or gallery, or to serve as the repository of the historical or contemporary heritage of the community and its people;"

Advisory Commission on Cultural Facilities.

Advisory Commission is under the Department of Commerce
Five members appointed by the Governor from recommendations of the Arts Council.
No pay except travel and perdiem
Maximum 4 meetings/year.
Duties: Advise commissioner regarding approval of grants.

HB 769 by Parr

Deletes all reference to the Advisory Commission on Cultural Facilities.

Land may not by part of the local match.

SSHB 769

Establishes the cultural facilities fund and grant program in the Department of Community and Regional Affairs.

Local share:

50% of total project costs if municipality is not in a "poverty area"

20% of total project costs if municipality is in poverty area and 1/2 of the local share may be in-kind.

Sets a time limit for adoption of department regulations for determination of a priority list of applicants (90 days from the date of the Act).

Definition of cutural facility different:

"cultural facility" means a structure or complex the principal purpose of which is to serve the visual, performing or fine arts, including but not limited to a theatre, concert hall or gallery;" /or to serve as the repository of the historical or contemporary heritage of the community and its people/ ← NOT INCLUDED IN SSHB769.

"poverty area" means a district in which 15 per cent or more of the population, based upon the most recent census data, falls under 125 per cent of the Office of Economic Opportunity guidelines."

policy

CULTURAL FACILITIES COSTS DISTRIBUTION

10% Maj. not ~~also~~ Anch.

	Average Per Capita Assessed Valuation[1]	N	Local Matching Fraction[2]	Facility Cost	Local Match Dollars	State Match Dollars
Municipality of Anchorage	$25,117	.30	16.43%	$25,000,000	$4,107,500	$20,892,500
City of Angoon	N.A.	.10	N.A.	500,000	0	500,000
Bristol Bay Borough	22,692	.10	5.29	400,000	21,160	378,840
City of Cordova	13,735	.10	3.20	3,420,000	109,440	3,310,560
City of Dillingham	13,507	.10	3.15	9,000,000	283,500	8,716,500
Haines Borough	17,879	.10	4.17	1,500,000	62,550	1,437,450
City and Borough of Juneau	17,814	.30	12.47	12,300,000	1,533,810	10,766,190
City of Ketchikan	19,614	.20	9.15	6,000,000	549,000	5,451,000
City of Kodiak	28,589	.10	6.67	4,000,000	266,800	3,733,200
City of Petersburg	16,015	.10	3.74	3,550,000	132,770	3,417,230
City & Borough of Sitka	23,483	.20	10.95	9,500,000	1,040,250	8,459,750
City of Skagway	34,953	.10	8.15	4,700,000	383,050	4,316,950
STATE	$42,872		TOTAL	$79,870,000	$8,489,830	$71,380,170

[1]Alaska Taxable 1977, Special Addition; p.50-51.

[2]Matching formula based on average per capita assessed valuation:

$$\frac{\text{Average per capita assessed valuation of municipality}}{\text{Average per capita assessed valuation of State}} \times N = \text{Local Match Fraction}$$

Where N Equals: .10 for communities of 5,000 or less
.20 for communities of 5,001 to 10,000
.30 for communities of 10,000 or more

I'd like to meet w/ Breakthrough group while I'm in Anch. this Weekend.
Sun. aft. – ? about 3 PM?

Next mtg. on these bills, will want to know how many munis. have used 43.18.300 & 43.18.400

Should we hear from Commerce?

A M E N D M E N T

By Rudd

CSHB 781, Page 3, Line 22

Change (e)(6) to read --

(6) the parties agree that if property constructed or developed with financial assistance provided under this section is used for purposes other than for principal use as a cultural facility, /THE STATE MAY REQUIRE/ the municipality /TO/ shall reimburse the state for that portion of the market value of the property which the state's investment in the property bears to the total investment from all sources made in the property.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 781 - authorizing state aid to municipalities for
Title construction and development of cultural facilities
Requested by _____ Date 2/10/78

II. FISCAL DETAIL
Agency Affected Commerce & Economic Development
Program Category Affected Development
Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			42.9	45.5	48.2	
200 TRAVEL			10.6	9.8	8.2	
300 CONTRACTUAL			7.2	7.1	7.6	
400 COMMODITIES			.3	.3	.3	
500 EQUIPMENT			1.5	.3	.3	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			62.5	63.0	64.6	

FUNDING (Thousands of Dollars)

GENERAL FUND			62.5	63.0	64.6	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			1.5	1.5	1.5	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Fiscal Assumptions on Attached Sheet

IV. DATE March 1, 1978 PREPARED BY James R. Deagen
AGENCY Division of Economic Enterprise
PHONE 465-2021

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

HB 781

3/2/79
James R. Deagen

Advisory Commission

5 Members - no compensation

First year - Travel - 4 meetings @ $200 per meeting.....$4,000
per diem @ $150 per meeting..... 3,000

Second year - Travel - 3 meetings - travel & per diem @ $400 per meeting.....6,000

Third year - Travel - 2 meetings - travel & per diem @ $425 per meeting.....4,250

Assumptions:

1. Personnel Services

   One Professional person, a Capital Improvement Project Coordinator (range 20) will be required. This position will:

   a) establish an inclusive application process
   b) work closely with each community which applies for cultural facility funds
   c) administer the grant program
   d) oversee the engineering and architectural work and;
   e) prepare the financial package to go to bid.

   cost estimate verification?

   (Salary $2,296 per month, plus benefits of $567 per month.)

   In addition, one clerical person working half-time will be required. Clerk Typist III (range 8) for correspondence, filing, etc.

   (Salary $546 per month plus benefits of $169 per month.)

2. Travel requirements are estimated at 12 trips @ $300 per trip (per diem included in estimate). These trips will be required during the application process, to meet with the cultural coordinating committees over architectural designs and engineering estimates and during the early stages of construction.

3. Contractual

   A. Rent - 250 feet^2 @ $1.25 per feet^2/month $3,700
   B. Telephone, communications..... 1,000
   C. Postage, etc..... 300
   D. Printing and advertising 1,000
   E. Professional fees and services..... 1,200

4. Commodities

   Office supplies..... 300

5. Equipment

   Desk, chair, file cabinet, calculator..... 1,500

After FY '79 - Inflation estimated @ 6% per year

Equipment and advertising - larger expenditures required first year.

CORDOVA

6. SUMMARY OF SPACES (Approximate Square Footage Required)

	Approximate Square Footage	
	300-350 seats	500-550 seats
a. PUBLIC SPACE		
(1) Performance-Oriented		
Entry	300 sq.ft.	300 sq.ft.
Lobby/Exhibition	1,200	1,800
Box Office/House Manager's Station	150	200
Cloakroom	300	400
Rest Rooms	400	500
Auditorium	2,600	4,000
(2) Production/Workshop/School-Oriented		
Entry	300	300
Rest Rooms	500	500
Subtotal: Public Space	5,750 sq.ft.	8,000 sq.ft.

	Approximate Square Footage	
	300-350 seats	500-550 seats
b. PERFORMERS' SPACE		
Orchestra Area	350 sq.ft.	350 sq.ft.
Stage House	2,200	2,200
Trap Room	450	450
Waiting Area	240	240
Dressing Rooms (3)	495	495
Greenroom/Makeup Room/Costume Room/ Fabric Crafts Workshop	700	700
Toilet Rooms	300	300
Changing Room	250	250
Rehearsal Room/Meeting Room/Lecture Room	1,200	1,200
Kitchenette	100	100
Practice Rooms (3)	260	260
Subtotal: Performers' Space	6,545 sq.ft.	6,545 sq.ft.

CORDOVA (cont.)

	Approximate Square Footage	
	300-350 seats	500-550 seats
c. PRODUCTION/WORKSHOP SPACE		
Scene Shop/Wood and Metal Workshop	2,000 sq.ft.	2,000 sq.ft.
Crafts Workshop	1,200	1,200
Electrics Shop	200	200
Control Room	200	200
Storage Facilities	2,000	2,000
Subtotal: Production/Workshop Space	5,600 sq.ft.	5,600 sq.ft.
d. ADMINISTRATIVE SPACE		
Staff Offices	350 sq.ft.	350 sq.ft.
e. CIRCULATION SPACE	1,300 sq.ft.	1,300 sq.ft.
f. MECHANICAL EQUIPMENT SPACE*	1,564 sq.ft.	1,744 sq.ft.
TOTAL APPROXIMATE SQUARE FOOTAGE	21,109 sq.ft.	23,539 sq.ft.

* Based on 8% total gross floor area indicated as average required for integral heating and refrigeration plant.

PETERSBURG

MAYNARD
NBBJ
ALASKA

SUMMARY OF SPACES (Square footage)

A.	**Public Space**	
1.	Entry	624
2.	Lobby*	2,048
3.	Auditorium	3,760
4.	Exhibition Corridor	1,656
	Subtotal	8,088

*Includes: Ticket Booth/House Manager's Station, Coat Storage. Does not include: Refreshment Bar, Rest Rooms, Managerial Office.

B.	**Performer's Space**	
1.	Orchestra Pit	630
2.	Stage/Stage House	2,520
3.	Trap Room	1,350
4.	Dressing Rooms (3)	896
5.	Green Room/Costume/Make-up Room	498
	Subtotal	5,894

C.	**Production Space**	
1.	Control Room	766
2.	Storage	
	a) Costume	240
	b) Drapery	112
	c) Tool	98
	d) Properties	135
	e) Instrument	150
	f) Loft	820
3.	Loading Area	208
	Subtotal	2,529
D.	**Circulation**	2,108
E.	**Mechanical** (Based on 6% total gross floor area indicated as average required for integral heating and refrigeration plants)	1,144
F.	**Academic Area**	
	2 floors @ 3,220 sq.ft.	6,440
	TOTAL SQUARE FOOTAGE	26,203

SKAGWAY

Theater	11,125 sq. ft.
Museum	3,350 sq. ft.
Judicial	1,652 sq. ft.
City Offices & Council Chambers	2,085 sq. ft.
Day Care Center	1,008 sq. ft.
Archives & Offices	3,416 sq. ft.
Circulation & Mechanical	921 sq. ft.
	23,557 sq. ft.

SITKA

6. SUMMARY OF SPACES (Square Footage)

a. Public Space

1. Theatre/Exhibition-Oriented Space

A-1	Entry	800 sq.ft.
A-2	Main Lobby/Exhibition Space	7,750
A-3	Ticket Booth/House Manager's Station	100
A-4	Cloakrooms	590
A-5	Refreshment Areas	200
A-6	Viewing Room	290
A-7	Rest Rooms	640
A-8	Auditorium	5,200
A-9	The Arena/Multipurpose Room	4,430
A-10	Arena Lobby/Exhibition Space	4,000
	(Subtotal)	24,000 sq.ft.

2. Workshop/Exhibition-Oriented Space

A-11	Entry/Lobby	700 sq.ft.
A-12	High Security Exhibition Gallery	3,550
A-13	Rest Rooms (4)	760
	(Subtotal)	5,010 sq.ft.
	Subtotal: Public Space	29,010 sq.ft.

SITKA (cont.)

b. Performers' Space

B-1	Orchestra Pit	650 sq.ft.
B-2	Proscenium Opening, Stage Floor, Stage House	3,060
B-3	Trap Room	1,600
B-4	Waiting Areas (2)	1,360
B-5	Dressing Rooms (4)	1,560
B-6	Wardrobe Room	120
B-7	Changing Rooms (2)	500
B-8	Toilet Rooms (4)	1,380
B-9	Greenroom/Rehearsal Room	1,800
B-10	Practice Rooms (3)	300
	Subtotal	12,330 sq.ft.

c. Production Space

C-1	Scene Shop/Wood and Metal Workshop	2,460 sq.ft.
C-2	Costume Shop/Beadwork & Weaving Workshop	2,500
C-3	Community Crafts Workshop	3,540
C-4	Electrics Shop	450
C-5	Control Rooms (2)	750
C-6	Storage Facilities	2,100
	Subtotal	11,800 sq.ft.

SITKA
(Cont.)

d. Administrative Space	2,200 sq.ft. ✓
e. Circulation	8,200 sq.ft.
f. Mechanical Equipment Space*	5,100 sq.ft.
TOTAL SQUARE FOOTAGE	68,640 sq.ft.

* Based on 8% total gross floor area indicated as average required for integral heating and refrigeration plants.

KETCHIKAN

5. Preliminary Specifications - The review of existing recreational activities, arts activities, and visitor industry needs indicates that Ketchikan can program a high usage rate for the following spaces:

Space		Sq. Ft.	Description
1. Performance Center	A	5,000	400 seats, raked seating divideable no fly gallery.
		1,500	Set room, storage, wardrobe room, projection room, toilet rooms, lobby, etc.
2. Open Space	R.	11,000	Recreation, convention, banquet, dinner theatre, exhibits, festivals
	A	2,000	Storage for inventory
	A	2,000	Lockers and showers
3. Multi-purpose Room	R	1,500	Green Room, Carpeted
4. Meeting Rooms	R	5,000	Meetings, quiet recreation
5. Special Uses	R.	5,000	Box office, manager's office, snack bar and lounge, kitchen, radio station (FM), darkroom, mudroom, pre-school room, senior citizens' lounge.
6. Circulation	U	4,000	Sufficient to obtain adequate viewing areas, separation where necessary, and flexibility.
7. Mechanical	U	3,000	Approx. 8% of floor area
		40,000 sq. ft.	total

The following cost estimate is based on these space needs.

Function	Cost	Breakdown
1. Construction including architecture, engineering inspection and 6% inflation	$4,800,000	$120/sq. ft.
2. Site preparation, parking, landscaping, lighting, storm drain	$600,000	150 parking spaces plus reserve for related site expenses
3. Mechanical and fixed inventory	$600,000	In order to obtain maximum flexibility in a limited amount of space special equipment is needed such as soundproof removable walls.
	$6,000,000	Subtotal
4. Contingency	600,000	10% for contingency or additive alternatives
	$6,600,000	Total

STATE AND LOCAL PAYMENTS UNDER HB 781

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 29, 1978

ASSUMPTIONS: (1) FACILITY COSTS FOR THE INITIAL 12 PARTICIPATING MUNICIPALITIES ARE AS REPORTED
(2) FACILITY COSTS FOR MUNICIPALITIES WITH POPULATIONS >10,000 ARE ESTIMATED AT $18,650,000
(3) FACILITY COSTS FOR MUNICIPALITIES WITH POPULATIONS OF 5,000-10,000 ARE ESTIMATED AT $7,750,000
(4) FACILITY COSTS FOR FIRST CLASS CITIES WITH POPULATIONS <5,000 ARE ESTIMATED AT $3,383,750
(5) FACILITY COSTS FOR SECOND CLASS CITIES ARE ESTIMATED AT $450,000
(6) PROPERTY VALUES FOR CITIES WITHOUT ASSESSMENTS ARE ESTIMATED (EST)

LOCAL GOVERNMENT	POP	PER CAPITA PROP VAL	FACILITY COST	LOCAL SHARE	LOCAL PER CENT	MAX	STATE SHARE
BOROUGHS AND CITIES WITHIN BOROUGHS							
1 ANCHORAGE (AW)	180,653	$25,117	$25,000,000	$4,394,059	17.57%	30%	$20,605,940
2 BRISTOL BAY BOROUGH (AW)	1,311	$22,691	$400,000	$21,171	5.29%	10%	$378,828
3 FAIRBANKS BOROUGH (AW)	60,227	$26,387	$18,650,000	$3,443,697	18.46%	30%	$15,206,302
4 FAIRBANKS (CITY)	30,462	$17,801	$18,650,000	$2,323,152	12.45%	30%	$16,326,847
5 NORTH POLE (CITY)	461	$32,806	$3,383,750	$258,928	7.65%	10%	$3,124,821
6 HAINES BOROUGH	1,924	$17,879	$1,500,000	$62,556	4.17%	10%	$1,437,443
7 JUNEAU (AW)	20,465	$17,813	$12,300,000	$1,533,243	12.46%	30%	$10,766,756
8 KENAI BOROUGH (AW)	24,611	$50,351	$18,650,000	$5,595,000	30.00%	30%	$13,055,000
9 HOMER (CITY)	1,802	$23,817	$3,383,750	$187,980	5.55%	10%	$3,195,769
10 KACHEMAK (CITY)	151	$34,371	$450,000	$36,077	8.01%	10%	$413,922
11 KENAI (CITY)	5,364	$15,879	$7,750,000	$574,115	7.40%	20%	$7,175,884
12 SELDOVIA (CITY)	612	$11,001	$3,383,750	$86,833	2.56%	10%	$3,296,916
13 SEWARD (CITY)	2,279	$12,360	$3,383,750	$97,560	2.88%	10%	$3,286,189
14 SOLDOTNA (CITY)	2,586	$16,765	$3,383,750	$132,327	3.91%	10%	$3,251,422
15 KETCHIKAN (CITY)	7,928	$19,614	$6,000,000	$549,004	9.15%	20%	$5,450,995
16 SAXMAN (CITY)	272	$15,000 (EST)	$450,000	$15,744	3.49%	10%	$434,255
17 KODIAK (CITY)	4,960	$28,589	$4,000,000	$266,741	6.66%	10%	$3,733,258
18 AKHIOK (CITY)	102	$5,000 (EST)	$450,000	$5,248	1.16%	10%	$444,751
19 LARSEN BAY (CITY)	137	$10,000 (EST)	$450,000	$10,496	2.33%	10%	$439,503
20 OLD HARBOR (CITY)	327	$10,000 (EST)	$450,000	$10,496	2.33%	10%	$439,503
21 OUZINKIE (CITY)	170	$5,000 (EST)	$450,000	$5,248	1.16%	10%	$444,751
22 PORT LIONS (CITY)	227	$10,000 (EST)	$450,000	$10,496	2.33%	10%	$439,503
23 MAT-SU BOROUGH (AW)	16,724	$33,042	$18,650,000	$4,312,210	23.12%	30%	$14,337,789
24 HOUSTON (CITY)	375	$36,299	$450,000	$38,101	8.46%	10%	$411,898
25 PALMER (CITY)	1,859	$19,296	$3,383,750	$152,301	4.50%	10%	$3,231,448
26 WASILLA (CITY)	1,566	$23,326	$450,000	$24,484	5.44%	10%	$425,515
27 NORTH SLOPE BOROUGH (AW)	9,139	$390,582	$7,750,000	$1,550,000	20.00%	20%	$6,200,000
28 ANAKTUVUK PASS (CITY)	150	$3,500 (EST)	$450,000	$3,673	0.81%	10%	$446,326
29 BARROW (CITY)	2,306	$7,000 (EST)	$3,383,750	$55,249	1.63%	10%	$3,328,500
30 KAKTOVIK (CITY)	123	$3,500 (EST)	$450,000	$3,673	0.81%	10%	$446,326
31 NUIQSUT (CITY)	152	$3,500 (EST)	$450,000	$3,673	0.81%	10%	$446,326
32 POINT HOPE (CITY)	384	$3,500 (EST)	$450,000	$3,673	0.81%	10%	$446,326
33 WAINWRIGHT (CITY)	341	$3,500 (EST)	$450,000	$3,673	0.81%	10%	$446,326
34 SITKA BOROUGH	7,650	$23,482	$9,500,000	$1,040,719	10.95%	20%	$8,459,280
FIRST CLASS CITIES							
35 CORDOVA	2,406	$13,735	$3,420,000	$109,571	3.20%	10%	$3,310,428
36 CRAIG	467	$11,339	$3,383,750	$89,501	2.64%	10%	$3,294,248
37 DILLINGHAM	1,269	$13,507	$9,000,000	$283,558	3.15%	10%	$8,716,441
38 GALENA	671	$4,333	$3,383,750	$33,405	0.98%	10%	$3,350,343

39 HOONAH	848	$6,288	$3,383,750	$49,634	1.46%	10%	$3,334,115
40 HYDABURG	380	$3,785	$3,383,750	$29,876	0.88%	10%	$3,353,873
41 KAKE	679	$3,526	$3,383,750	$27,836	0.82%	10%	$3,355,913
42 KING COVE	408	$7,018	$3,383,750	$55,394	1.63%	10%	$3,328,355
43 KLAWOCK	323	$3,176	$3,383,750	$25,067	0.74%	10%	$3,358,682
44 NENANA	521	$10,900	$3,383,750	$86,035	2.54%	10%	$3,297,714
45 NOME	2,585	$13,055	$3,383,750	$103,041	3.04%	10%	$3,280,708
46 PELICAN	169	$27,451	$3,383,750	$216,665	6.40%	10%	$3,167,084
47 PETERSBURG	2,126	$16,015	$3,550,000	$132,613	3.73%	10%	$3,417,386
48 SAINT MARY'S	415	$3,409	$3,383,750	$26,911	0.79%	10%	$3,356,838
49 SKAGWAY	854	$34,953	$4,700,000	$383,191	8.15%	10%	$4,316,808
50 UNALASKA	510	$32,493	$3,383,750	$256,459	7.57%	10%	$3,127,290
51 VALDEZ	7,483	$161,908	$7,750,000	$1,550,000	20.00%	20%	$6,200,000
52 WRANGELL	3,152	$11,923	$3,383,750	$94,150	2.78%	10%	$3,289,599
53 YAKUTAT	442	$22,962	$3,383,750	$181,233	5.35%	10%	$3,202,516
SECOND CLASS CITIES							
54 AKIACHAK	354	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
55 AKIAK	165	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
56 AKOLMIUT	608	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
57 ALAKANUK	527	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
58 ALEKNAGIK	227	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
59 ALLAKAKET	164	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
60 AMBLER	217	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
61 ANDERSON	470	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
62 ANGOON	287	$9,600 (EST)	$500,000	$11,196	2.23%	10%	$488,803
63 ANIAK	323	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
64 ANVIK	87	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
65 ATMAUTLUAK	169	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
66 BETHEL	3,409	$10,000 (EST)	$450,000	$10,496	2.33%	10%	$439,503
67 BREVIG MISSION	120	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
68 BUCKLAND	172	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
69 CHEFORNAK	192	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
70 CHEVAK	447	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
71 CHUATHBALUK	118	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
72 CLARK'S POINT	98	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
73 DEERING	100	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
74 DELTA JUNCTION	892	$60,000 (EST)	$450,000	$45,000	10.00%	10%	$405,000
75 DIOMEDE	135	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
76 EAGLE	145	$9,746	$450,000	$10,230	2.27%	10%	$439,769
77 EEK	195	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
78 EKWOK	109	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
79 ELIM	205	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
80 EMMONAK	545	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
81 FORT YUKON	637	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
82 FORTUNA LEDGE	200	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
83 GAMBELL	412	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
84 GOLOVIN	118	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
85 GOODNEWS BAY	248	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
86 GRAYLING	167	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
87 HOLY CROSS	212	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
88 HOOPER BAY	590	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
89 HUGHES	98	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
90 HUSLIA	216	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
91 KALTAG	240	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
92 KASAAN	38	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
93 KIANA	314	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
94 KIVALINA	208	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
95 KOBUK	60	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
96 KOTLIK	284	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
97 KOTZEBUE	2,526	$10,000 (EST)	$450,000	$10,496	2.33%	10%	$439,503
98 KOYUK	160	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
99 KOYUKUK	124	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
100 KUPREANOF	42	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
101 KWETHLUK	444	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923

102	LOWER KALSKAG	193	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
103	MANOKOTAK	225	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
104	MCGRATH	296	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
105	MEKORYUK	184	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
106	MOUNTAIN VILLAGE	513	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
107	NAPAKIAK	276	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
108	NAPASKIAK	210	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
109	NEWHALEN	89	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
110	NEW STUYAHOK	230	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
111	NEWTOK	124	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
112	NIGHTMUTE	123	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
113	NIKOLAI	85	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
114	NONDALTON	226	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
115	NOORVIK	527	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
116	NULATO	331	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
117	PILOT STATION	301	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
118	PLATINUM	59	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
119	PORT ALEXANDER	51	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
120	PORT HEIDEN	89	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
121	QUINHAGAK	395	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
122	RUBY	219	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
123	RUSSIAN MISSION	158	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
124	SAINT MICHAEL	206	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
125	SAINT PAUL	550	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
126	SAND POINT	544	$10,000 (EST)	$450,000	$10,496	2.33%	10%	$439,503
127	SAVOONGA	409	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
128	SCAMMON BAY	193	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
129	SELAWIK	521	$2,399	$450,000	$2,519	0.55%	10%	$447,480
130	SHAGELUK	169	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
131	SHAKTOOLIK	160	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
132	SHELDON POINT	136	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
133	SHISHMAREF	326	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
134	SHUNGNAK	182	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
135	STEBBINS	208	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
136	TANANA	499	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
137	TELLER	219	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
138	TENAKEE SPRINGS	140	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
139	TOGIAK	419	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
140	TOKSOOK BAY	317	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
141	TULUKSAK	202	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
142	TUNUNAK	299	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
143	UNALAKLEET	630	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
144	UPPER KALSKAG	164	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
145	WALES	109	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
146	WHITE MOUNTAIN	98	$9,600 (EST)	$450,000	$10,076	2.23%	10%	$439,923
147	WHITTIER	292	$12,000 (EST)	$450,000	$12,595	2.79%	10%	$437,404
					----------			----------
				LOCAL GOVERNMENT SHARE	$31,525,378			
				TOTAL OF PARTICIPATING MUNICIPALITIES, CITIES OUTSIDE BOROUGHS, AND BOROUGHS				$215,702,603
				TOTAL OF PARTICIPATING MUNICIPALITIES, CITIES WITHIN BOROUGHS, AND CITIES OUTSIDE BOROUGHS				$229,659,279

Cost of Cultural Facility to Municipality

	Cost of Facility	Local Cost HB 781	Local Cost HB 769
Anchorage	$25,000,000	$ 4,430,000 less cost of donated land	$ 12,500,000
Juneau	$12,300,000	$ 1,549,800 " " " " "	$ 6,150,000
Sitka	$ 9,500,000	$ 1,045,000 " " " " "	$ 4,750,000
Ketchikan	$ 6,000,000	$ 660,000 " " " " "	$ 3,000,000
Dillingham*	$ 9,000,000	$ 288,000 " " " " "	$ 1,800,000 (50% i kin
Cordova *	$ 3,420,000	$ 109,440 " " " " "	$ 684,000 (50% i kin

Figures are based upon 1977 Alaska Taxable Tables

For HB 781 the $\frac{\text{average per capita assessed valuation of municipality}}{\text{average per capita assessed valuation of state ($42,872)}}$ equal

Anchorage	.59
Juneau	.42
Sitka	.55
Ketchikan	.55
Dillingham	.32
Cordova	.32

* Area considered poverty area for purposes of this table only.
A list of the poverty areas in the state will be fowarded shortly.

SUGGESTED AMENDMENTS TO HB 781

1. Provide for Assessment of property for municipal match -

   The municipality shall furnish a appraisal of the property by a recognized appraiser and the appraisal shall be subject state review.

2. Change land match to "real" property.

3. Delete lines 4 & 5, p. 2 - authority under AS 29.48

   (Suggested by Lee Sharp)

4. Official municipal recognition of an arts organization (arts council).

5. Administration and operation of the facility to be by a "coordinating committee' with x number from the arts.

   (The municipality agrees to assume responsibility for the maintenance and operation of the facility through a committee established by ordinance composed of respresentatives of those groups using the facility of which at least 50% of the members are representatives of arts organizations.)

-- This approach may be cumbersome and (5) and (6) on page 3 seem to address this, particularly (6) which says the municipality must use the facility as a cultural facility. --

TO: Lisa Rudd FROM: Annette Smith

SUBJECT: Cultural Facilities Legislation, HB 781

You requested a percentage breakdown of the various proposals for cultural facilities for art and cultural uses and other than cultural uses including strictly revenue producing uses. The following is a representative sample by square footage:

	Art & Cultural Uses	Possible Other Uses - Rental	Utility & Circultaion
Dillingham	25%	49%	26%
Sitka	59%	22%	19%
Cordova	65%	19%	16%
Ketchikan	26%	56%	18%
Petersburg	75%	12%	13%
Juneau	61%	27%	13%
Skagway	61%	35%	4%

These percentages were difficult to nail down accurately. The percentages for possible other than strictly cultural and art uses are pretty much the maximum that can be expected for most of the proposals. Sitka, Petersburg, Juneau and Cordova are primarily cultural facilities. (Haines, Angoon and Anchorage+ Naknek are also totally cultural and they are not included in this breakdown.) Space use for other activities are: Possible use of the "green room" areas for community group meetings or convention meetings, but these could also be used for rehearsals and cultural or arts seminars; "scene shop space" which can be used by the school; "administrative office space" which under some circumstances could be rented out to an other than cultural use.

Special circumstances exist in each case. Cordova and Petersburge expect to operate the facility through the school system which means the school uses will occupy much of the daytime use. Shop space will probably be used quite a bit by the students and by the community education program. Sitka expects considerable daytime use by the school and community college, though the facility will not be operated by the educational interests. Juneau has a small day care facility planned and plans to house KTOO (educational station) in the facility also.

Ketchikan's percentages look worse than they really are. I have included all multipurpose areas in the "other possible use" category, but there is no reason why these areas would not also be used for cultural seminars, workshops, dinner theaters, etc. Ketchikan does not anticipate renting office space. Their facility seems to be planned as a true community building.

Dillingham expects to have a great deal of rental space available to assist with the operating costs. It is interesting to note that their utility and circulation space goes up also with the varied uses.

Skagway's estimates are sill pretty crude since they have changed their mind mid-stream, so to speak. The original plan was to renovate the old railroad terminal in cooperation with the U.S. Park Service. Now they envision a new building with a theater, museum and city offices. The 4% utility figure is probably unrealistic, as is including a city hall in the grant.

You will notice the absence of Kodiak in this breakdown. I do not have a breakdown of floor space for the Kodiak facility. We do know, however, that they plan a multipurpose facility which will be available for convention use. In fact, they estimate that convention use will take up at least 50% of the use time. They are apparently optimistic about attracting several conventions to Kodiak. In any event, I believe we can expect their plans right now to be somewhere in between Ketchikan's and Dillingham's plans.

TIME

To arrive at an estimated use time is difficult. If the facility were open 15 hours a day (8 a.m.to 11 p.m.), and cultural and art uses were primarily at night, the facility would be used for those purposes approximately for 4 hours in the evening (7-11p.m.), or approx. 25% of the time. However, we cannot expect the facility to be used by arts groups every evening and even given a weekend or week long arts exhibit, we might still be pressed to guarantee use 25%of the available time for the arts.

Use will vary according to the community. Some communities, I imagine will close up the building when not in use. The busier the facility, the more a community will push for full use, however, to assist with operating expenses which go on regardless of which group uses the facility. In other words, I believe the time element is elusive.

ATTACHMENTS

Attached are sample space summaries. A quick look will show you what I meant about the difficulty in breaking down use percentages.

State of Alaska

Class Specification

CAPITAL IMPROVEMENT PROGRAM COORDINATOR 8450-20

Definition:

Under direction of the Director of Facility Planning and Procurement, is responsible for coordination of all contacts and communications between client agencies and the Department from initial project conception through client occupancy or assumption of use.

Distinguishing Characteristics:

This class is established to function as the client agencies' advocate in expediting facility construction, assisting in compliance with administrative requirements and the preparation and submittal of information needed by the Department for facility development.

Examples of Duties:

Assists client agencies in preparation and submittal of information and data required by Departmental processes, project funding authorities and regulatory agencies.

Assures facility planning processes are undertaken in the proper sequence to maximize departmental effectiveness in serving the client agency; provides liaison between client and other units in the Department at sequential steps in the procurement process; arranges contacts and conducts meetings between client, departmental personnel and other involved agencies.

Works directly with client agency to develop project scope, schedule, budgeting and required communications network.

Participates in development and presentation of project budget, acts as liaison with budget review agencies and expedites budget review processes.

Identifies permits,waivers, easements and other compliance documents needed, identifies and establishes contact between regulatory authorities and client agenies; maintains liaison with regulatory authorities to assure timely review and documentation of necessary approvals.

Responds to all complaints from client agencies; contacts the unit subject to complaint and works to resolve differences; reports deficiencies in documentation to clients and assists in developing necessary information; identifies deficiencies in departmental processes to expedite facility procurement; mediates disputes between clients and providers.

Performs other related duties as necessary.

Knowledges, Skills and Abilities:

Knowledge of: principles, practices and procedures of agency management and public administration to include budgeting, reimbursable service agreements, personnel management and supply distribution and control; required reporting and administrative control procedures; role and procedural requirement of construction regulatory agencies; construction scheduling sequence.

Ability to: establish and maintain cooperative relationships between client and provider agencies; identify communications problems between the parties served and recommend corrective action; inspire confidence in the responsiveness of the department to client needs; analyze transactional and policy problems and develop and implement solutions.

Minimum Qualifications:

Five years of professional experience in public administration involving preparation and monitoring of reimbursable services agreements, in architecture, in the management of capital improvement projects, or in construction, programming, planning, design or expediting where responsibilities included expediting permits, design work, funding and property acquisition in addition to supply and logistical support.

Orig: 6/1/77

To HB 781 -

Change (e)(6) to read --

(6) the parties agree that if property constructed or developed with financial assistance provided under this section is ~~converted~~ used for to purposes other than for principal use as a cultural facility, ~~the commissioner shall require~~ the municipality shall reimburse the state for that portion of the market value of the property which the state's investment in the property bears to the total investment from all sources made in the property.

Insert a new (i) to read --

(i) In his evaluation under (d)(2) of this section of the ability of the municipality to maintain and operate a facility upon completion, the commissioner may not disqualify an application for a grant under this section if the applicant demonstrates that use or commitment to use by parties other than groups directly concerned with use of the facility for artistic or cultural activities, including allied community and educational uses, is reasonably necessary to secure regular use of the facility and an adequate contribution of revenues to supplement revenues to meet costs of operation and maintenance derived from general municipal sources or from groups using the facility for the principal purpose for which constructed.

(8)

FROM THIS POINT THRU
THE END OF THE FILE
THERE ARE MANY DOCUMENTS
THAT WILL BE ILLEGIBE
ON MICROFILM -

REFER TO ORIGINAL FILE
IN ALASKA STATE ARCHIVES

P.C.
3-3-78

Southwest Region Schools

P.O. Box 196
Dillingham, Alaska 99576
Phone (907) 842-5288

February 24, 1978
Manokotak, Alaska 99628

Liisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

To Honorable Miss Rudd;

Please support HB 781 and 782. These bills will make it possible for the development of a Regional Cultural Center in Dillingham, through use of State Bond Monies. This region is growing quickly, yet many dedicated citizens have no place to pursue their services, present instructional programs, meet in committee, organize office space, or otherwise upgrade and express widespread civic and cultural involvements. Such a center would do much to bring citizens together, focus on meaningful activities, and facilitate the best committments that democracy makes possible.

I know the plan is well developed and would be responsibly administered. It is the sort of objective that State officials could point to with pride and participate in with leadership.

I speak for many concerned people in our community when I urge you to lend your support to these bills and help our communities obtain the sort of building that would benefit this entire region.

Thank you for your service and attention.

Michael Sexton
Principal
Manokotak School

cc: Lois Hermansen-Dillingham City Clerk
Rep. Steve Cowper - House Finance

P.C. 3-3-78

FISHING
HUNTING

MINING
LUMBERING

Wrangell Chamber of Commerce

P. O. Box 49
WRANGELL, ALASKA 99929

Lumber Capital of Alaska, the 49th State - Gateway to the Stikine

February 16, 1978

The Honorable Lisa Rudd
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: HB 781 & HB 782

Dear Representative Rudd:

HB 781/782 describes a unique means of providing aid to communities throughout this State who have been searching for a place to gather, perform and share culturally enriching programs. Although Wrangell has not completed its study data for its own facility, there is great interest in the project conforming to these bills' description.

The Wrangell Chamber of Commerce, Inc. strongly feels that passage of this legislation without alteration will enable participating communities to not only culturally enrich the area, but also broaden their economic base.

Conditions set forth in this legislation are the only way in which Alaskan communities can afford to construct and maintain these much needed facilities.

In light of the years of preparation behind this project, we wish to support its validity and urge positive action on the part of you and your committee.

Sincerely,

for Douglas Holbeck,
President, Wrangell Chamber of Commerce, Inc.

cc: Governor Jay Hammond, Attn: Sue Green

"Where the Stikine Meets the Sea"

P.C.
3-3-78

WRANGELL ARTS COUNCIL
BOX 428 WRANGELL, ALASKA 99929

February 22, 1978

Representative Lisa Rudd
House Committee of Community
and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Rep. Rudd and Committee Members,

The Wrangell Arts Council has reviewed HB 781 and 782 and strongly feels that this legislation could provide much needed facilities throughout the state.

We would like to go on record as supporting this legislation including its realistic guidelines for implementation. We would also like you and your committee to approve this legislation in the hopes that the voters of Alaska will get the chance to see state funds put to use benefitting all Alaskans.

Sincerely,
Wrangell Arts Council
Susan M. Schirmer
Susan M. Schirmer
Secretary

P.C. 3-3-78

STUART H. BOWDOIN
BOROUGH MANAGER

TELEPHONE
(907) 268-4224

Bristol Bay Borough

BOX 189 • NAKNEK, ALASKA 99633

February 24, 1978

The Honorable Lisa Rudd
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska. 99811

Dear Representative Rudd,

The Bristol Bay Borough wishes to express its support of HB781 and HB782.

It is our opinion that this legislation is a step in the right direction. There is a definate need to develope cultural facilities especially in the rural areas of Alaska.

Sincerely,

Stuart H. Bowdoin
Borough Manager

SHB:jmf

P.C. 3-3-78

Dillingham Arts Council

Dillingham, Alaska 99576
February 23, 1978

Representative Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Representative Rudd:

We of the Dillingham Arts Council are asking that you support HB 781 and 782. These bills, sponsored by Representative Duncan, provide for placing proposed cultural facilities on next fall's ballot for bond issue. One of these facilities would be located at Dillingham.

This cultural center has been a project of our arts council for four years. During this time data on community needs and plans for the center have been developed. The final plan is an educational-cultural complex providing services for this entire region. The needs provided for are regular and vocational classrooms for adult education, a museum, theater, day-care center, and office space for various organizations. Of special concern to us is the theater.

We must have state funding in order to build this center. Please support these bills.

Very truly yours,

Norma Adkison

Norma Adkison, President
Dillingham Arts Council

P.C. 3-3-78

Greater Sitka Arts Council Inc.

BOX 1090 SITKA, ALASKA 99835

Lisa Rudd
Pouch 5
Juneau, Alaska

Dear Ms Rudd;

As President of the Greater Sitka Arts Council, it has been brought to my attention that there are two bills pending regarding Cultural Facilities Development in the House.

Speaking for Sitka and the financial situation of most smaller towns in Southeast, we strongly endorse the passage of House Bill #781/782 by Representative Duncan. The use of land as a match in funding the center would be the only feasible course for our city. If we had to come up with hard cash, it is doubtful our city would be able to participate. On behalf of the Greater Sitka Arts Council, I urge passage of Bill #781/782.

Thank you.

Judy Ferguson
President GSAC

P.C.
3-3-78

BRISTOL BAY REGIONAL RESOURCE CENTER

Box 10234 Dillingham, Alaska 99576 Phone (907) 842-5531

Robert T. Brown
Director

February 23, 1978

The Honorable Representative Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Rep. Rudd:

I am writing in asking your support of HB 781 and 782 which would place the proposed cultural facilities on next fall's ballot for bond issue.

As Director of the Bristol Bay Regional Resource Center we are quite interested in a Regional Cultural Center. We are, indeed, interested in leasing space for our operation of providing educational services to the school districts of the Bristol Bay area. We are further committed to interfacing with other local agencies as we broaden our scope of services and opportunities to the youth and citizenry of Bristol Bay. The opportunity to share a Cultural Center with other agencies would help facilitate these efforts. As Dillingham becomes more so the socio-economic center of the Bristol Bay area buildings must be provided to meet the growth.

Thank you for listening and do appreciate any support you may lend to this cause.

Sincerely,

Robert T. Brown
Director

RTB/mp

cc: The Honorable Sarah Jo Smith, Congresswomen, District 20
The Honorable Nels Anderson, Congressman, District 16
The Honorable Bill Miles, Congressman, District 7
The Honorable Al Ose, Congressman, District 6
The Honorable Merle Snider, Congressman, District 14
The Honorable Tim Kelly, Congressman, District 8
The Honorable Peter Lovseth, Congressman District 5
The Honorable Randy Phillps, Congressman, District 8

P.C. 3-3-78

THE AMERICAN LEGION - DEPARTMENT OF ALASKA

P. O. BOX 250 JUNEAU, ALASKA 99802

January 21, 1978

Resolution passed by the Department Executive Committee
at Haines, Alaska

RESOLUTION NO. 78-3

WHEREAS, It is recognized that the existence of adequate cultural facilities in Alaskan communities is of direct benefit to the economy and quality of life in such communities; and

WHEREAS, The educational and cultural programs made possible by such facilities have been proven to be a determent to crime and social deviance; and

WHEREAS, Legislation is now being proposed to provide state matching funds for the construction of such facilities; now, therefore, be it

RESOLVED, That The American Legion, Department of Alaska, in Executive Committee Meeting assembled in Haines, Alaska on January 21, 1978, supports in concept the proposed legislation to implement, by law, State of Alaska matching grant funds to communities which qualify for justified cultural facilities and projects; and be it further

RESOLVED, That The American Legion urges the Legislature of the State of Alaska and the Governor to act favorably on the legislation so that a bond issue for first increment funding can go before the voters of the State in November of 1978; and be it further

RESOLVED, That copies of this resolution be sent to each member of the Alaska Legislature and to the Governor of Alaska.

/s/ Wallace E. Utley
WALLACE E. UTLEY
Department Commander

ATTEST:

William C. Kelm

WILLIAM C. KELM
Department Adjutant

P.C.
3-3-78

Raymond R. Menaker
Box 118
Haines, Alaska 99827
20 February 1978

Rep. Lisa Rudd, Chairwoman
House Community & Regional Affairs Committee
Pouch V
Juneau, AK 99801

Dear Lisa:

Once again I'd like to remind you of our great interest here in Haines in HB 781 and 782 providing for state participation in the construction of cultural facilities in various parts of the state.

HB 781 and 782 represent the thinking anddesires of numerous communities that have worked hard together to put together a package which is truly state-wide, and which represents large and small communities alike.

Naturally, Haines, as the seat of the biennial Alaska State Community Theatre Festival, is most interested in passage of the legislation, since it will permit badly needed construction to make our Chilkat Center for the Arts the proper all-year facility we need.

Your efforts in passing HB 781 and 782—bills which are preferable to HB 768 and 769 which address the same problem but not so well—will be much appreciated.

Sincerely,

Raymond R. Menaker

P.C. 3-7-78

WILDERNESS RESEARCH INSTITUTE

456 UNION STREET • HAINES, ALASKA 99827 • (907) 766-2848

February 19,1978

Lisa Rudd,Chair
House Community and Regional Affairs Committee
Pouch V
Juneau,Alaska,99801

Dear Representative Rudd,

I would like to express my support for H.B.781 and 782 to you and your committee.It is my understanding that these bills will be much more effective than the other bills proposed,namely H.B.768 and 769.

I think the public interest would be best served by H.B. 781 and 782, as these bills truly represent the desires of Alaskan communities to enhance their cultural opportunities.I hope that you act favorably on these bills.Thank you for your attention to this matter.

Sincerely,

Stephen M. Waste

Stephen M. Waste
Research Ecologist

TELEGRAM

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

X P.C. 3-3-78

#Z

23007 POM PETERSBURG ALASKA 15 03-02 PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

DESPERATELY NEED PASSAGE HB131-132 HAVE MATCHING LAND.

COMMUNITY THEATER, LIBRARY HANG IN BALANCE. THANKS

RUTH SANDVIK, BOX 525 PETERSBURG AK 99833.

#

P.C.
3-3-78

Sitka Concert Association

P.O. Box 1295
SITKA, ALASKA 99835

February 21, 1978

Department of Community & Regional Affairs
Lisa Rudd, Chairperson
Pouch V
Juneau, Alaska

Dear Ms. Rudd:

The Sitka Concert Association fully supports HB 781/782 and would like to urge passage of these bills which are critical to funding for Fine Arts Facilities. The need for such a facility in Sitka has been well researched and planned, and the Concert Association feels HB 781/782 would best fulfill the specific needs of Sitka and other interested communities.

Thank you for your support.

Sincerely,

Wanda White

Wanda White, President, Sitka Concert Association

P.C.
3-3-78

Feb. 28, 1978

Rep. Lisa Rudd Chr.
House Comm. on Commerce & Regional Affairs
Juneau, Alaska

Dear Rep. Rudd;

Because of my deep Concern for the arts in Alaska I ask you to support Rep. Duncan's bill no. 781/782 for construction and development of Cultural facilities.

I ask you to favor this bill because of its land match provision and its provision for State Arts Council recommended five member advisory Commission — which are crucial to the success of the Cultural facilities.

C. C. Rep. Elinson

Sincerely,
Clotilde Bahoves
Box 703
Sitka, Ak,
99835

P.C. 3-3-78

TOGIAK CITY COUNCIL

P. O. Box 99 • Togiak, Alaska 99678

February 27, 1978

Governor Jay Hammond
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

We the undersigned, City of Togiak support the City of Dillingham to build a Regional Cultural Center in Dillingham.

The Center would be available for programs at annual Beaver Round-up and throughout the year for plays, movies and program.

We will be waiting for your reply. Thank you.

Signatures,

Stanley Active Sr.
Stanley Active, Sr., Mayor

Peter Tommy Sr.
Peter Tommy, Sr., President

William Coupchiak
William Coupchiak, Vice Pres.

Grace Pavian
Grace Pavian, Secretary

Stanley Active Jr.
Stanley Active, Jr., Treasurer

Willie Wassillie
Willie Wassillie, Member

John Coupchiak
John Coopchiak, Member

cc:

Rep. Steve Cowper, Chairman
Lisa Rudd, Chairman
City of Dillingham
Togiak School

Other Community & Regional Affairs Committe Members:

Sarah Jo. Smith
Nels Anderson
Bill Miles
Al Ose
Merle G. Snider
Tim Kelly
Randy Phillps

P.C. 3-3-78

X

Box 307
Dillingham, AK.
99576

2-27-78

Lisa Rudd, Chairman
Community & Regional Affairs
Pouch U
Juneau, AK 99811

Dear Ms. Rudd:

This letter is a request for your support to get H.B. 781 and 782 on the ballot and passed.

We are in hopes, if this bill passes, that Dillingham will be a recipient of matching funds to build a cultural center. We have difficulty finding a place to hold meetings and cultural events.

Sincerely,
Ms. Monte Kyle

P.C. 3.3.78

Box 606
Cordova, Alaska 99574
February 27, 1978

Dear Governor Hammond:

I am writing in support of House Bills 781 and 782 which authorize the construction of community cultural facilities (781) and provide a bond which will implement the construction thereof (782). I am aware that there are several other bills which pertain to this same issue; however, it is my opinion that bills 781 and 782 provide the best choice of legislation being presented in consideration of this issue.

A twenty-four year resident of the state of Alaska, I attended the University of Alaska, graduating in 1960. I have lived and worked in a number of Alaskan communities and have been a high school teacher for the past ten years. During my years in Alaska, I have been consistently involved with what may be broadly termed the humanities. It is my firm opinion that the bills for construction of community cultural facilities are not concerned with frills, as the voices of protest may opine, but with the essential nourishment of the human spirit. Looking back to even the most "primitive" societies one finds that after the hunting and fishing was done a great amount of time was spent on cultural activities.

I tend toward the thought that in this era of technological advancement we've been neglecting the humanizing elements. The National Endowment for the Arts, enabling every state and many cities therein to form arts councils and develop arts programs, is a healthy indication that a good many persons see the need not only for national funding and guidance, but also the fact that the essential communication will take place at the community level.

Here in Cordova we have been working with the Cultural Facilities Development Committee for several years. The school board has passed a resolution acknowledging the need for a humanities center and a desire to operate it for the benefit of both the school and the community. The city council has agreed with the school board and has volunteered the land necessary for construction when the bond issue passes.

Thank you for your thoughtful consideration of this matter.

Sincerely yours,

Gail T. Nolan

(Mrs.) Gail T. Nolan
President, Cordova Arts & Pageants, Inc.
Teacher, Cordova High School

cc to: Rediger, Rudd, Smith, Anderson, Miles, Ose, Snider, Kelly, Lonnecker, Phillips

February 27, 1978

P.C. 3-3-78

X

Representative Lisa Rudd
Chairman
Community + Affairs Committee
Pouch I
Juneau, Alaska 99811

Dear Rep. Rudd:

This letter is to support House Bill 781 + 782. This community - which is fast becoming a regional center - and an expanding hub for Bristol Bay is in need of this cultural center. At present there is no such building that could serve all the needs that such a building could give.

I hope your committee will see that it will be placed on the ballot so the voters can decide.

Thank you.

Daniel Stone

Box 133
Dillingham
Alaska 99576

P.C. 3-3-78

Box 10010
Dillingham, Ak. 99576
Feb. 26, 1978

Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Ak. 99811

to whom it may concern:

This letter is in support of HB 781 and 782. We need the Regional Cultural Center to be built in Dillingham!

Yours truly,
Cynde Grubis

P.C. 3-3-78

X

Representative Lisa Rudd, Chairman
Community & Affairs Committee
Pouch V
Juneau, Alaska 99811

February 27, 1978

Dear Ms. Rudd,
I have just received notice that House Bill # 781 & 782 was introduced to the House Community and Regional Affairs Committee last week by Jim Duncan.
We are in great need of a regional facility in our community. As it stands now, we do not have a facility for community activities, museum, a day care center, etc., so I strongly urge you to consider this House Bill # 781 & 782 for the community of Dillingham, Alaska.

Thank you.
Glenda Zimmerman

X
PC
3378

February 28, 1978
P.O. Box 82
Dillingham, AK 99576

Representative Lisa Rudd, Chairman
Community & Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Mrs. Rudd;

I am for House Bill No. 781 & 782 because Dillingham needs a facility such as the proposed regional facility. Such a place will provide space for an auditorium for public use; a museum where native arts can be on desplay; also a day care center.

I ask for your support of the bill as it comes up in march.

Thank you.

Sincerely,

Donna Bingman

Donna Bingman

P.C.
3-3-78

Alaska State Community Theatre Assn., Inc.

P.O. BOX 790 PETERSBURG, ALASKA 99833

February 14, 1978

Representative Lisa Rudd
House Committee of
Community and Regional Affairs
Pouch V
Juneau, AK 99811

RE: HOUSE BILLS 781 and 782

Dear Representative Rudd and
Committee Members:

This letter is to urge you to support House bills 781 and 782, introduced by Representative Duncan, which deal with cultural facilities around this state.

In addition to having an obvious artistic benefit, we feel that the buildings themselves will stimulate the growth and economy of the communities involved in this project and for future communities which wish to take part.

Never has Alaska seen a project of such scope and magnitude initiated directly by the people, which sets out their needs, will encompass the majority of Alaska's population, provide jobs and been supported by so many various organizations and political groups.

Passage of these two bills will, in our opinion, be one of the best ways of allowing all Alaskans to participate in stimulating their local economy, enriching their lives, provide jobs, and promote tourism--one of the cleanest industries in the world.

Sincerely,

Susie Sauser

Susie Sauser
President

SS/sj

NOTEGRAM®
© THE DRAWING BOARD, INC., BOX 503, DALLAS, TEXAS

CITY OF ANGOON

P. O. BOX 189 • ANGOON, ALASKA 99820 • PHONE 788-3433

P.C. 3-3-77

MESSAGE	REPLY
TO Lisa Rudd, Chairman Community & Regional Affairs Pouch V Juneau, Alaska 99811	DATE
DATE February 21, 1977	
Enclosed is copy of letter address to Governor Jay Hammond, for your information.	
Sincerely, Cultural Facilities Committee Member - Maxine L. Thompson	
BY Maxine L. Thompson, Admin. Asst. to the Mayor	SIGNED

Form 12 P/S © The Drawing Board, Inc., Box 503, 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.

City of Angoon

P. O. Box 10
Angoon, Alaska 99820

February 10, 1978

Governor Jay Hammond
3rd Floor, State Capitol
Porch A
Juneau, Alaska 99811

Honorable Hammond;

RE: House Bill No. 781-782

The City of Angoon with a population of 437 has limited revenue in which to operate on yearly. The main sources of income for the city being State and Federal revenue already obligated to designated city department/categories.

For these reasons Angoon would like to be able to use land as a local match. Therefore, we The City of Angoon request that you give support to H.B.#781-782.

Thank you for giving this your attention.

Sincerely,

Peter Jack Sr.

Peter Jack, Sr.
Town Mayor

P.C.
3-3-78

DILLINGHAM CITY SCHOOL DISTRICT
POST OFFICE BOX 202
DILLINGHAM, ALASKA 99576

PHONE: 842-3624 HERBERT OBA SUPERINTENDENT OF SCHOOLS HARRY E. PURDY ASSISTANT SUPERINTENDENT

February 27, 1978

Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, AK 99811

Dear Ms Rudd:

As Superintendent of the Dillingham City Schools, I wish to express support for the inclusion of the proposed cultural facilities on next fall's ballot for bond issue. I feel that HB 781 and 782 would urgently fit the needs of our community.

There is a real need for a regional cultural center in Dillingham. Some of the needs which such a center could meet are at present either not being met or are being met with make-shift facilities. Such a facility would be particularly worthwhile for the school system in that it would reduce the overload in the use of school facilities and make possible the scheduling of many more school/community events. I also feel that the proposal facilities would enable us to expand our offerings, especially in the performing arts, as we would then have access to adequate production facilities, such as a stage and an auditorium.

Your consideration would be greatly appreciated.

Sincerely,

Herbert Oba

Herbert Oba
Superintendent of Schools

HO:mkt

P.C.
3-3-78

February 28, 1978
Dillingham, Alaska 99576

Representative Lisa Rudd, Chairman
Community and Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Ms. Rudd,

I am writing in support of House Bill 781 and 782. As I understand it these bills would provice funds for a regional cultural center to be located in Dillingham.

This facility is sorely needed. The school is the only building in the city that can be scheduled for many of the activities such a center could provide and the school is over scheduled without meeting half the demands placed upon it. Many activities have to be part time and done in a place not established for these activities in order for them to be held at all.

One glaring need that this facility would aid would be activities for the young in our community. With the exception of the school, there is virtually no where for the youth to go and hardly any activities for them. This facility would provide relief to these programs.

I ask your support for the regional cultural center in the Bristol Bay Area.

Sincerely,

Don LeClair

Don LeClair

Dillingham High School
Activity Director

PC 3-3-78

TELEGRAM
ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]
JUNEAU, ALASKA [illegible]

#Z

23010 POM PETERSBURG ALASKA 03-02 PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

STRONGLY URGE PASSAGE HB781-2X

PETERSBURG HAS MATCHING LAND WILL GIVE US

COMMUNITY THEATER AND LIBRARY

CHRIS BREWIS, BOX UR PETERSBURG AK 99833.

PC 3-3-78

TELEGRAM
ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]
JUNEAU, ALASKA [illegible]

#E

23014 POM PETERSBURG ALASKA 15 03-02 PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

URGE PASSAGE OF HB781-782 INSURING COMMUNITY SUPPORT

OF CULTURAL FACILITY THROUGH LAND MATCH, MAINTENANCE

MICHALE EDGINGTON, BOX 333 PETERSBURG AK 99833.

PC
3-5-78

TELEGRAM

NCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#

23003 POM PETERSBURG ALASKA 15 03-02 PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

APPRECIATE YOUR FAVORABLE CONSIDERATION ON HB781-782

CULTURAL FACILITIES BILL

PATRICIA NORHEIM, BOX 642 PETERSBURG AK 99833.

#

X
PC
3-3-78

#

23013 POM PETERSBURG ALASKA 15 03-01 PST

PMS LISA RUDD

JUNEAU "

PETERSBURG ART COUNCIL SUPPORTS HB781-782.

AGREE WITH CLAUSE ALLOWING LAND FOR LOCAL MATCH.

URGE SUPPORT

PETERSBURG ARTS COUNCIL, CARE LINDA MARTINSON, BOX 1028

PETERSBURG ALASKA 99833.

P.C.
3-3-78

INDIAN EDUCATION PROGRAM
JOHNSON-O'MALLEY PROGRAM
DILLINGHAM CITY SCHOOL DISTRICT
POST OFFICE BOX 202
DILLINGHAM, ALASKA 99576

PHONE OFFICE
842-3189

MIKE JOHNSON
PROJECT DIRECTOR

March 1, 1978

Representative Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

This letter is in support of House Bills #'s 781 & 782 for the proposed regional cultural center for Dillingham.

A center of this nature is non-existence in Dillingham as well as Bristol Bay and would be used to its fullest capacity by all agencies in this area. All the agencies in Dillingham use either the Dillingham Youth Center, which is too small and very uncomfortable; or the High School Gym, which needs to be scheduled far in advance so as not to conflict with school activities; for their meetings, banquets, hearings, etc.

If such a facility was available the Johnson-O'Malley and Indian Education programs would definitely utilize it. Under the Indian Education programs we provide the Native Heritage Museum that is presently cramped in the local City Library. We do not have any space for our storage cabinets or exhibit panels to store when they are not in use. With the regional culture center we can have one area set aside for our museum and expand it to a larger facility with adequate storage space. The students in the Dillingham Schools and well as community members tour our various art displays of local artists, statewide exhibits, student & adult native crafts and articles and artifacts of the native culture, but the limit of space dampers the total appreciation of our museum.

Also the Johnson-O'Malley program has evening carving and skinsewing classes, native dances, native olympics and a large variety of activities, that could be held in a cultural center, for students. A facility of this nature with a warm atmosphere would put the enthusiasm and interest back with the students.

Once again, please support House Bills #'s 781 & 782 for the proposed regional cultural center for Dillingham.

Sincerely yours,

Rose Heyano
Director

cc: Honorable Governor Jay Hammond
Representative Nels Anderson

F. [illegible], 78

P.C.

3-7-78

[illegible]

Community [illegible] Committee

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Lucien Kopatek

[illegible] Henderson, Alaska

99576

P.C.
3-778

March 1, 1977

The Honorable Jay Hammond, Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

As Program Director for the Willimbon Municipal Arts Council, I endorse this appropriation request for the support of House Bills 701 and 702, such bills being to expand the Regional Cultural Center that is being erected in Willimbon.

We are a trade union of artists and craftsmen who live and work in Willimbon. We are a relatively young organization, having been established only a couple of months. Our membership is growing rapidly and we feel it is due to the success of the Regional Cultural Center. We feel that the Center is a valuable asset to the community and will be a great benefit to the people.

We are very pleased to learn that this bill has been introduced. On January 25, our members unanimously passed a motion to support the establishment of the Regional Cultural Center here in Willimbon. If the bills pass, they must be signed before March 31, 1977 or 75% of the bill will be paid by the Federal government. We would appreciate your support for the bill. If you require any further information, please do not hesitate to contact me at my office.

We therefore urge you to give the bills your favorable vote, and to actively seek their passage in the legislature.

Thank you very much.

Respectfully yours,

Helen E. Rowe, Program Director
Willimbon Municipal Corporation
P.O. Box 123
Willimbon, Alaska 99576

Copies sent to:
Senator Ted Stevens
Senator Mike Gravel
Rep. Don Young
Mayor Willimbon

Bill Wilson
Al Ross
Lorie Snider
Willimbon Arts Council

Tim Kelly
Peter Loyens
Randy Miller

Robert L. Wheeler

14 March 1978

Rep. Lisa Rudd. -

I am writing in support of H.B. 781 and 782 sponsored by Rep. Duncan. The development of Fine Arts Centers throughout the state is essential to preserve, protect and promote the works of Alaskan artists.

Bills 781 and 782 ensure that Sitka will be able to begin developing the Sitka Intercultural Arts Center. The land-match clause and clause developing an advisory committee are most important to the success of the total plan.

Carol Wheeler
Box 2070
Sitka, Alaska
99835

March 17, 1978

The Honorable Lisa Rudd
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

This letter is to indicate our support for H.B. 781 introduced by Representative Jim Duncan of Juneau. Alaska has long been in the vanguard of states concerned about the access of its people to the arts. This performing Arts Bill introduced by Representative Jim Duncan, will insure the performing arts a lasting place throughout Alaska. Most of the communities which would benefit by this bill could not expect performing arts centers to be constructed by the private sector. The people of this State will only have access to the arts if the performing art centers are built with State participation. In most cases communities will not have the cash necessary to match State funds on a dollar for dollar basis. Thus, it is important to allow municipal contributions to be in the form of land. Duncan's Bill does these things and should be passed.

Yours very truly,

James F. Clark

Susan R. Clark

JFC/pc

cc: Representative Sarah Smith
Representative Nels A. Anderson
Representative Bill Miles
Representative Al Ose
Representative Merle Snider
Representative Tim Kelly
Representative Peter Loveseth
Representative Randy Phillips
Representative Jim Duncan

D.C.

RR3 Box 3612B-10-78
Juneau, Ak 99801
March 8, 1978

Dear Rep. Rudd,

The Juneau-Douglas Concert Association is frustrated continually by lack of adequate facilities for concerts in Juneau. As a representative of this organization and as a private citizen who enjoys the performing arts, I urge you to support HB 781 and HB 782, now in the Community and Regional Affairs Committee.

Please do all you can to pass these bills out of committee and support them on the House floor.

Thank you for your interest.

Sincerely,

Linda Miller
Pres., Juneau-Douglas
Concert Association

P.C.
3-10-78

933 C. Street
Juneau, Alaska
99801
March 8, 1978

Rep. Lisa Rudd, Chairperson
House Community and Regional Affairs
Committee
Pouch V, Juneau, Alaska 99811

Dear Representative Rudd:

We are asking your support, and that of your committee for the two bills on Cultural Facilities Development, HB 781 and HB 782.

Our exoerience in Juneau has been that cultural centers are usually at the bottom of the oricrity list for construction. The Juneau Douglas High School gym was built several years before the school auditorium, but soon the auditorium was so booked with school events that other community activities were crowded out. A church building has been a stopgap for the Little Theater, but it is inadequate. Another need is for exhibition space. The State Museum has its own showings,and there is seldom space for other shows.

The two bills you are considering hold out some hope for Alaska cities to obtain cultural centers,so we are asking that you consider them carefully, and support them if you can see your way to do so.

Thank you for your assistance.

Very truly yours,
Dick & Mary Peter
Mr. and Mrs. Richard Peter

Please support HB 781 and HB 782

We are all dancers and need such a cultural facility. Right now we rehearse in church basements. We need such a facility to further local/community talents and creativity. We need such a facility so professional companies can perform in Juneau.

Jessie T. McLaughlin	333 Dugla Hwy - Juneau
Robert (Aaron) Jensen	432 - 1ST Juneau
Colette Ravinet	RR3 Box 3771 Juneau
Phyllis Baumgartner	RR4 box 4333 Juneau
Jennifer Haywood	RR4 BOX 4922 Juneau
Susan Jurasa	Box 93 Auke Bay Alaska 99821
Peter Jurasa	BOX 93 Auke Bay Alaska 99821
Brenda C Haywood	9195 Dogs Rd - Juneau
Lon Haywood	RR4 Box 4922 Juneau
[illegible]	P.O. Box 2 GUSTAVUS AK 99826
[illegible]	431 Harris St. Juneau AK

P.C.
3-10

JUNEAU Oratorio Choir

P.O. Box 2760
Juneau, Alaska 99803

March 8, 1978

Representative Lisa Rudd
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd;

We would like to urge you to support HB 781 and HB 782 regarding the Cultural Facilities Project. Juneau desparately needs an adequate performing arts facility, as do the other communities in the state involved in the project. Judging from the number of activities going on this spring alone, we're sure that a performing arts facility will be well-used in Juneau.

Jim Duncan's bills provide for community involvement in these cultural facilities projects and the communities will benefit greatly from them. As members of the Juneau Oratorio Choir, the chorus for "CARMEN", and as individuals, we hope that you will give these bills careful consideration and support.

Thank you for your help.

Sincerely,

J. Allan MacKinnon

J. Allan MacKinnon
Director, Juneau Oratorio Choir
Margaret MacKinnon

Margaret MacKinnon

2-27-78

Dear Rep. Lisa Rudd, chairman

I support H.B. # 771 and 782 Regional Cultural Center. I am in the sixth grade I don't have a place to play my instrument except in our stuffed and hot gym. Why? to give concerts. child center, theater, and other fun stuff.

Sincerly,
April Nicholson

540 West 10th Street
Juneau, Alaska 99801
March 13, 1978

Representative Lisa Rudd
Pouch V
Capitol

Dear Representative Rudd:

I am writing in regard to HB 781,782, concerning the Cultural Facilities Development Project. I consider this project essential and urge you to pass these bills out of Community and Regional Affairs unanimously.

Here in Juneau, as well as in other communities throughout the state, we have a desperate need for a performing arts center. As a writer I know of many instances in which we here in Juneau found it difficult to set up a literary program because there were no adequate facilities. Those concerned with music, dance, and drama have had an even harder time. If we are to recognize the importance of the arts in all our lives and move forward, culturally, in this state, we must have adequate facilities.

Please vote now to support and move along HB 781,782.

Sincerely,

Sheila B. Nickerson

Mar. 13, 1978

PC
3-22-78

THE SAVOY LONDON

SAVOY HOTEL P.O. BOX 189 STRAND LONDON WC2R 0EU
Cables SAVOTEL LONDON WC2 Telex RESERVATIONS 24234 MESSAGES 24235
Telephone 01-836 4343

Dear Rep. Rudd:

Although we are currently travelling, we do wish to express our support for H.B. 781 and 782, co-sponsored by Jim Duncan et al.

The creation of an art center in Sitka and the other towns involved will be an economic as well as cultural contribution to Alaskans.

Additionally, it will point out to others that there is more to Alaska than wilderness and pipeline.

We also believe that legislators will someday look

region. The cultural center is one of these more out-standing achievements, when it is complete.

Sincerely,

Rev. and Mrs. Robert W. Stertz
412 and 412 S. Robert W. Stertz
P.O. Box 1770
Sitka, AK 99835

R. Holmes Johnson, M.D., D.A.B.F.P.
Family Practice

HOLMES JOHNSON CLINIC
Box 1727
Kodiak, Alaska 99615
486-3237

P.C. 3-22-78

March 17,1978

Lisa Rudd
Chairman, House Community and Regional Affairs Committee
Juneau, Alaska 99801

Dear Lisa Rudd:

This letter is written to request your support of House Bill #781 and #782.

As a physician, I am concerned with the health of my community as well as other communities and of greater Alaska. In this regard, the bond issues provided for in the above bills would allow the state to assist the communities which have put together developmental plans for civic centers and therefore enrich the sociocultural environment and consequently the "health" of the community in general.

I feel this kind of investment is a sound investment and definitely affords these communities the opportunity to improve their quality of life. I feel that the communities included in the bond issue request have made sound plans for the development of these centers and should be supported.

This is to respectfully request your support.

Sincerely,

R. Holmes Johnson, M.D.

RHJ/ns

cc: Committee Members

5/4/78

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES, POUCH V, JUNEAU 99811

Dear Betzi –

Thanks for sending me a copy of your letter to Bill Miles re HBs 781 + 782. As always, your arguments are well put and unassailable!

Best –

Lisa

REPRESENTATIVE - DISTRICT 11 - ANCHORAGE

Betzi Woodman Free Lance Writer/Photographer

Alaska Correspondent for
Reuters News & Economic
Services
McGraw-Hill Publications
News and Features

117 E. Cook Avenue, Anchorage, Alaska 99501

Area Code 907 277-0734

April 29, 1978

Rep. Bill Miles
Box V
Juneau, Alaska 99801

Dear Bill:

You have many difficult issues facing you and I do not envy you the job of trying to sort through the immensities of both money and implications for the State. It is almost more than can be dealt with, particularly in a year so fraught with pressures of elections and other matters. In spite of what is written about the House or Senate, for that matter, in the press, I feel from my observations that the individuals are really struggling to come up with equitable decisions. I appreciate those like yourself who will not be pressured into a quick decision if you cannot see some aspect of the long range effects.

So many times, people are pushed to make a quick decision on a big project and within a few years it is demonstrated that it was not all that important in the total picture. Waiting a little longer for the waters to clear will not hurt some situations.

But there is one smaller item which may already have come up on the floor which I think deserves passage for numerous reasons and which will have values down the years beyond what many can see now. That is HB 781 and 78 As you know, I have been part of this planning for some time--first with the Bicentennial Commission, then with the Mayor's Advisory Committee and then in conjunction with the state-wide group. It is refreshing to work on something cooperatively where benefits can be gained in more places than just Anchorage, to know that Anchorage votes are vital to its success and to know that we think that's great.

The important values, however, are on what it will mean to each community to have an adequate center about which creative endeavors can be generated. The fact that the project requires grass-roots statements of individual community needs, that thorough planning is required so that the facility will indeed be correctly designed, that the local government entity has to agree to maintenance and operation--all make it a good project. Buildings alone, of course, don't bring creative activities into being. But good facilities make it possible for those creative souls to carry out their activities in a manner worthy of the effort and they also contribute toward upgrading whatever the programs might be.

The provision for the Advisory Commission is wise. It will help communities work out proper plans and designs and will encourage groups to seek the professional assistance they need to do this.

I believe that creative progress in communities is as vital for the peoples' health as sewers and roads and airports. True, people have to eat and have economic life of some sort. But value is either without some soul-satisfying activity which enlivens the imagination and makes people "feel good?"

1978
Feb. 27

Dear Lisa Rudd,

I support A.B. #781 and 782 Regional Cultural Center.

Because we have to give concerts in a smelly, smelly, smelly dump.

Yours truly,
James Warren Bell

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE 586-6340
JUNEAU, ALASKA 99801

#

02161 ANCHORAGE ALASKA 57 3-10 255P AST

PMS MISS LISA RUDD

COMMUNITY AND REGIONAL AFFAIRS COMMITTEE COURT HOUSE RM 120

JUN 99301

DEAR LISA,

.THIS WIRE TO URGE YOUR FULL SUPPORT FOR HB781 AND 782 PROVIDING AIDE AND MECHANISM FOR BUILDING CULTURAL FACILITIES THROUGHOUT THE STATE. FACILITIES ARE DESPERATELY NEEDED IN ANCHORAGE AND OTHER PLACES. HAVE CHECKED SITUATION AND FIND THAT THESE BILLS ARE COMPATABLE WITH BREAK THROUGH PLAN NOW BEING CONSIDERED BY MUNICIPALITY OF ANCHORAGE. MANY THANKS.

PAUL V BROWN, PRODUCTING DIRECTOR

ALASKA REPERTORY THEATRE

P.O. Box 776
Cordova, Alaska 99574
February 28, 1978

Governor Jay Hammond
Juneau, Alaska 99801

Dear Governor Hammond,

We are waiting to ask your support of House Bills 781 and 782 for statewide cultural facilities. Having been a visitor to our community, you are probably well aware of the great need for this kind of facility in Cordova. The educational facilities that we have at present are very inadequate. It is difficult to schedule the school related uses and activities in these facilities, let alone trying to schedule community use of the buildings. A cultural facility designed to meet our particular needs would be a great boost to cultural activities and certainly of much educational benefit.

Sincerely,
Jack and Paula Lamb

cc Mrs. Lisa Rudd

100 NORTH FRANKIN STREET

BROADWAY BOOK SHOP

JUNEAU, ALASKA 99801

907-586-2130

March 10, 1978

Representative Lisa Rudd, Chairperson
Community and Regional Affairs Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Re: House Bills 781 and 782

Dear Community and Regional Affairs Committee:

A Performing Arts Center is in great need by the residents and visitors of Juneau, and similar facilities are needed in many other areas of Alaska.

While touring with the St. Paul Singers over a seven year period, visiting approximately eighteen communities, from Ketchikan to Kotzebue, we found very few facilities outside our two largest cities which could easily be used for cultural activities. We "made-do", as Alaskans have for years, but it seems that our communities deserve better facilities than that which they experience at present.

Alaskans need entertainment, whether provided by themselves or guests, and adequate facilities in which to be entertained.

I strongly urge you to unanimously pass House Bills 781 and 782 out of committee, for the benefit of all Alaskans.

Sincerely,

Jean E. Grummett

Jean E. Grummett

RE
3-6-78

March 3, 1978
Dillingham, Ak.

Cory Benedict
Maintenance Supervisor
Southwest Region Schools
Dear Sir,

I would like to register my support for any cultural facilities that may be possible for this area. Our community desperately needs a community meeting facility. There are many activities that could enrich our lives if we had a place to meet in.

Our school administration building is too small to even hold a school board meeting in.

Thank you for your time and support.

Sincerely,

P.C.
3-6-78

TELEGRAM

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

#

23005 PETERSBURG ALASKA 15 03-03 210P PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

URGE SUPPORT OF HB781-782 ENABLING COMMUNITIES TO

BUILD-MAINTAIN EDUCATIONAL FACILITIES ON

MUNICIPAL LANDS

NARROWS BROADCASTING CORPORATION.

P.C.
3-6-78

TELEGRAM

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

#E

23002 POM PETERSBURG ALASKA 03-03 PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

URGE AFFIRMATIVE ACTION ON HB781-782

HELMI JENSEN, BOX 264 PETERSBURG ALASKA 99833 ~~00165~~.

Feb 28, 1971

Dear Representative Lisa Rand -

As a student of Dillingham High I think that we should [illegible]. If we did have this facility then everyone around would come and nobody would be bored. I think we really do need this for everybody because we could have roller derby, concerts, school programs, etc. + keep all of this crammed into our town school. So pls. support House Bill no. 731 + 782 + get started for this. Thanks for your support.

Sincerely,
[illegible]

Box 1016
Dillingham Alaska
99576

feb 28 76

Dear Representative Lisa Rudd

The people of Kwethluk Bethel area need a place to go to see things or do things like drama shows, films, dances, concerts, and a place for young people to go and see what there is in. So please pass action to the bill 781 and 782.

Irene I Wade
Box 172
Dillingham, Alaska
99576

Representative Lisa Rudd, Chairman
Community & Affairs Committee
Pouch V
Juneau, Alaska, 99811

Dear Lisa Rudd

Feb 28.

I am a student in Dillingham and I would like some good facilities we need to had have [illegible] to do on weekends and that are open for the whole community to use. There would be a place to go and have some fun instead of getting in trouble so please support bill 781 - 782.

Thank you

Dale Edgmon
Box 2
Dillingham ALASKA.
99576

Lisa Rudd

Community + Affairs Committee
Pouch S Juneau ALASKA 99811

Dear Representative Lisa Rudd

We would like to have a Commouity Collage in Dillingham Alaska so the people would not have to pay so much to go to other places. Some people don't have enough money to send the children in the United States (Lower 48). So we the people of Dillingham Alaska would like you to suport the Bill 78 and 782.

Yours truly
Genee Schlosser
Box 123
Dillingham Alaska
99576

Inter-Community and Regional affairs Date 4/28/78
Committe

Subject: Lisa Rudd, Chairman

My name is [illegible] I am a student at [illegible] High School. Right now we [illegible] to show Movies to a crowd, except [illegible] the sports are all over we have the gym. So we need Community Cultural activities [illegible] for you to support here bill 181 and 752 at the commitee hearing next week.

Feb. 28. 1978

Representative Rudd
Community + Affairs Com.
Rouch V
Juneau Alaska, 99811

Dear All Representatives,

I think Dillingham needs a cultural Center because, So it won't be so boring.

Thank if you guys do.
Please support house 781

Sincerely
Edith

Name
Edith Kuku
Box 151
Dillingham, Alaska

Representative Rudd

Feb. 28, 1978

community & affairs com.
Pouch V
Juneau AK. 99811

Dear Ms. Rudd,

I feel that Dillingham and Bristil Bay need a cultural center. Because school student are drinking, and bored of doing nothing. We need bill 781-789.

Sincerely
George Andrew

Thankyou

George Andrew
Box 1059
Dillingham Alaska
99576

February 27, 1978

Box 10158
Dillingham, Alaska
99576

Dear Rosa Rudd,

As a freshman at DHS, I think we really need a place with a nice auditorium and a place for youth activities like music, band, and drama concerts. Also, Prom, graduation, the Pageant, and dances.

So please support House Bill #781 & 782 for cultural facilities so that we would be able to enjoy our town a little more. Thank you for your support!

Kim Bellegue
Box 10158
Dillingham
99576

Diane Andrew
Box 10059
Dillingham, Alaska

Feb. 27

Dear Ms. Rudd,

My name is Diane and I am a student in Dillingham. I think we need a place to show our arts & crafts skills and use for many other things such as a movie hall, carnivals, and a place for a band or concert. It would be a real nice place to have. So please support bill No. 781 & 782 for cultural facilities. Thank you.

Diane Andrew

RUDD

Feb 26, 78

Representative Rudd

community and affairs com.

Pouch V,

JUNEAU Ak, 99811

Dear MS Rudd

I am IN favor of the Hasbill 781-782 because Billings has needs a cultural center,

The reason why we need one is because we need a movie hall Because we have NO other way for good entertainment The High school band needs a place to play for the community I feel that Billingham Alaska and Bristol Bay will greatly Be effected By the cultural center

I thank you for reading my letter

Thanks MS - rudd

sincerly yours Oriane Bell

Oriane Bell

Box 142

Dlg, AK, 99576

P.C. 1, 4-76

Connie Boochever

1709 Angus Way ~~-~~ Juneau, Alaska 99801

March 7, 1976

Community & Regional Affairs
Chairman Bob Reed & Members
Pouch V Capitol Juneau Alaska 99801

Dear Chairman Jim Reed & Members

Please bring out bill 731 and 732 with "do pass".

So many communities are in need of performing arts centers & the only way this can happen is for your legislature helping the communities financially. Only [illegible] in Anchorage [illegible] the Performing Arts Center. We have developed many talented performers and to have no place to perform after graduation is tragic. It becomes discouraging & most civilizations are measured by artistic endeavors. We Alaskans have artistic feelings and I urge you to make this project a priority in the years to come. Thank you for your kind attention.

Sincerely,
Connie Boochever

P.C.
3-9-78

Box 526, Petersburg, Alaska 99833
March 6, 1978 Monday

Dear Lisa Rudd,

I strongly request your support in passing HB 131-2 (781-2) The Cultural Arts Facility bill. Petersburg has a plan and the matching land. If this bond passes, Petersburg will be able to complete its plans for a new community-school library.

I also urge you to include two library items in the budget.

(1) The Library III position for State library supervisor so necessary for improving rural libraries

(2) The State Library Budget as an on-going item thus releasing federal funds for special grants for Alaska

Thank you for your help.

Sincerely,

Ruth Sandvik
Librarian

Feb. 28. 1978 P.C. 36-79

Representative Rudd,
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd,

I feel that the Bristol Bay area is in great need of a Cultural Center or place to hold activities.

I need your support on House Bill 781-782.

Thankyou.

Sincerely,
Amy Ruby

Amy Ruby
Box 121
Dillingham, AK
99576

P.C
3-6-18

Representative Rudd

Community + Affairs Com.

Pouch V

Juneau Ak 99811

Dear Ms. R.D.

Dillingham And the surrounding Area could really use a Cultural Center We could use it for A Theater a recreation hall And for Our Beaver Round-Up Activities So please Vote for House b.11 781-782

Thanks

Sincerely

Jean Barrett

Jean Barrett

P.O. Box 112

Dlg Ak 99576

Representative Irma Rudd, Chairman
Community & Affairs committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd,

We need a cultural center in Dillingham, we need a place for college classes, also need a place for dances, shows and Arts and crafts. our school is over used. Please support House Bills 781 & 789.

Allen Hiratsuka
Dillingham Ak.
Box 1065
99576

February 27, 1978

Dear Ki [illegible] Pete,

[illegible] Kashunamiut [illegible] and I would like [illegible] much we can [illegible] and 8 ft to center. This would display [illegible] and Arctic Char. This would have an [illegible] be nice for [illegible] Thank you for your support

Sincerely,

Deane Hyano
Box 243
Dillingham, Alaska
99576

Date- 2/28/78

Honorable Gov. Hammond
Pouch A
Juneau, Ak
99811

Dear Community Regional Affairs Committee members,

I think we should really have a place where we could have a nice auditorium. Then we could have good school music, bands and drama concerts and a good place to have a Senior Prom and Graduation. So Please support the Bill number 781 & 782. The new gym does not have a new stage but if we get the facility, we will be happy.

Thanks for your support.

Sincerely yours,
Ken Wahl
P.O. Box 125
Dillingham, Ak.
99576

Representative Rudd
Community & Affairs Com.
Pouch V
Juneau, AK 99811

Dear Ms Rudd,

The public of Dillingham would very much like a place to have some activities; such as movies, dances, and others; We need your support. Thank you

Support House Bill 781-782

Sincerely
Joe Fiddler

Joe Fiddler
Box 101
Dillingham AK 99576

Mar. 1. 1978

Representative Rudd
Community Affairs Com.
[illegible]
Juneau, AK 99811

Dear Ms Rudd,

We the people of D.[illegible] are asking for your support for a Cultural Center. We could benefit greatly from one because we have no place to have movie's or concerts, or even a good place to play games out of the rain. Thank you for all the time to read this, I hope you'll support it. Thank you.

Support House bill 781-782!

Thanks again,

Sincerely

Sonia Watson

Sonia Watson
P.H.S. Hospital
Dillingham, Ak.
99576

P.S. you'd be helping us alot.

Feb 27, 78

Representative Rudd
Community & Affairs Committee
Room V
Juneau, Alaska 99811

Dear Ms Rudd

The community of Dillingham Ak feels they need a Cultural Center. Because they (the kids) need a place for activity all day long and every day. We need your support for the house bill 781-782.

Thank you.

Richard A. Hartbrucker
Dillingham Ak
99576

Feb. 28, 1978

Representative Lisa Rudd
Community and Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd

I feel that Dillingham and its surroundings needs the house bill 781-782. We need a Cultural Center. There would be many things we could use the Center for. Such as a movie theater (we don't have one), concerts, University of Alaska classes, a place where the kids could play games, And for some of the Beaver Roundup entertainments. We need your support.

Thanks
Sincerely,
Kathy O'Connell

Kathy O'Connell
P.H.S. Hospital
Dillingham, Alaska
99576

Dear Ms. Rudd

We the kids in Dlg, would appreciate a Cultural Center to go to. Would you support the Bill 781-782 OK.

Thanks

Marsha Rut
Box 164
Dlg, AK,
99576

Representitive Rudd
Community & Affairs Committee
Pouch V
Juneau, Alaska 99811

feb 28, 78

Dear Mrs Rudd

I think that Billingham Alaska needs a Cultural Center so we could have a place to do things and were hoping that you pass the House Bill 781

thank you

Carl Hanson
Box 243
Billingham Alaska 99576

Representative Rudd
Community AFFairs Com,
Touch V.
Juneau, AK 99811

Dear Ms Rudd

We need a cultural center because we need to have a place to have movies, meetings, dances and have place to go on weekends. Thanks for taking the time to read this letter

Howard Kelly
P.O. Box 23, 99655
Alegnigik, Alaska

February 28, 1978

Representative Lisa Rudd, Chairman
Community & Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Lisa,

I know that our community is very much in need for an auditorium. Our community doesn't have a recreation center for teen-agers, so they don't have anything to do except get into mischief. People have to think about their children's future. What is there that can provide entertainment for our community? NOTHING!! That is the whole problem. There is not a movie hall, there is no teen age recreation center, no museum, or a place where people can just talk and get to know eachother. We (Dillingham) are trying to support alot of little villages, when we don't have any facilities to support them with. Another big problem is, fishing is our main event in the summer, quite alot of people fall off their boat and drown because they don't know how to swim! We are in need of a swimming pool to save lifes!! Please help our communities, by passing this bill number 781 & 782 for a helping hand.

Sincerely,

Kristi Patin (15 yrs old)
Box 194
Dillingham, Ak
99576

March 4, 1978

Representative
Community Affairs Committee
Pouch V
Juneau, Alaska
99811

Dear Miss Rudd

I feel that Dillingham and Bristol Bay need a cultural center. The students need a place to go when they have nothing to do. The adults and visitors need it for entertainment. It is also needed for students to get together and make friends. The building could be educational for everyone if it has a museum, creative center, movie hall and many other neat things. We need your support for building 781-782.

Thank you.

Margie Gumlickpuk
Box 23
Dillingham, Alaska
99576

FEB. 28, 1978

REPRESENTATIVE [illegible]
[illegible]
JUNEAU, ALASKA
99811

DEAR MR RUDD.

I BELIEVE THAT THE BRISTOL BAY REGION NEEDS A CULTURAL CENTER. BECAUSE WE HAVE NO PLACE FOR MOVIES, PLAYS, CONCERTS, ETC.. THE ONLY PLACE WE HAVE NOW HAS TO BE CLOSED, TO HOT, TO SCARY, WOULD YOU PLEASE SUPPORT HOUSE 751 - 282, THANK YOU

[signature]

JOHN PRINCE
P.O Box 31
DILLINGHAM, AK.
99576

Representative Lisa Rudd Chairman,
Community and Regional Affairs Committee
Pouch V
Juneau Alaska 99811

2/28/78

Dear Representative Rudd,

As a student in Dillingham I think that we really need a place with a nice auditorium. Then we could have good school music, band and drama concerts and have a nice place for the prom and graduation. So please support House Bill No. 781+782 for cultural facilities so that you would visit Dillingham and enjoy a nice school program in a big new place. Thank for your support.

Thank You

Willa Church
P.O. Box 47
Dillingham, Alaska
-99576-

Representative Lisa Rudd, Chairman,
Community and Regional affairs Committee
Room V
Juneau, Alaska 99811

Dear Representative Rudd,

As a student in Dillingham, I think that we really need a place with a nice auditorium. Then we could have good School music, band, and drama concerts and have a nice place for the prom and graduation. So please support House bill No. 781 & 782 for Cultural facilities so that you could visit Dillingham and Enjoy a nice School program in a big new place. Thank you for your support,

Sincerely,

Chester Murphy
P.O. Box 96
Dillingham, Alaska
99576

2/27/78

Dear Ms. - Rudd

As a student in Dillingham I think that we really need a place with a nice auditorium. Then we could have good school music, band, and drama programs and have a nice place for the prom and graduation. So please support House Bill No. 781 & 782 for Cultural Facilities so that more would visit Dillingham and enjoy a nice school program in a big new place. Thank you for your support.

Ronald Johnson
P.O. Box 78
Dillingham, Alaska

Representative Rudd.
community and Affairs Com
Pouch V.
Juneau Ak. 99811

Dear Ms. Rudd
I feel we need a Community Center because I am tired of sitting home and Doing nothing. at night. The kids and Parents need some where to go at night.

Bill-781-782

Thank you
Doug Shade
Box 172
Dillingham Ak
99576

(Nels Anderson) Feb 2-8, 1978.

Representative Lisa Rudd, Chairmen
Community + Regional Affairs Committee
Pouch V

Dear Representative Lisa Rudd.

As a student in Dillingham, I think we really need a auditorium so we can have concerts and prom and gradution. So please support House Bill NO. 781 and 782 for aultural facilities so that you would visit Dillingham and enjoy a nice school program in a big new Place. Thank you for your support.

Truely Your
Gladys Hiratsuka
Box 114
Dillingham, Alaska
-99576-

2-28-78

Miss,

I am in favor of the Cultural Center that should be built in Dillingham. I think that everybody can could use one.

Thank You!

Sincerely yours,
Katie Nelson

Katie Nelson
Box 6
Dillingham, Alaska
99576

Rep. Leon Panetta
Chairman, Fish & Wildlife Committee
Room D
Washington, D.C. 20515

Feb. 28, 78

P.C.
3-6-78

Dear Congressman Panetta,

I support House Bill 1681 & 1682.
I feel that Dillingham & Bristol Bay
needs such a building.

Concerned Citizen
Dillingham, AK 99576

Rep Linda Rudd

P.C.
3-6-7

Representative J Rudd
Community & Affair Committe
Couch St
Juneau, Alaska 99811

P.C.
3-6-7

Dear Rep. Rudd

I feel that Dillingham & Bristol Bay needs a Community Halls. very bad, Today? Because the Kids Needs the Parent, the whole town gets bored sometimes, very very often. Some of the students act out of bored sometimes they even get in trouble, some of the student have to be sent away because they have nothing to do, so they even drive get pass the law. not even the kids, the parents get are bored to but not much as the kids but they do. but if like if your get bored or not. you want to do something I know that your have a Comunity Hall. but to try getting your self a new Then need any Communities Hall, We sure need a Community Hall Thank You. Sorry about my writing

Sincerely Yours
Alexis Pat

Address on back

Representative [illegible] Ruth
Capitol [illegible]
Room V
Juneau, Alaska 99811

Febrary 28, 1978

P.C. 3-6-78

Dear Mrs Ruth

I feel that a cultural center would be a good idea in the Dillingham [illegible] area because there is no place near [illegible] for [illegible] cultural [illegible] or she is to [illegible]. I believe that the cultural center would be a good place for recreation activities.

Please support the House Bill 781-782

Sincerely Yours

Roy Hiratsuka
Box 114
Dillingham Alaska
99576

Feb. 28, 1978

Representative Rudd
Community and Affairs Com.
Pouch V
Juneau, Alaska 99811

Dear Mrs Rudd:

I feel that Dlg and the Bristol Bay area would appreciate a cultural center. We need a place to show movies, have dances, and activities both parent and kids can participate in. Please support House Bill 781-782.

Thanks
Diane Church
P.O. Box 142
Dlg. Alaska
99576

FEB 27, 78

P.C. 3-6-78

Representative Rodd

Community & AFFairs Com.

Pouch U

Juneau. AK. 99811

Dear Ms Rodd:

I Feel That Bristol Bay needs a Cultural center for the young and old. So it won't Be so Boring. Please Support House Bill 781-782.

Thank you

Edward Box

Edward Box
Box 10034
Dillingham, Alaska
99576

H.C
3-6-18

Representative Rudd

Community + Affairs Com.

Pouch II

Juneau Ak 99811

Dear Ms Rudd

Dillingham And the surrounding Area could really use a Cultural Center We could use it for A Healer — recreation hall And for Our Beaver Round-Up Activities So please Vote for House bill 781-782

Thanks

Sincerely

Jean Barrett

Jean Barrett

P.O. Box 112

Dlg Ak 99576

Feb. 25, 1978 P.C 36-79

Representative Rudd,
Community and Regional Affairs Committee
Pouch II
Juneau, Alaska 99811

Dear Ms. Rudd,

I feel that the Bristol Bay area is in great need of a Cultural Center or place for Rudd activities.

We need your support on House Bills 781-782.

Thankyou.

Sincerely,
Amy Ruby

Amy Ruby
Box 121
Dillingham, Ak.
99576

P-C
3-6-78

February 23, 1978

Representative Jack Rudd
Community & Affairs Committee
Room V
Montgomery, Alabama 77811

Dear Mr. Rudd,

I support the Housing Bill 781-782. I believe that Dillingham and Central Bay need need a building for many of the activities we have in Dillingham.

Sincerely yours,
David L. Albert
Box 110
Dillingham, Alaska

Feb 28, 1978

Rep. Lisa Rudd
Community & Affairs Comm
Pouch UU
Juneau, Alaska 99811

H.C. 3-6-78

Lonnie Barnes
P.O. Box 111
Dillingham, Alaska 99576

Dear Ms. Rudd:

I strongly support House Bill 781 & 782. Dillingham needs the building for incoming performers. Dillingham is the center of Bristol Bay and every year we have the annual Beaver-Kruzof-up where the population goes up and bigger buildings for the events. People are standing because of lack of seats.

Support 781 & 782 for Dlg. !!!

Sincerely,
Lonnie Barnes

Representative Lisa Rudd
Community & Affairs Committee
Pouch V
Juneau, Alaska 99811

Feb. 28, 1978

P.C. 3-6-78

Dear Mrs Rudd.

The community of Bristol Bay is in great need of a cultural center, to be located in the center of Bristol Bay, Dillingham. There were and are many Times when the People were in need of a place to hold meetings, watch movies, or just a place to go and relax with friends. We need your support, in helping us get our cultural center.

Thankyou

BRUCE EDMON
BOX 2
DLG, AK
99576

P.S. Support House Bill 781-782

2-28-78

Representative Lisa Rudd
Community Affairs Committee
Pouch V
Juneau, AK -99811-

P.C. 3-6-78

Dear Mrs. Rudd,

I support House Bill 781 & 782. I feel that Willingham needs a cultural Center very badly. We don't have anyplace to shoot movies and be comfortable while watching 1 in the building we use for such an activity. Also dances and games would be nice if we get such a center in Willingham.

Sincerly,

Marilyn Hansin
Box 12
Willingham, Alaska
-99576-

Dear Lisa rudd

I Eric Slade support the cause of this regional cultural center. So we could have a place to practic or give concerts. That is why I support House bill # 780-782. The building is a rotten dump and ain't worth the ~~working~~ working it.

Eric Slade

Dear Gov. Hammond,
Rep. Lee Reid, Chairman,
Rep. [illegible]

I support H.B. # 781 and 782
Regional Cultural Centers
it is not a gift a
[illegible] credit place.

Love

William Bennett

DATE Feb 22, 1977

P.C.
3-7-78

DEAR MRS. Rudd

I support House BILLS 781 - 782

I feel that Dillingham, Alaska, and Bristol Bay needs a building. Because we need a movie theatre to do some thing.

Sign by

Thomas Morentado

Box 10053

Dillingham, Alaska

99576

P.C.
3-7-78

CITY OF DILLINGHAM

P.O. BOX 191 DILLINGHAM, ALASKA 99576

TELEPHONE (907) 842-5211 or 842-5212

BASIS FOR COST ESTIMATES

DILLINGHAM REGIONAL CULTURAL CENTER

SPACE ALLOCATIONS:		SQUARE FEET
Stage/Auditorium/Classrooms		7,665
Museum and Craft Rooms		2,399
Day Care Center		1,761
Rental Space		
Bristol Bay Area Health Corporation	4,000	
Bristol Bay Native Association	6,000	
University Extension Program	5,600	
Regional Resource Center	2,000	17,600
General and Miscellaneous		
Kitchen	207	
Conference/Banquet Room	1,540	
Boiler Room	1,216	
Mechanical Equipment	1,026	
Stairs and Elevator	464	
Corridors	6,600	
Toilet Area	540	11,593
TOTAL USEABLE SPACE		41,018
TOTAL AREA PER OUTSIDE DIMENSIONS		45,000

COST ESTIMATE FOR PLAN "B" (45,000 sq/ft @ $200/sq.ft) is $9,000,000.00

Current building costs in Dillingham vary but the recent school gymnasium which included no restroom facilities and minimum equipment cost $150/sq.ft. to build and equip. The estimate of $200/sq.ft. for the Cultural Center is intended to include all equipment.

The preliminary plan is subject to change of use areas to be determined by needs which may arise, but the major areas have remained unchanged since the original plan was drawn in 1975. The primary intent is to allocate enough space to meet community and regional needs and still allow enough rental space to provide income for maintenance of the building.

Gordon W. Ryan

GORDON W. RYAN
City Manager

R. Holmes Johnson, M.D., D.A.B.F.P.
Family Practice

HOLMES JOHNSON CLINIC
Box 1727
Kodiak, Alaska 99615
486-3237

May 8, 1978

Ms. Lisa Rudd, Chairperson
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

We have already corresponded once about HB 781 and 782, and your comment about my concern for the "health" of my community was appreciated. The fact that you put the word in quotes leads me to suspect that I used the word with tongue in cheek. On the contrary, as I presume you are aware , we are learning more and more that the psychological "climate" of the individual has a profound effect on his health and furthermore, the psychological "climate" is largely dependent upon the environmental "climate." In this sense "climate" refers to the terrain, the weather and the physical and biological community. So I really used the word "health" in an un-quote fashion.

To get back to the principal reason for this letter, I write to discourage any amendment to propose legislation that would increase the local participation requirement. It should be kept in mind that the community is already supplying the land (in our case six acres) a sum computed by a formula based on the population (in our case two hundred sixty-six thousand dollars) and a plan for management of the facility which insures that there will be no ongoing expenses to the state. To me this is a way of saying that the cultural facilities grant is a "seed grant" which is the most sensible kind of investment. The State sows the "seed" and the community supplies the soil, the work, the fertilizer and sees to it that it results in a full grown and self perpetuating plant. I cannot see how any of the communities can be expected to come up with more local support than is already required.

Our Cultural Facilities Committee met a few days ago to discuss the Consortium Agreement with the agencies involved in the Management Board, the City's agreement with the architect, the advanced planning and the local promotion of the facility and the possible forthcoming bond issue. We feel confident that the legislature will support the issue but do not feel as confident that the Governor will endorse it. We know he feels the investment a worthy one but it will remain to be seen whether he feels it as worthy as many other issues that are also

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

17 May 1978

Mr. R. Holmes Johnson, M.D.
P.O. Box 1727
Kodiak, Alaska 99615

Dear Dr. Johnson,

Thank you for your letter concerning the cultural facilities legislation. I heartily agree with you that the cultural facilities program will address the health of our communities and this will be one of the major benefits of the program.

I am very much in support of this legislation, and although I do feel that the local participation requirement is not high enough, I do not plan to offer any amendment to HB 781. If someone else should offer such an amendment (and I don't know of anyone who is planning to do so), I would probably vote for it.

I am happy to report that HB 781 was passed by the House Finance Committee yesterday and will now go to the House floor for a vote. I expect it will pass the House easily.

Thank you again for your correspondence on this subject.

Yours sincerly,

Lisa Rudd

Lisa Rudd

LR/vb

R. Holmes Johnson, M.D., D.A.B.F.P.
Family Practice

HOLMES JOHNSON CLINIC
Box 1727
Kodiak, Alaska 99615
486-3237

May 8, 1978

Ms. Lisa Rudd, Chairperson
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

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ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

17 May 1978

Mr. R. Holmes Johnson, M.D.
P.O. Box 1727
Kodiak, Alaska 99615

Dear Dr. Johnson,

Thank you for your letter concerning the cultural facilities legislation. I heartily agree with you that the cultural facilities program will address the health of our communities and this will be one of the major benefits of the program.

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Thank you again for your correspondence on this subject.

Yours sincerly,

Lisa Rudd

Lisa Rudd

LR/vb

C+RA
HB781(82)

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES

Pouch V
Juneau 99811

2827 Lore Road
Anchorage 99507

14 June 1978

Mr. Dean Ehrich, Executive Director
Alaska Visitors Association
201 East 3rd Avenue
Anchorage, Alaska 99501

Dear Mr. Ehrich,

I appreciate your telegram in support of the cultural facilities legislation, HB 781 and HB 782. I do not believe the amendment you suggested is really needed, however. The legislation has been drafted to be fairly flexible so that communities will be able to build facilities with community meetings and conventions in mind, as I know several of them intend to do. The emphasis on the cultural aspects of the facilities protects those uses from being entirely overtaken by the other uses you described, but nothing precludes convention uses being included in the facility.

Unfortunately, the legislation has been bottled up in the Senate Community and Regional Affairs Committee, chaired by Senator Orsini, and from all indications he does not intend to let it out of committee.

Yours sincerely,

Lisa Rudd

LR/vb

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
ZIP CODE 99840
FAIRBANKS, ALASKA 99801

02171 NL ANCHORAGE ALASKA 118 06-03 400P ADT

PMS REP LISA RUDD

JUN

THE ALASKA VISITORS ASSOCIATION URGES PASSAGE OF HB731 AND HB732 RELATING TO STATE AID TO MUNICIPALITIES FOR THE CONSTRUCTION AND DEVELOPMENT OF CULTURAL FACILITIES SUBJECT, HOWEVER, TO AN AMENDMENT CHANGING THE MEASURES TO INCLUDE THE FOLLOWING LANGUAGE "CULTURAL, COMMUNITY AND MEETING FACILITIES."

WE FEEL THIS CHANGE WILL CLARIFY THE BILLS TO ENSURE THAT SMALLER COMMUNITIES MAY HAVE THE OPTION TO DEVELOP MULTIPLE PURPOSE FACILITIES TO PROVIDE COMMUNITY MEETING PLACES ALONG WITH THE VARIOUS CULTURAL FACILITIES DESCRIBED IN THE LEGISLATION. FURTHER, HAVING THIS OPTION AVAILABLE WOULD OPEN THE WAY TO MAKE WHATEVER FACILITIES DEVELOPED EVENTUALLY SELF-SUPPORTING.

YOUR FAVORABLE CONSIDERATION OF AVA S POSITION WOULD BE DEEPLY APPRECIATED.

DEAN EHRICH, EXECUTIVE DIRECTOR

ALASKA VISITORS ASSOCIATION

Lynn Canal Community Players, Inc.

HAINES, ALASKA 99827

March 17, 1978

Lisa Rudd, Chairman
Community & Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

The Lynn Canal Community Players, Inc. is one of the oldest little theatre groups in SE Alaska, having given its first production in 1957. Since that time, its members have been the prime movers in bringing cultural entertainment to the Chilkat Valley and producing many theatrical productions of their own.

This group was instrumental in initially establishing a cultural facility in the Haines area during the Centennial year, when funds were made available for such a project. By using one of the large unused buildings at old Ft. Wm. H. Seward, the Chilkat Center for the Arts took form. However, this building is in sad need of renovation, as well as enlargement. The Alaska State Drama Festival takes place here every other year (1979 will be next), and present facilities are woefully inadequate.

We wholeheartedly support the proposed bond issue which will make facilities available to many other communities. The emergence of adequate cultural facilities in the cities and towns of Alaska will spark an upsurge in all phases of the arts, bringing the 49th state in line with many other states which are considerably ahead in the fostering of arts and cultures.

Let us not let this opportunity slip by! These centers will have multiple uses, such as meeting rooms, convention centers, dinners, art shows and displays, and adequate facilities for visiting artists, both in the performing and visual arts fields. Alaska is attracting tourism--now a major industry. How much more could be done for the visitor were such centers available?

We support HB 781 & 782, but not the bill proposing matching funds, as this immediately kills the possibility of ever having such centers in communities. We sincerely urge you to get it out of committee with a "do pass".

Sincerely,

LYNN CANAL COMMUNITY PLAYERS, INC

Mimi G. Gregg

Mimi G. Gregg
Secretary

P.O. Box 2116
Sitka, Alaska 99835
March 16, 1978

Lisa Rudd, State Representative
Alaska State Legislature
Juneau, Alaska

Dear Representative Rudd:

We are writing to express our support for House Bills 781 and 782 which would enable Sitka and other Alaskan communities to build and develop much-needed art centers. Alaska has a fine tradition of an active commitment to the arts and these two bills will further insure that the arts can grow and develop as the state does. It is an exciting or important proposal, and we urge your support.

Sincerely,

Dan R. Newman
Merylin A. Newman

BRISTOL BAY HISTORICAL SOCIETY, INC.
FOR PRESERVING WAYS OF LIFE,
LANGUAGE AND RECORDS OF THE PAST
BOX 136
NAKNEK, ALASKA 99633

April 5, 1978

Rep. Todd, Chairman
House Community and Regional Affairs
House of Representatives
Capitol - Room 625
Juneau, Alaska 99811

Dear Representative Todd:

The Historical Society urges your support of House Bills 721 and 722. The Bristol Bay Borough stands to gain museum construction funds should these bills pass the legislature and the bond issue. At the present time, our artifacts are in storage and we are faced with losing even our storage area soon. We have had to move three times in the last two years. Each move increases the possibility of loss and/or damage to the artifacts, artifacts that cannot be replaced.

A history of which we are so proud must of the efforts of groups of the high school. Their project became a reality, it was with the help of the Bristol Bay Borough.

Sincerely,

Linda Erickson
Linda Erickson
President

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

10 April 1978

Ms. Anita Erickson, President
Bristol Bay Historical Society, Inc.
Box 136
Naknek, Alaska 99633

Dear Ms. Erickson,

Thank you for your letter in support of HB 781 and 782, establishing a cultural facilities grant program. I am personally very supportive of this program although I do feel that a greater percentage of the construction costs should be contributed by the local community.

These bills have passed out of the Community and Regional Affairs Committee and are now in the House Finance Committee. I will forward your letter to the Finance Committee Chairman, Representative Steve Cowper.

Thank you again for writing.

Yours sincerely,

Lisa Rudd

Lisa Rudd, Chair

LR/vb
cc: Rep. Steve Cowper

BRISTOL BAY HISTORICAL SOCIETY, INC.
FOR PRESERVING WAYS OF LIFE,
LANGUAGE AND RECORDS OF THE PAST
BOX 136
NAKNEK, ALASKA 99633

April 3, 1975

Ken Rudd, Chairman
House Community and Regional Affairs
House of Representatives
Capitol - Room 625
Juneau, Alaska 99811

Dear Representative Rudd:

The Historical Society views your support of House Bills 701 and 710. The Bristol Bay Borough stands to gain museum construction funds should these bills pass the legislature and be signed into law. At the present time, our artifacts are in storage and we are faced with losing even our storage area soon. We have had to move three times in the last two years. We have increased the possibility of loss and/or damage to the artifacts, artifacts that cannot be replaced.

[illegible] part of the advertising [illegible]. Would a display board [illegible] Bristol Bay Borough [illegible].

Sincerely,

Lewis Erickson
Acting Director

Greater Sitka Arts Council Inc.
BOX 1090 SITKA, ALASKA 99835

March 8, 1978

Representative Lisa Rudd, Chairman
Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99801

Dear Representative Rudd:

The Sitka Fine Arts Committee would like to urge your support of HB 781 and 782. These companion bills, introduced by Representative Jim Duncan and several others, represent the needs of our community as well as the eleven other communities planning arts facilities.

There are two points which these two bills cover that are not covered by other legislation dealing with the subject; first, a match based on community size and including land as part of the match, and second, an Advisory Board which would advise the Department of Commerce and Economic Development about funding priorities.

It is essential that land be part of the match and that the cash match be related to community size. Without such consideration, many communities would be unable to participate in the project. It is equally important that an advisory board be included in the program. The facilities that have been planned by the participating communities reflect several years of effort by those communities. Their plans represent careful thought and thorough research, and the resulting designs are based on community arts needs. Obviously the present bond issue will not serve all the above communities. It is essential that community funding be based on priorities. An advisory board, as outlined in the Duncan legislation, could state those priorities.

As your committee considers these pieces of legislation, we respectfully request that you consider HB 781 and 782 as the legislation that best meets our needs.

Sincerely,

Jan Craddick

Jan Craddick, Chairperson
Sitka Fine Arts Committee

cc Rep. Dick Eliason
Sen. Pete Meland

FAMILY PRACTICE & GENERAL SURGERY
CERTIFIED,
AMERICAN BOARD OF SURGERY

PLEASE REPLY
BY AIRMAIL

Peter S. Rosi, M.D.
BOX 358
SITKA, ALASKA 99835

TELEPHONE 907/747-8663

March 9, 1978

Hon. Lisa Rudd, Chairman
Community & Regional Affairs Committee
Alaska State House of Representatives
Room 620, Court House
Juneau, AK 99801

Dear Representative Rudd:

The provisional board of the Sitka Museum Society, Inc. urges you to support House Bills 731 and 732, in support of a local cultural facility.

The Sitka Museum Society, Inc., is finally working to save for public use the old Front Street Sitka Indian School, lately designated a national historic landmark. We welcome your support in this regard.

Sincerely yours,

Peter S. Rosi, M.D.
Provisional Secretary-Treasurer,
Sitka Museum Society, Inc.
Box 1393
Sitka, Alaska 99835

cc: Rep. R. Ellason

CITY OF HAINES

TELEPHONE (907) 766-2231 — POST OFFICE BOX 359 — HAINES, ALASKA 99827

PC 3-9-78

March 7, 1978

The Honorable Lisa Rudd
Chairman
House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

RE: HB768
HB769
HB781
HB782

Following a review of the above-referenced proposals for funding cultural facilities, the Mayor and Council of the City of Haines have gone on record in support of House Bills 781 and 782. It is the position of the City Council that these two Bills, introduced by Representative Duncan, best represent the goals and objectives of the many individuals who have worked for such a program over the past several years.

Therefore, the City of Haines urges your Committee to approve House Bills 781 and 782.

Sincerely,

Dan R. Bockhorst
City Administrator

cc: The Honorable Steve Cowper - Finance Chairman
The Honorable Jim Duncan

University of Alaska, Southeast

P.O. Box 1090
Sitka, Alaska 99835

Sitka Community College

P.C.

March 6, 1978

Ms. Lisa Rudd, Chairperson
House Community and Regional Affairs Committee
Courthouse Room 20
Juneau, Alaska 99811

Dear Ms. Rudd:

As an art instructor I would like to strongly voice my support of the Duncan bill for cultural facilities, HB 781-782.

I have been a member of the Baranof Arts and Crafts Association and involved with the development of the Intercultural Arts facility since its proposal in 1974. Our main interest is the high security gallery and studio space that has been developed as a part of this building. We also recognize the overbooking of the Centennial Building which now tries to serve this purpose but does not have a secure gallery nor adequate facilities for stage productions of any kind.

Sitka is a small but very active community as far as the arts are concerned. Because of the community's size it is impossible for us to support the Parr bill as it requires 50% matching money, plus the full responsibility for operational and ongoing expenses. The Duncan bill requires a lower percentage rate of matching funds for small communities and will allow the value of donated land to apply toward this money.

Please let us know other ways we can lend support to HB 781-782 to insure its adoption.

Sincerely,

Alice Slattery

Alice Slattery
Art Instructor

AS:js

cc: Senator Pete Meland
Representative Dick Eliason

P.C. 3-9-78

JUNEAU MEMORIAL LIBRARY

114 W. 4th Street
Juneau, Alaska 99801

March 8, 1978

Representative Lisa Rudd
Pouch V, Capitol
Juneau, Alaska 99811

Dear Representative Rudd:

I want to express my support for the Cultural Facilities Development project.

I am especially interested in facilities which encourage local performances and participation and provide workshops where people can learn and pursue new skills in the arts and crafts.

I would also like to urge that serious consideration be given to the inclusion of public libraries in the cultural center in any community which does not have an adequate public library building. It seems to me that the public library is a very basic part of local cultural facilities.

Sincerely,

Dale De Armond

Dale De Armond
Librarian

P.C. 4-11-78 cc: sent

BRISTOL BAY BOROUGH SCHOOL DISTRICT
P. O. BOX 169
NAKNEK, ALASKA 99633

PHONE 268-4225 OR 4265
HIGH SCHOOL

DALE L. LUNSFORD
SUPERINTENDENT

April 7, 1978

The Honorable Lisa Rudd, Chairman
House Community and Regional Affairs
Alaska State House of Representatives
Pouch V - State Capitol Building
Juneau, Alaska 99811

Dear Representative Rudd:

I am writing to request your consideration of House Bills 781 and 782 which will provide for a bond issue to construct cultural facilities in serveral Alaskan communities.

The Bristol Bay Historical Society of the Bristol Bay Borough has collected many fine exhibit articles and artifacts. However, the Society has been continually struggling to find permanent housing for a museum to display the items. House Bills 781 and 782 will provide for the permanent place, thus, establishing a cultural facility that is much needed and will be greatly used.

Thank you for your time and consideration on this matter.

Sincerely,

Dale L. Lunsford

Dale L. Lunsford
Superintendent

DLL/jpc

P.C.
3-9-78

UNIVERSITY OF ALASKA RURAL EDUCATION

Dillingham Extension Center
Box 241
Dillingham, Alaska 99576
3/6/78

Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Lisa Rudd,

I would like to write as a private citizen in support of HB 781 and 782 which would place the proposed cultural facility on next fall's ballot for bond issue.

As coordinator of the Dillingham Extension Center I cannot speak for the Policy Advisory Board which is the local voice for the Dillingham Extension Center. I do know that the Extension Center looks toward facilities of some kind to use in the near future. Facilities will be needed to house classrooms for academic courses as well as those for vocational training (this section would be more specialized). Office space would certainly be used if class facilities were used. The reason that the Policy Advisory Board cannot give you a statement at this time is that they are waiting for our feasibility study to be completed. This completion date will be mid to late March.

Sincerely,

Johanna Bouker, KF

Johanna Bouker, Coordinator

cc: Governor Jay Hammond
Rep. Steve Cowper, Chairman
Lisa Rudd, Chairman
Nels Anderson

D.C.
3-8-18

Naomi Kipp
428 East Street
Juneau

Representative Lisa Rudd, Chairman
House Community and Regional Affairs Committee
Pouch V
Juneau

Dear Representative Rudd,

As a citizen of Alaska, a music lover, and a musician, I urge you and the Community and Regional Affairs Committee to unanimously pass HB 781 and HB 782 out of committee, and to support them in the legislature.

I have lived in Juneau for ten years, and know that we desperately need a Performing Arts Center. Other communities throughout the state must have similar needs.

Thank you for any help you can give.

Sincerely,

Naomi Kipp

PC
3-6-78

INDIAN EDUCATION HERITAGE MUSEUM
DILLINGHAM CITY SCHOOL DISTRICT
POST OFFICE BOX 202
DILLINGHAM, ALASKA 99576

PHONE: 842-3624
HERBERT OBA
SUPERINTENDENT OF SCHOOLS
HARRY E. PURDY
ASSISTANT SUPERINTENDENT

March 1, 1978

Representative Lisa Rudd, Chairman
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Lisa Rudd,

I'm writing to urge your support of House Bills No's. 781 & 782 for cultural facilities. Reasons the the Bristol Bay region and Dillingham are in great need for such a facility are as follows:

1. This facility would serve a region with a population of 5,000 to 6,000 people, not just a community of 1350 because Dillingham is a service center for the Bristol Bay Region.
2. There is no facility in the entire region that houses an auditorium, museum, day-care center, community collage, vocational shops, arts and crafts shops, and a multipurpose recreational room.
3. Any school program (other than basketball and wrestling)and community event has to be scheduled in advance arround these sport activities. This will still be the case when the new gymnasium will be in use.
4. The city of Dillingham has an extremely low tax base and most likely will never ever be able to build such a facility. Therefore, House Bills No. 781 & 782 are the only one that the city of Dillingham would be able to support on a required match bases.
5. Since this project started four years ago, Dillingham has shown continued growing support for the proposed facility. Each time a user group has been asked about their needs, the demands for space and a variety of services continues to encrease.
6. The Bristol Bay area needs to plan for the future continued growth that is not only affecting this region but all of Alaska. People of Bristol Bay that have traveled to other areas of the state have been most impressed with the facilities that exist in the rural communities of Nome, Bethel, Kotzebue, but not in Dillingham.why not?
7. The University of Alaska's Dillingham is in the process of conducting a region wide feasibility study for a community collage to be located in this area. The proposed regional cultural center has already planned to accomodate part of their needs and could be expanded to include all their needs.

My interest in the proposed facility is as museum coordinator for the Indian Education Heritage Museum program. This has been in existance for four years but for the first time it has had an area to display their collection along with statewide rotating exhibits. The city has beenmost cooperative in letting us share a corner of the City Library. But with the hiring of a full time -fully qualified librarian, all the new books will finaly be processed and placed on new shelves. So once again I'm afraid that we shall be left out in the cold! There will be no spot for us to provide the public with our educational and cultural services in local archology, cultural history, native arts and crafts, plus those services offered through the Alaska State Museum and Libraries and the Alaska State Council on the Arts.

The purposal for the Regional Cultural Center to be located in Dillingham includes this much needed museum display and shop space. So once again please support House Bills No. 781 & 782 for cultural facilities. Thank you for your time and support.

most sincerely,

Irma I. O'Brien

Irma I. O'Brien, Coord.
Heritage Museum

cc. Nels Anderson
Governor Hammond

Southeast Alaska Regional Arts Council · Box 2133 · Sitka · AK · 99835

Telephone (907) 747-8177

March 3, 1978

Honorable Lisa Rudd, Chairperson
Community and Regional Affairs Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Chairperson Rudd and Committee:

We understand that HB 781 and 782 by Duncan and 12 co-sponsors to provide for funding of construction of cultural facilities throughout the State of Alaska is being considered by the Community and Regional Affairs Committee. The Southeast Alaska Regional Arts Council has had a long affiliation with the Cultural Facilities Development Project and wishes to go on record in full support of the Duncan bill in its present form.

A portion of the Cultural Facilities Development Project was begun by the Southeast Regional Arts Council in 1974, with the assistance of a $68,000 planning grant from the Alaska State Legislature and large local contributions, to plan and design badly needed performing arts centers for seven Southeast cities. Meanwhile, independent planning and development efforts to respond to similar needs were proceeding in the North. The need for cultural facilities, ranging from larger performing arts centers with theatre, gallery, and other multi-use space to small "living museum" facilities, has been so great as to sustain citizen interest and involvement and considerable local contributions for the last four years, culminating in the statewide Cultural Facilities Development Committee now incorporated as a separate entity.

Having worked closely with the twelve communities actively participating in the project to develop their cultural facilities, I am confident in saying that Representative Duncan's Cultural Facilities bill is the only feasible approach to funding of construction costs with a statewide bond issue. It is most doubtful that a single community among those with extensive planning completed could generate the necessary matching funds required by HB 768/769 by Representative Parr, nor is it felt that the funds should be allocated exclusively by the Department of Commerce and Economic Development without Advisory Commission input. Representative Duncan's bill, which includes the cost of donated land for the facilities as allowable match, includes a sliding scale by population to determine the amount of match, and makes provision for an Advisory Commission to assist the Commissioner in awarding of aid, is by far the most equitable and farsighted means of responding to the longstanding need for adequate facilities.

We urge you to look at the extensive documentation detailing the planning which has already been completed for each of the cultural facilities which provides justification for the longstanding need for the facilities, costs involved in construction, and considerable local support to make the facilities a reality throughout Alaska and lend your support to HB 781 and 782. The communities are making a considerable commitment to donate land and fund all ongoing costs of the facilities, which are considerable, but statewide support is needed to fund construction costs. Thank you for your support of this far-sighted approach to cooperatively funding needed cultural facilities throughout Alaska.

Sincerely,

Marlene A. Lund
Executive Director
Southeast Alaska Regional Arts Council, Inc.

MAL
cc: Representative Jim Duncan
Sue Green, Office of the Governor

anchorage arts council
419 west 7th avenue
anchorage, alaska 99501
(907) 274-7324 279-5122

BOARD OF DIRECTORS

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Ronald Trevithick, CPA
Joe Wiley
Carol Durfner, Executive Director

March 1, 1978

TO WHOM IT MAY CONCERN:

The Anchorage Arts Council, a private non-profit membership organization dedicated to the development of all of the Arts in Anchorage, strongly endorses the goals and purposes of the Cultural Facilties Development Committee in the creation of cultural facilties throughout the state of Alaska.

Furthermore, the Anchorage Arts Council strongly supports the concepts and mechanisms of state financial assistance to communities for construction of cultural facilities as set forth by House Bill 731 (HB-781 Duncan). The Anchorage Arts Council feels that it is critical for the smaller communities in the state, as well as Anchorage, to be able to utilize the value of land as a legitimate match for state funds. The Anchorage Arts Council also feels that provision for a scaled matching formula would prove more equitable for the smaller communities in the state.

Construction of cultural facilities in Alaska is an urgent community need and a state-wide concern that will prove beneficial to hundreds of thousands of Alaskan residents.

CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT
P.O. BOX 808 • DOUGLAS, ALASKA 99824

PLEASE USE AIR MAIL TO ALASKA

March 10, 1978

Representative Lisa Rudd, Chairman
House Committee on Community and Regional Affairs
Alaska State Legislature

Dear Representative Rudd:

The Board of Education of the City and Borough of Juneau School District wishes to express its support of HB #781 and HB #782 assisting the development of cultural facilities in Alaska. The construction of such facilities would act as a significant impetus to the growth and quality of the performing arts in our community and would, through increased exposure, provide a strengthened educational experience in the arts for our students.

We feel that education in the arts is an important element in the development of the whole individual and reinforces in varied ways the development of intellectual and physical capabilities. Exposure to the performing arts within the community is a vital part of a child's education, serving both to motivate individual participation and to open new horizons for career and leisure. Although Juneau is not the smallest nor the most isolate community in Alaska, it is, nevertheless, particularly difficult to provide these cultural experiences to our students without assistance.

The Juneau-Douglas School Board urges the House Committe on Community and Regional Affairs to favorably pass HB #781 and HB #782 and, by so doing, to enrich the educational opportunities for children in Alaska.

Sincerely,

Bill Johnson cb

Bill Johnson
President
Board of Education

SHELDON JACKSON COLLEGE
P. O. BOX 479
SITKA, ALASKA 99835

March 10, 1978

The Honorable Representative Lisa Rudd
Chairman, Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

I am writing you in support of House Bill 781 and House Bill 782 especially in reference to Sitka. The project will provide an outstanding opportunity for extending services to this community and Southeast Alaska. From the viewpoint of this television and media producer, the facility has long been needed and will be well used as soon as completed.

I'm especially concerned about the Parr legislation related to the same Performing Arts facilities. Concerns of the utmost importance to me are:

1. Inability to use valuable land for in-kind community match.
2. Lack of requirement for an Advisory Committee.
3. Demand of 50% cash match (only Anchorage would qualify).

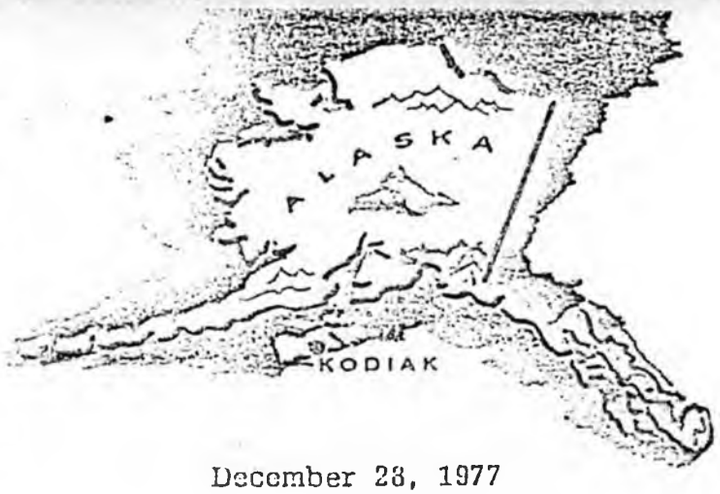
Unfortunately, these legislative components are not acceptable to our needs here. Therefore, I strongly support HB's 781 and 782 and would encourage you to do likewise.

We will appreciate your consideration of this matter.

Sincerely yours,

Dan Etulain Ph.D.
Director of Educational Media/Television

DRE/d



City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

December 28, 1977

Ms. Shirley G. Rediger, Coordinator
Cultural Facilities Development Committee, Inc.
127 South Franklin Street
Juneau, Alaska 99801

Dear Ms. Rediger:

The City of Kodiak is requesting $4,000,000 for the construction of the cultural facility. The architect will be providing us with cost breakdowns in the near future and that will be available to the committee at a later date.

Thank you for your assistance to the City of Kodiak and its residents.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom

Ivan L. Widom
City Manager

ILW/lp

cc: Mr. Jack Chenoweth

OPERATION AND MAINTENANCE OF KODIAK CULTURAL FACILITY

1- MANAGAGERIAL, JOINT MANAGERIAL DUTIES SUPPLIED BY KODIAK CONVENTION BUREAU	$	10,000.00
2- SECRETARIAL _ one staff person		8,000.00
3-EMPLOYEE INS.		360.00
4- TELEPHONE		500.00
5- TRAVEL		500.00
6- ELECTRICITY		1,060.69
7- FUEL FOR HEATING		3,156.00
8-WATER AND SEWER		180.00
9- GARBAGE		598.00
10- JANITORIAL SERVICE		10,000.00
11- JANITORIAL SUPPLIES		450.00
12- JANITORIAL EQUIPMENT		1,500.00
13- ZEROX		420.00
14- PITNEY BOWS POSTAL SERVICE		420.00
15- OFFICE SUPPLIES		300.00
16- POSTAGE		200.00
17- MISC.		165.00
18-Fed. Tax Dep.		1,087.01
19-FED. UNEMPLOYMENT TAX		70.00
20- PROPERTY INS.		3,500.00
21- LIABILITY INSURANCE		20,000.00
22- REPAIRS_ MAINTENCE, "equip"		500.00
TOTAL		$ 62,966.70
6 OFFICE SPACES TO RENT @ $400.00 per month		$ 57,000.00
ESTIMATED USER FEE'S FIRST YEAR OF OPERATION		10,000.00
TOTAL PROJECTED INCOME		67,000.00
IF FULL TIME DIRECTOR IS HIRED ADD $30,000.00		30,000.00
		$97,000.00

City of Kodiak

PHONE (907) 486 - 3224
P.O.BOX 1397
KODIAK, ALASKA 99615

March 22, 1978

Senator Jo Orsini, Chairman
Senate Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for the opportunity to comment on Senate Bills 507 and 508. Listed below are the answers to questions in your March 9, letter.

1. A needs assessment was done by the Kodiak Chamber of Commerce to see what kinds of activities could be utilized if a facility were built. The primary activity is a 500 seat theater. At the present time, the city's only facilities for cultural activities and large group gatherings for public purposes are the Elk's Club, High School, and Jr. High School gymansiums, as well as the Borough Assembly Meeting Room. None of these are considered adequate for meetings of 100 people or more.

The Kodiak Russian Dancers and other similar cultural groups find it very difficult to utilize any of the above mentioned facilities. With a 500 seat theater we would be able to attract many new cultural and civic activities into the community, as well as better serve the public with the types of activities that are now occurring.

In relation to the Community College, this new facility would provide classrooms for art instruction and drama. This is a current need for the Kodiak Community College. And is one of the reasons they are looking at giving us a piece of land.

2. The total cost of the facility is in the neighborhood of four million dollars. We have approached the University of Alaska regents to obtain a piece of land at the Community College campus, which is located in the City limits. At the present time, we are looking at about six acres which includes parking. Local funding is questionable, depending on the requirements of the legislation and the operation and maintenance costs. The City of Kodiak does not have any funds currently available in which to provide a local match.

3. The annual operating costs of the facility are approximately one hundred thousand dollars. These funds can be raised in several different ways. One, of course, is to charge for the use of the facilities. This would include conventions

and others from inside and outside the community. Another way would be to charge a hotel tax, that revenue could be earmarked specifically for the cultural facility maintenance fund. This tax would be collected by the City of Kodiak.

4. As mentioned above, the specific site we are now looking at is located at the Community College. We do not have the current value of this site, however, this information will be provided as soon as it is available. The site is now owned by the State of Alaska and we are trying obtain it from the Regents. In preliminary discussions with the University, they are quite interested in the land donation, as this facility would be utilized by the college as well. The last we heard this request will be taken up by the regents at their next meeting in the early part of April in Juneau.

5. The Community Development Plan is now being revised by the Kodiak Island Borough planning commission. This facility will be in that plan. For the 1978 fiscal year, the City of Kodiak will have the cultural facility in its capital improvements program. In addition, this type of facility has been mentioned as a priority item in the City's overall economic development program.

6. Depending on the specific location of the facility, we should have sewer, roads and water to the site provided by the City of Kodiak. If funds were not available from the project, the City of Kodiak would consider providing the necessary infrastructure, however it depends on where the ultimate site is.

If you require any additional information, please feel free to call on me at your convenience.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom
City Manager

ILW/yb

Enclosures

Cultural Facilities Development Committee, Inc.

127 SOUTH FRANKLIN STREET • JUNEAU, ALASKA 99801

PRESIDENT
ALLAN GREGG
BOX 1069
WRANGELL
PHONE 874-3570

STATE COORDINATOR
SHIRLEY G. REDIGER
PHONE 586-6806 - JUNEAU
225-3077 - KETCHIKAN

March 15, 1978

Honorable Lisa Rudd
House Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: Testimony on House Bills 781 & 782

Dear Representative R d and Committee Members:

To clarify some statements I made while testifying before your committee on Monday morning, March 13th, I would like to state that my references to priorities for which communities would most likely be funded from the initial thirty million dollar bond issue were purely subjective. The priorities the Cultural Facilities Development Committee used were merely suggestions from within the Committee as we discussed ways of working with a thirty million dollar proposal instead of the eighty million dollars required for full funding. The Committee has made no definite decisions concerning priorities for funding and, as can be seen from the proposed legislation, these decisions would be up to the State Department of Commerce and the Advisory Board, regardless of what the Cultural Facilities Development Committee desired.

I would like to thank all committee members for giving the Cultural Facilities Development Committee the opportunity to give testimony regarding this important legislation. If you have any further questions please do not hesitate to contact myself or Mrs. Shirley Rediger, at any time.

Sincerely,

Allan P. Gregg

Allan P. Gregg, President

APG/ss
cc: Shirley Rediger

VICE PRESIDENT
DOROTHY ANDERSON
DILLINGHAM

SECRETARY
DAVID Y. HANNEY
HAINES
DIANA CATES
SKAGWAY
MARLENE LUND
S.E.R.A.C. SITKA
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ANCHORAGE
ROY HELMS
A.A.A.C. ANCHORAGE
JACK SHAY
KETCHIKAN
SYD WRIGHT
PETERSBURG

SITKA ROTARY CLUB
Sitka, Alaska

March 15, 1978

Honorable Lisa Rudd
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Mrs. Rudd:

The purpose of this letter is to appeal to you, as Chairman of the Community and Regional Affairs Committee to provide your utmost support for passage of House Bills 781 and 782 which pertain to the financing of Fine Arts and Cultural Centers throughout the State of Alaska.

The Sitka Rotary Club fully endorses this legislation as it does realize the economic values of such a center in our Community, as well as the provision of a facility in promoting fine arts, enriching and protecting the cultural heritage of which all Alaskans should be proud, and last but not least, the fine entertainment which would become available to our people.

Sincerely,

Edward Merbach
Secretary-Sitka Rotary Club

City of Seldovia

P. O. DRAWER B TELEPHONE 234-7643
SELDOVIA, ALASKA 99663

March 9, 1978

Lisa Rudd, Chair
House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Subject: HB781, HB769, SSHB769

Dear Chairman Rudd:

The City of Seldovia is presently building a Library, using a State grant. We need more facilities.

Construction cost can be minimized, if buildings are built to local acceptable conditions, as opposed to State and Federal standards.

Houses which cost $50 to $60 a square foot under Farm Home regulations, cost over $85 a square foot when built to State and EDA standards.

The need is great, but we must permit the Local Government to reduce construction cost in Rural Alaska.

Respectfully

City of Seldovia

David C. Smith
City Manager

DCS/emg

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

16 March 1978

Mr. David C. Smith
City Manager-City of Seldovia
P.O. Drawer B
Seldovia, Alaska 99663

Dear Mr. Smith,

Thank you for your letter regarding HB 781 and SSHB 769, establishing a cultural facilities construction grant program for municipalities. We have heard from several municipalities in the state that such a program is needed.

Your comments on the high costs of construction are much appreciated. However you did not go into sufficient detail to show how local acceptable standards might differ from State or Federal standards. Could you perhaps give me an example of a state standard that is being imposed in the construction of Seldovia's library which is unreasonable and increasing the cost of construction?

I will share your letter with members of the House Community and Regional Affairs Committee. Thanks again for writing.

Yours sincerely,

Lisa Rudd

Lisa Rudd

LR/vb

P.C.
3-10-78

BRISTOL BAY AREA HEALTH CORPORATION
P. O. BOX 233
DILLINGHAM, ALASKA 99576

PHONE: (907) 842-5266
(907) 842-5267

March 2, 1978

Governor Jay Hammond
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

This is to voice my strong support for a multipurpose cultural center for Dillingham.

Presently, there is a girth of space for community activities and cultural events. We must rely almost entirely on the High School gym with limited seating on backless benches and folding chairs. The conference room of the City Hall is small and the Youth Center poses hazards.

Dillingham is the recognized regional center for the Bristol Bay Area. It is growing both in size and sophistication. The proposed cultural center would meet the needs of civic groups and encourage an appreciation of the arts. The improved quality of life would have a stimulati g and elevating effect on all the village and townspeople of the Bristol Bay Area.

Sincerely,

BRISTOL BAY AREA HEALTH CORPORATION

Lisa S. Brown

Dr. Lisa S. Brown, Director
Human Services

LSB/mff

cc: Lisa Rudd, Chairman, Community & Regional Affairs
Steve Cowper, Chiarman, House Finance Committee

February 23, 1978

Thought you might be interested. Thanks —

Dear Connie —

Please excuse the form letter. As I mentioned on the telephone, letters of support for HB 781 and 782 introduced by Representative Duncan and co-sponsors needs support now if we are to be considered for a Regional Cultural Center. The reason for supporting these specific bills is because others being introduced would require up to a 50% match of funds by the local community. This bill requires a 10% match based on the assessed valuation of the community, which would bring ours down considerably lower than that.

Perhaps you have only heard that the proposed center is sort of a pie in the sky dream. It sounds big for Dillingham, but actually, planning has been going on for about 4 years and has included many questionaires to community organization as to local needs. The basic part of the plan is for a stage/auditorium. The auditorium would seat 500 people but two portions of it can be closed off with movable doors to make classrooms which would seat 75 people. This facility could be used by the high school drama and music departments, for programs at Beaver Roundup time, concerts and programs throughout the year, and for showing movies as part of a money raising project to help support maintenance of the building. The projection equipment could also be made available for non-profit groups to show their films in this theater instead of the gym or youth center as they presently do.

Other portions of the building would be used for a day care center, kitchen, conference and banquet room, museum and craft rooms, and there would be rental space which has already been spoken for by the University of Alaska Extension Service, Regional Resource Center, BBNA and the Health Corporation. It is expected that the major cost of maintenance of the building would come through rental of this allocated space. Several groups have also indicated that they would like to rent the conference room for large meetings. Location of the building near the school would make it accessible to them for meeting some of their presently unmet space needs.

There are 12 communities around the state that are requesting funds for a cultural center. If the bond passes, some of them are going to have new facilities. Some of them already have many nice buildings, they are requesting a specific theater. Dillingham has planned to meet many of the needs of the community with one building. We feel that Dillingham should be considered for this money--others interested include Valdez, Kodiak, Sitka, Juneau, Skagway, Naknek, Anchorage, Petersburg--if the money is made available, why not to us?

Many people have commented lately that in travelling to Bethel and Kotzebue they have seen many fine facilities built by the state for those communities. People in Bethel are quoted as saying "Bethel fights the state for what it wants, Dillingham fights each other". If we pull together, maybe Dillingham can have a needed facility too.

The city council has supported the idea of the center with the stipulation that it must be able to maintain itself. If the center is to have a chance to get on the ballot, letters of support are needed now to the following people:

Governor Jay Hammond
Pouch A
Juneau, Ak 99811

Lisa Rudd, Chairman
Community & Regional Affairs
Pouch V
Juneau, Ak 99811

Steve Cowper, Chairm
House Finance Committ
Pouch V
Juneau, Ak 99811

I can't mail out copies of the plan but would welcome a visit from you to look it over at City Hall. Thanks for your help.

Gail Hammond

January 5, 1978

Mr. Tiny Boyer
P.O. Box 1485
Kodiak, Alaska 99615

Dear Tiny:

Under separate cover we will be forwarded Preliminary Plans for the proposed Convention Center at Kodiak. These are conceptual drawings only and are not to be interpreted as the final scheme. More input and discussion with the user agencies in your area is required, however, for a starting point they are adequate for presentation to the authorities in Juneau.

We have discussed costs of building with several contracting firms who have had considerable experience in construction in areas similar to Kodiak, and along with our own experience, we have arrived at an estimate which would be valid for the 1979 and 1980 building season.

We have estimated the construction costs as follows:

To construct shell, as indicated on plans	$2,260,000.00
To complete interior (basic)	1,000,000.00
Theater Design & Special Finishes	
Acoustics	
Lighting	
Stage Housing	
Special Consultants	80,000.00
Landscaping	
Design & Consultants	
Parking & Paving	
Traffic Flow	
Special Outdoor Lighting	353,000.00
Architectural Design Fee	
Structural	
Mechanical Services	
Electrical	171,500.00
Soils Consultant & Investigations	
Design of Footings	
Special Foundations	35,000.00
Total Costs for overall completion	$3,899,500.00

There may be adjustments according to the site that is selected and the bearing quality of the footings, but included in the above figure, adequate prices have allowed for a substantial foundation.

We trust this information meets your requirements for the moment and if anything has been overlooked, please contact our office immediately.

Best wishes for success in you building program.

Yours truly,

Peter R.D. Vout, A.I.A.

PRDV/pal

P.C
3-9-78

March 7, 1978

Community & Regional Affairs
Lisa Rudd, chairman

Dear Lisa,

I write to urge your support of Representative Duncan's Cultural Facilities bill....HB781, HB782.

Some of us in Southeast Alaska have been working on this project since 1974, with financial support on several occasions from the legislature.

So far as I know, it must be the only project which has been planned in advance with costs established based on 1980 construction.

It is exciting to me that what was a SE objective has spread to other communities in Alaska - and all have joined with the same advance planning.

The Performing Arts Center committee in Juneau is a committee of the Greater Juneau Arts and Humanities Council. On the Planning Committee, of which I am chairman, there are eight other members.

There are 16 USER groups which have helped to develop plans for the Juneau center. This means that all of the performing arts have been represented and have played a role in the devlopment of plans thus far. In addition to this, we have twenty-five or more persons on the Development Committee. I should note that each of the USER groups have memberships varying from small to large.

It would surely be meaningful to Juneau to have a performing arts center. Since our population is relatively small, the burden of maintaining and operating the facility will fall on the Borough, so funding through a state-wide bond issue is critical to Juneau having the facility. The Borough Assembly members have indicated full support of the project provided that land can be a major part of the "match".

I look forward to hearing positions as they are presented to your committee.

Sincerely

Jane Stewart

P.C.
3-9-78

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE: 586-5440
JUNEAU, ALASKA 99801

#Z

23005 POM PETERSBURG ALASKA 15 03-08 PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

I AM IN FAVOR OF HB781 AND 782

A CONCERNED CITIZEN

MARILYN MATHISEN BOX 1036 PETERSBURG AK 99833.

P.C
3-10-78

March 9, 1978

Representative Lisa Rudd
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Rudd:

I am writing to urge your support for HB 781 and HB 782 relating to the Cultural Facilities Development program. As a member of the Juneau-Douglas Branch of the American Association of University Women I have been active in our branch cultural activities - the Annual Alaskan Arts & Crafts Show and the annual Fellowship play.

We find it a problem each year to locate a suitable place for these events at reasonable cost. If Juneau had a Performing Arts Center, I am sure our organization would be a user and that our annual cultural events would be even better attended and presented.

I am sure that the problem of adequate cultural facilities is not confined to Juneau. Every community should have the opportunity and the facilities to enjoy music, theatre, art, and the other group activities which bring us together as people.

So I hope that you will work to pass this bill out of the C&RA Committee soon so it can be considered by the Finance Committee.

Thank you very much for taking time to read my comments.

Sincerely,

Jan Hickey

Jan Hickey
Rt. 4 Box 4593
Juneau, AK
99803

P.C. 3-10-78

232 Willoughby # 5
Juneau, Alaska 99801

March 9, 1978

Representative Lisa Rudd
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

I think Juneau needs a Performing Arts Center. I have always enjoyed going to plays and concerts, and have felt the lack of it in Juneau. Though the Juneau-Douglas Little Theater does a good job, the available facilities are inadequate. If Juneau had a Performing Arts Center then not only could they have local talent perform but also bring in some of the professional road companies to put on plays and bring in concert groups.

At the moment Juneau has too many bars and not enough places to go to enjoy some of the more cultured things in life. I would like to see Juneau with a place to go see plays, ballets, concerts and operas. I think it would make an already beautiful town a much more desirable place to live.

Sincerely,

Nancy K. Moore

Nancy R. Moore

P.S. This is covered under HB 781 and HB 782.
N.R.M.

Dear Ms. Rudd;

I would like to add my support to HB 781 and 782 sponsored by Jim Duncan for the Juneau Cultural Facilities project.

I have been a participant in the art community of Juneau and the state for the past 15 years and believe that Juneau is truly a cultural center whose only limitation is adequate facilities. This center would be a boost to the entire state.

Sincerely,

Ms. Sharron Lorugh
Rt 5 Box 3552
Juneau

3300 Foster Ave.
Juneau, Alaska 99801
March 10, 1978

Rep. Lisa Rudd
House Committee on Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Rep. Rudd:

I am writing in support of House Bills 781 and 782 introduced by Rep. Duncan and others.

Allowing local communities to use land as a part of their matching contributions is vital for Juneau's participation in such a program. In addition, land is certainly a major cost item in any such undertaking and should be allowed as a portion of the total cost.

As an individual active in the performing arts, I know how great the need is for such facilities here in Juneau. The production of two operettas and the current production of a full-length opera have been frustrating, at best, due to the lack of local facilities.

I sincerely hope that both HB 781 and HB 782 will be sent from your committee with a "do pass" recommendation.

Sincerely,

Charles M. Northrip

Charles M. Northrip
Musical Director,
Juneau Lyric Opera's Production of "Carmen"

P.C
3-9-78

March 7, 1978

Community & Regional Affairs
Lisa Rudd, chairman

Dear Lisa,

I write to urge your support of Representative Duncan's Cultural Facilities bill....HB781, HB782.

Some of us in Southeast Alaska have been working on this project since 1974, with financial support on several occasions from the legislature.

So far as I know, it must be the only project which has been planned in advance with costs established based on 1980 construction.

It is exciting to me that what was a SE objective has spread to other communities in Alaska - and all have joined with the same advance planning.

The Performing Arts Center committee in Juneau is a committee of the Greater Juneau Arts and Humanities Council. On the Planning Committee, of which I am chairman, there are eight other members.

There are 16 USER groups which have helped to develop plans for the Juneau center. This means that all of the performing arts have been represented and have played a role in the devlopment of plans thus far. In addition to this, we have twenty-five or more persons on the Development Committee. I should note that each of the USER groups have memberships varying from small to large.

It would surely be meaningful to Juneau to have a performing arts center. Since our population is relatively small, the burden of maintaining and operating the facility will fall on the Borough, so funding through a state-wide bond issue is critical to Juneau having the facility. The Borough Assembly members have indicated full support of the project provided that land can be a major part of the "match".

I look forward to hearing positions as they are presented to your committee.

Sincerely

Jane Stewart

P.C.
3-9-78

TELEGRAM

VIA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

#Z

23005 POM PETERSBURG ALASKA 15 03-08 PST

PMS REPRESENTATIVE LISA RUDD

JUNEAU "

I AM IN FAVOR OF HB781 AND 782

A CONCERNED CITIZEN

MARILYN MATHISEN BOX 1045 PETERSBURG AK 99833.

P. O. Box 1284
Juneau, Alaska 99802
March 13, 1978

The Hon. Jim Duncan
House of Representatives
Pouch V, Capitol Bldg.
Juneau, Alaska 99811

Dear Rep. Duncan:

I am writing in support of HB 781, 782 which you sponsored for Cultural Facilities Development.

We are President and Secretary, respectively, of the Juneau Symphony, and see a great need in Juneau for a Performing Arts Center which this bill could provide. Rehearsal and performance space in Juneau are terribly limited at present, almost to a critical point.

My husband also participates in several other activities: member of the Juneau Brass (which will be playing at the Seahawks/Alaska Legislature basketball game this evening) and member of several chamber groups. Finding a suitable spot for rehearsal and performances is almost impossible, and several gatherings have had to be held in homes which proves to be extremely crowded.

I cannot be too emphatic about our support of the above-mentioned bill and would urge all legislatures to support it.

Sincerely,

Bill Clarke Jr.

Bill Clarke, President

Jean M. Clarke

Jean M. Clarke, Secretary
Juneau Symphony, Inc.

cc: Rep. Lisa Rudd

Greater Juneau
Arts & Humanities Council

March 10, 1978

The Honorable Lisa Rudd
Chairperson
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

On behalf of the Greater Juneau Arts & Humanities Council, I would strongly urge your favorable support in passing HB 781/782 out of your committee.

These two pieces of enabling legislation are the result of several years of effort from the combined resources of many, many interested Alaskans and myriad organizations.

Especially critical to the welfare of cultural facilities development is the fact that HB 782 allows for land to be used as a local match. If land is not allowed as a match, most communities -- including Juneau -- would be unable to raise the percent of cash match required in addition to municipal donation of the land and municipal funding of maintenance and operation costs.

The support of this legislation by your committee and eventual passage by members of the Legislature would give all Alaskans an opportunity to then vote on this bonding in the November General Election.

Please, help us to realize the dream and recognition of all those who are willing to support cultural facilities in Alaska. In the words of W. Somerset Maugham - who perhaps said it best: "Culture is not just an ornament; it is the expression of a nation's character, and at the same time it is a powerful instrument to mold character."

Thank you.

Sincerely yours,
Patricia A. Saylors
Patricia A. Saylors
Administrative Director

Box 562 Juneau, Alaska 99802

cc: Committee Members

March 8, 1978
City of Dillingham
Dillingham, Alaska 99576

Governor Jay Hammond
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

I am writing to say I support HB's #781 and 782. I feel our community needs a Regional Cultural Center. I think that unless the center is on the 1978 Bond Issue, Dillingham will not be able to have a cultural center. My reason for feeling this way is the immediate needs of the community, and the rising cost of building, and the increasing cost of maintenance.

The longer the delay, the less chance of support or financing. In order that the "dream" becomes a reality, it should be within the next year. If delayed the potential user groups may no longer have a need or interest in the center, to the extent which they presently indicate. The delay would also raise maintenance costs possibly to a prohibitive level that would again eliminate potential user groups.

As you are aware we have no theatre, movie house, or other place for community activities. The gymnasium is utilized as available for some civic functions but, is far from adequate for the performing arts let alone for a capasity crowd in a safe manner.

As a member of the Dillingham Community I am aware of no office space available in many groups such as Arts Council, and Chamber of Commerce, the officers keep their pertinent records in their own homes, because no central location is available.

We are growing community - we need a Regional Community Center now.

I ask for your support of HB's 781 and 782.

Sincerely yours,

Barbara S. Lowy

Barbara S. Lowy
City of Dillingham Councilperson
Dillingham, Alaska 99576

cc: City of Dillingahm
Lisa Rudd, Chairman
Rep. Steve Cowper

Mrs. William J. Darlin
xPxOxxBxxxxxxxxx, Juneau, Alaska 99801
P. O. Box 1283

3-11-78

Lisa Rudd, Representative
State Legislature
Juneau, Alaska

Dear Lisa:

This is to add my support to HB781 and 782 now in your Committee -- Cultural Facilities Development Projects.

All of our communities have need of such facilities - but I can speak to the dire need for more convention type facilities for Juneau. My job for the Federal Govt. requires that I make space arrangements for meetings, training sessions, workshops, etc. all the time. There just is not enough places in Juneau to meet the needs this community has. Any organization that needs meeting room can testify to that.

As Training Officer for the BIA I can testify to the fact that the few conference rooms in the State Buildings and the Federal Building are not sufficient for agency needs, and there just is not enough other facilities to take up the slack.

Anything you can do to move this legislation would be appreciated by everyone who works with this problem. Should you need further information or documentation let me know.

Marie

RUDD

Rep. Lisa Rudd, Chairperson
Community & Regional Affairs
Court House - Room 620
Juneau, Alaska

Dear Rep. Rudd,

I urge you to vote <u>for</u> House Bills 781 and 782 sponsored by Rep. Duncan because these bills make possible Arts Centers in every town involved due to the "land match clause." The Advisory Committee named in the bills insure that the buildings will be properly prepared for their intended use.

JoAnn Georgs
Sitka, AK.

Petersburg Public Schools

D. W. Schultz, Superintendent

P. O. BOX 289
PETERSBURG, ALASKA 99833

March 9, 1978

Lisa Rudd, Chairman
House Community & Regional Affairs
State of Alaska
State Office Building
Juneau, Alaska 99811

Dear Ms. Rudd:

This is to inform you of how important HB 781 and 732 are to Petersburg. We are in dire need of the cultural facility that these bills would give us.

Sincerely,

Syd Wright
Principal
Petersburg High School

SW:mif

Person-P-C
3-10-

Mrs. Lisa Rudd, Chairman
Community and Regional Affairs Com.
State of Alaska
Pouch V
Juneau, Alaska 99811

RR 4, Box 4782
Juneau, Alaska 99803
March 9, 1976

Dear Mrs. Rudd and CRA Committee Members:

This letter is a plea for the CRA committee's affirmative consideration of HB 761, 762 which concern a Performing Arts Center in Juneau. No doubt, there will be other letters sent to your committee bringing you other points of view.

All who have been involved in the presentation of concerts or plays to the public in general or to interested groups, have been perplexed at the lack of places where such presentations can be made. The high school auditorium alone cannot provide space for all programs in a growing community. The churches have been most generous in providing spaces, but even they have a heavy schedule for their own programs, and often the public presentation is not of a nature suitable to be given in a sanctuary. My interests have been in the cultural arts only, and here are some of the serious situations encountered by just a few organizations.

1. The Juneau-Douglas Concert Association often has the opportunity to present artists that are enroute to or from other spots in Alaska. Lack of space for presentations has often prevented Juneau's taking advantage of such cultural offerings;

2. The Juneau Little Theater recently provided an excellent presentation of Man of La Mancha, but the building in which the play was given was small, inadequate and dingy. Why must the Capital of Alaska have such a shortcoming?

3. The Juneau Oratorio Choir which gives several concerts a year also provides workshops for choirs in Juneau. It is certainly in the interest of all church choirs that their choirs have extended training here. Such workshops need space for meetings during the day and in the evenings.

4. For the past few years, Juneau has hosted an excellent String Symposium sponsored by the Performing Arts Council. String players from Southeastern Alaska come here for training and performance. Again, the churches have been generous, but it is obvious that the growing symposium, holding its sessions over the weekend when working people can come here, will find churches in need of their space for their own services.

5. In some years, the SE Alaska Music Festival is hosted by Juneau. From personal experience I can testify that Sitka's art center provided an adequate and a beautiful space for the Festival's practices and performances. Juneau, with at least 5 times Sitka's population, has nothing to equal such a center. Why not?

o. Juneau, and, in fact, all SE Alaska, has many artists whose work must have some exposure. The proposed Arts Center could provide a continuously-rotating art museum for the benefit of the artists, the people of Juneau, and tourists and visitors.

These are obviously only one person's partial involvement in the arts. I have not mentioned the small groups of young artists who need "exposure and experience" and who ought to be heard--here. I have not mentioned the tourists who may be artists who could be persuaded to present concerts if a space were attractive and readily available. I have not mentioned school groups from Juneau and SE Alaska who need more space than the school can provide when all groups converge during a festival. I have not mentioned the various ethnic groups who should have an opportunity to present to the general public their cultural heritage.

The arts are the continuing education for enriched living of all age groups. In Europe, many opera and concert houses are provided by the state as places where all the people can learn and enjoy art. Certainly Juneau can provide for its people and for those of SE Alaska a place where the treasures of sight and sound can be presented. Juneau is a growing community; we cannot accept a shrinking, moribund cultural atmosphere.

My thanks go to Jim Duncan for introducing the bills, and my urgent plea for the favorable and unanimous consideration of HB 701-702.

Thank you.

Sincerely yours,

Adelheid G. Pauls

Mrs. Adelheid G. Pauls

P.C. 3-9-78

P.O. Box 71
Cordova, Alaska 99574
February 23, 1978

Jay S. Hammond,
Governor of Alaska
Pouch A,
Juneau, Alaska 99811

Dear Governor Hammond,

As members of the Cordova Arts and Pageants, Ltd. board of directors, we urge you to support HB 781 and HB 782.

Cordova needs a performing arts center. We have been actively working for several years to make this a realization. Through support from community members and our local school district we have financed the plans for such a center. Community support alone gave us $1600 during a two night variety show. Alaskans give strong emphasis to cultural activities, and we are proud that Alaska is number one in the nation in dollars spent on the arts. Cordova needs a performing arts center so that our community can have the best performers and the best in performances.

We strongly urge you to support HB 781 and HB 782.

Sincerely,

Gail Nolan, President

Paula Fridgen, Vice President

LaRita Putnam, Treasurer

Kay Groff, Director

Mazie Van Den Broek, Director

Joan Bugbee Jackson, Director

Kathleen Wiese, Director

Seti Mast, Director

Libbie Lian, Director

cc: Pete Lovseth
Lisa Rudd

P.O. Box 911
Cordova, Alaska 99574
February 23, 1978

Jay S. Hammond,
Governor of Alaska
Pouch A,
Juneau, Alaska 99811

Dear Governor Hammond,

Cordova needs a performing arts center. There are currently two bills in the House, HB 781 and HB 782, which I strongly urge you to support.

Many fine groups have come to Cordova to perform through the work of the Alaska State Council on the Arts, the National Endowment for the Arts, and our local council, Cordova Arts & Pageants, Ltd., but many obstacles are often presented because there is no adequate facility. Our multi-purpose gym lacks adequate acoustics, comfortable seating but most important high school activities demand almost constant use of this facility.

I strongly urge you to support HB 781 and HB 782.

Sincerely,

Richard W. Croff

Richard W. Croff

cc: Pete Loveseth
Lisa Rudd

P.C.
3-9-78

Baranof Arts & Crafts Assoc.
Box 1646
Sitka, Alaska
99835

Dear Ms. Rudd,

The Baranof Arts & Crafts Assoc. is in full support of Rep. Duncan's H.B. 781/782. We feel the passage of Duncan's bill is essential to the successful completion of the Cultural Facilities Development Project. A land match is the only feasible way for most communities to provide matching funds. The appointment of an advisory commission by the govenor from State Arts Council recommendations of people familiar with the project and its needs is extremely important to its success.

Sincerely yours,
Baranof Arts & Crafts Assoc.
Donna Standerwick
Donna Standerwick, Pres.

cc:
Richard Ellason
Pete Heeland
Sitka Cultural Facility Comm.

P.C.
2-9-78

P.O. Box 911
Cordova, Alaska 99574
February 20, 1978

Jay S. Hammond,
Governor of Alaska
Pouch A,
Juneau, Alaska 99811

Dear Governor Hammond,

As an active member of Cordova Arts & Pageants, Ltd. which is the local arts council for the community, I have worked for four years to bring visual and performing art programs to Cordova. It is often with great difficulty that a program can be scheduled because we lack a center especially for cultural activities. Since our only facility with adequate space is the high school gym, school activities do take precedence even when our programs have been scheduled weeks in advance. The high school gym is inadequate in many ways lacking adequate acoustics, comfortable seating, as well as scheduling for rehearsal, practice and performance.

Cordova needs a performing arts center. I strongly urge you to support HB 781 and 782. So many programs and exhibits are available to us through the Alaska State Council on the Arts and the National Endowment for the Arts, and we wish to give the performers our best efforts and our community the best performances possible.

Sincerely,

Kay A. Groff

cc: Pete Lovseth
Lisa Rudd

P.C.
3-9-78

P. O. Box 4-303
Mt. Edgecumbe, Alaska 99835
March 3, 1978

The Honorable Lisa Rudd, Chairman
House of Representatives
State of Alaska
Community and Regional Affairs
Committee
Room 620, Court House
Juneau, Alaska 99801

Dear Representative Rudd:

The membership of The Baranof Little Theatre Guild, Sitka, Alaska, endorses House bills 781 and 782. We would appreciate your favorable recommendations.

Sincerely yours,

Margaret L. Peterson

Margaret L. Peterson
Secretary

cc: The Honorable Richard Eliason

March 7, 1978

Rep. Lisa Rudd
Alaska State Legislature
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Lisa:

I wish to support House Bills 781 - 782: State Aid: Municipalities: Cutural Facilities and Bonds for Cultural Facilities legislation.

I have lived and participated in the performing arts in Juneau, Fairbanks and in Anchorage. Although these are urban settings, each has a very limited capacity for the performing and cultural arts due to the fact that no space is especially designed to accomodate the needs. Over the years I have had the pleasure of watching a solid and healthy arts community take shape in Alaska but these efforts - especially in the smaller communities - are frustrated by inadequate or no available room.

These various cultural groups have the capacity to work together and share among themselves; they been doing it for a long time. It is important if we are to take advantage of talented and dedicated people that we provide the type of space they need and not treat them as though they were just passing through. I believe the legislation which has been proposed will give adequate places for a variety of traditional and non-traditional art forms.

After all, we have seen men on the moon and a pipeline of some note built through impossible circumstances - can't we provide something for the spirit?

Sincerely yours,

Mary Lou Spartz

Mary Lou Spartz
Box 1846
Anchorage, Alaska 99510

HB
843
(RUDD)

SSHB 843

Page 14, line 17 --

After "25,000", delete the period and add

"if:

(1) the municipality has conducted a regular election under AS 29.-28.010 - 29.28.050 during the fiscal year preceding the year for which payment of an entitlement is authorized and has reported the results of the election to the commissioner of the department of community and regional affairs;

(2) regular council meetings are held in the municipality in accordance with the requirements of AS 29.23.210 during the fiscal year preceding the year for which payment of an entitlement is authorized and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized and an audit or financial statement, as applicable, for the preceding fiscal year has been prepared and furnished to the department in accordance with AS 29.23.560(a);

(4) local ordinances adopted by the governing body of the municipality have been codified in accordance with AS 29.48.180; and

(5) the council or assembly, to the extent required to maintain efficient and responsible government for the municipality and permitted by its financial resources, provides for the services of a manager, clerk, or comparable administrative officer to attend to the affairs of the local government."

Terry -

Thought you would like to see the attached recent position papers by the Municipality of Anchorage. Many of the points they make have merit, I think -

LSR

LISA RUDD

Municipality of Anchorage 5/28

HB 843: AN ACT PROVIDING FOR EQUALIZATION OF THE TAX RESOURCES OF MUNICIPALITIES, CONTINUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE.

Under HB 843, Sections 43.18.010-43.18.050 of the preser t statutes are repealed. These sections provide the authority for current state-shared revenues. In lieu of this, new Chapters 88 and 89 have been added to Section 29 of the statutes. Chapter 88 deals with a new source of revenue called an "Equalization Entitlement". Chapter 89 provides for the continuation of a portion of the state-shared revenues formerly authorized in Section 43.

A review of HB 843 reveals it to be ambiguous in certain cases as well as presenting a redistribution of income approach to state revenue sharing. On the basis of the information made available to us, it appears to be detrimental to the Municipality of Anchorage. The Municipality of Anchorage has severe reservations concerning HB 843.

HB 843 presents a redistribution of income approach to the concept of state-shared revenues. The title of the new item of revenue "Equalization Entitlement" provides an insight in itself. The stated purpose of the bill is "to assure that no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state." (Sec. 29.88.005). One of the criticisms of the present law is that it does not include "ability to pay" considerations. A community with a larger than the state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. It is further stated that the same criticisms can be raised with respect to per capita income differentials from which taxes are paid. The net effect of the formula is to favor economically disadvantaged communities.

1. A municipality will be better off if it is high or low in the various components of the equalization entitlement formula as follows:

Population	High
General Govt. Property Tax Mill Rate	High
Sales Tax % Rate	High
Local Per Capita Income*	Low
Local Per Capita Property Value*	Low

* Compared to state averages

2. Anchorage has both a higher than average per capita income and per capita property value. This is confirmed by the Printout which shows Anchorage to have unfavorable income and property value factors in the computation formula compared with most other jurisdictions within the state.

3. HB 843 would greatly reduce the degree of local automony. Communities would be faced with a new restriction as to use of the state revenues. Under current state statutes, state-shared revenues may be expended for any public purpose for which the local government has power to expend public funds, except for a few limitations regarding health facilities revenues. Sec. 29.88.030 of HB 843 contains additional requirements regarding the use of funds for specific service areas and tax zones. Although the new provisions are fairly consistent with the way Anchorage has been allocating past state-shared revenues, we would no longer have the flexibility to do otherwise if the circumstances so warrant.

4. Another possible problem with the proposed formula contained in HB 843 is that it would tie a municipality's position in the revenue sharing pool to statewide variables such as statewide assessed value that are largely beyond its control. For example, a major resource development project that might alter variables such as statewide per capita income and assessed value could affect the revenue sharing entitlements of local governments without regard to changes in need for those municipalities Under HB 843, it is difficult for a municipality to project what its revenue sharing entitlement might be two or three years in the future.

5. In a rapidly growing area such as Anchorage, the local per capita income and property value would likely increase at a greater rate than the state average thereby creating an adverse effect in the equalization formula.

6. After first having become reasonably satisfied with the validity of the revenue sharing data elements, the "new" version printouts and formula modification were analyzed to determine the effect on Anchorage. Two of Anchorage's concerns with the original version of HB 843 appear to have been rectified.

- The sales tax portion of the proposed revenue sharing formula has been changed to eliminate the disproportionate weight given to a sales tax in the original formula. The effect of the change is to cause the proposed revenue sharing allocation system to be neutral with respect to each municipality's taxing philosophy. However, Section 29.88.045, subpart 2 (b)V, of the bill appears to exclude hotel-motel tax.

- Revenues from Anchorage's 5% hotel and motel tax have been recognized as a sales tax in the new printouts. It is interesting to note that Anchorage's hotel and motel tax receipts are almost equal to all of Juneau's sales tax receipts and are almost half of the city of Fairbanks'

sales tax receipts. However, the effect of this has been reduced by the above change in the sales tax portion of the proposed revenue sharing formula.

The following matrix provides a comparison of the effect on Anchorage of HB 843:

	1977 Actual (a)	Original HB 843	Substitute HB 843
Amount Shown on State Printout	$8.4 million	$9.2 million (b)	$9.6 million (c)
Amount if Funded at 1977 Level	$8.4 million	$6.8 million	$6.6 million
Anchorage's % of State Total	46%	37%	36%

(a) $18.3 million total state payout
(b) $25.0 million total state payout
(c) $27.0 million total state payout

The second line of the above matrix shows Anchorage's funding if the total state funding were not increased. Under HB 843, Anchorage's share of state-shared revenues will diminish from 46% of the state total to only 36%. For comparative purposes, it should be noted that a 46% share of a $27.0 million state payout would equal $12.4 million.

We find it difficult to support the philosophical approach behind HB 843. There is no simple correlation between tax base, personal income and what state revenue sharing should be. Tax base is only indicative of the size of the physical plant (building, dwellings, etc.) within a given community. Tax base does not necessarily relate to service needs or demands. Urban densities, congested traffic, large numbers of unemployed and crime rates are more closely connected to the need for service. Service demands criteria are important factors to consider before making any judgments on tax base and its relationship to state revenue sharing.

The assumpption behind HB 843 as the bill is presently drafted appears to be that some municipalities are not receiving a fair share of revenue sharing funds, and, conversely, that other local governments are receiving a disproportionate amount of available dollars to which they are not equitably entitled. Although the first portion of this assumption may be correct, Anchorage objects to the implication that the Municipality is receiving more under the present revenue sharing program than it should equitably receive. Our calculations indicate that, at present, Anchorage receives approximately 46% of state revenue sharing funds. Wtih approximately 50% of the state's population, the present program is, if anything, slightly inequitable on a per capita basis for Anchorage taxpayers. Under the proposal advanced in HB 843, the percentage of revenue sharing funds for Anchorage would decline to only 36%. Although there may be merit in providing increased assistance to municipalities with a relatively small tax base resource, it seems difficult to jusitfy taking funds from Anchorage that will, in essence, need to be replaced by Anchorage taxpayers. It is well known that the

existing revenue sharing program has been under funded in recent years. If a need is felt to provide increased assistance to some municipalities, a strong statement from the Legislature calling for 100% funding of the present program would be an appropriate beginning. If funding at a higher level can be provided by the state (i.e., the $27.0 million level proposed in the substitute HB 843), then the state revenue sharing rates contained in the existing law should be increased to partially compensate for the increase in the consumer price index since they were originally established. This would help local governments in maintaining a status quo in the services they are able to render through state shared revenues rather than lose ground due to inflation.

Municipality of Anchorage 5/28

HB 843: AN ACT PROVIDING FOR EQUALIZATION OF THE TAX RESOURCES OF MUNICIPALITIES, CONTINUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE.

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NOTES TO MARCH 25, 1978 REVENUE SHARING PRINTOUTS

The "new" version printouts are based on a modification of the formula that appears in HB 843 and SB 502. The sales tax portion of the formula is changed. Instead of multiplying the sales tax per cent rate by 2.3, the new version compares the sales tax revenues of each municipality to the revenue generated by 1 mil of property tax in each municipality. The quotient is expressed as a mil rate equivalent. The effect of the change is to cause the proposed revenue sharing allocation system to be neutral with respect to each municipality's taxing philosophy.

REVENUE SHARING DATA--1977

PER CAPITA EXISTING: The dollar amounts in this column correspond to the entitlements received this year by each municipality for all service categories except road maintenance, health facilities and hospitals, and military entitlements. The categories in this column would be repealed by HB 843. Entitlements are lumped into the first listing for each municipality with several listings.

R,H,M: The dollar amounts in the column correspond to the 1978 entitlements that will be received for road maintenance, health facilities and hospitals, and military support. These categories of the present revenue sharing law are saved by HB 843.

TOTAL ENTITLEMENT: The column sums the entitlements that will be received this year (each entitlement has been adjusted for the cost of living allowance).

POP: The certified population numbers used by the Department of Community and Regional Affairs (CRA) for the revenue sharing program.

PER CAPITA PROP. VALUE: The column lists the full and true property value of each municipality or subdivision thereof divided by the population of the municipality or subdivision thereof. Municipalities without property assessments are estimated (EST). The estimated value for second class cities in the unorganized borough is determined by averaging the per capita property values for communities in the unorganized borough with populations of 750 or less.

1976 PCI: The dollar amounts listed in the column correspond to the per capita income figures as determined by adjusting the 1974 Bureau of Census income estimates by 1976 data supplied by the National Planning Data Corp.

PROP. TAX: The numbers in the column correspond to the adjusted property tax mil rate of each municipality or subdivision thereof. Property tax rates appropriated to educational purposes are excised from the base figure before the mil rate is adjusted to the equivalent mil rate on the full and true value of property as determined by the state assessor.

SALES TAX: The numbers correspond to the sales tax per cent rate in each municipality. Sales tax appropriated to education is not included. The per cent rate shown is used in the original version of HB 843, but is not used in the new formula.

S. TAX REVENUE: Sales tax revenues are obtained from the municipal audits filed with the Dept. of CRA. When 1977 audits were not available, the sales tax revenue number taken from the 1976 audits was inflated to represent the expected increase in sales tax revenues in 1977. When no audit was available, each community known to have a sales tax ordinance was credited with an estimated sales tax revenue amount obtained by a similar community with the same sales tax rate in effect.

COLA: Cost of living allowance.

'NEW' PROPOSED REVENUE SHARING (1977 DATA)

PROPERTY TAX: The adjusted property tax mil rate.

S.T. EQUIV: The column lists the sales tax equivalent expressed as a mil rate. The number is determined by dividing the actual sales tax revenues of each municipality (less any portion appropriated to educational purposes) by the revenue generated by 1 mil of property tax on the full and true value of property in that municipality.

PCI RATIO: The numbers are the quotients determined by dividing the state average per capita income ($8,001) by the per capita income of each municipality or when available, the per capita income of a subdivision of a municipality. A quotient greater than 1 indicates that the per capita income is lower than the state average.

PROPERTY RATIO: The numbers are the quotients determined by dividing the state average per capita property value ($42,871.8) by the full and true per cpaita property value of each municipality or subdivision thereof. As with the PCI ratio, a number greater than 1 indicates that the municipality has a per capita property value lower than the state average.

AVE. RATIO: The numbers in the column are the average of the two previous columns.

LOCAL EFFORT: The numbers are the result of adding the property tax mil rate to the sales tax mil rate equivalent and multiplying the sum by the average ratio. The product of the local effort number and the proration factor (3.3516427) is the dollar amount per capita that each municipality would receive under the formula portion of HB 843. The local effort factor is not allowed to exceed 25, as specified for in HB 843.

POP.: Population.

PER CAPITA ENTITLEMENT: The dollar amounts are determined by multiplying the local effort factor times the population times the proration factor of 3.3516427. (The proration factor represents the upward proration of each entitlement necessary to pay out a total of $25 million.)

TOTAL (+ RHM): The column adds the entitlement in the previous column to the entitlement for road maintenance, health facilities and hospitals, and military support.

PRESENT ENTITLEMENT: The dollar amount that will be received by each municipality in 1978.

This printout does not consider Sec. 9 of HB 843 which specifies that each municipality will, for the next three years, receive no less than their 1978 entitlement. The next printout does consider Sec. 9. The entitlements shown on the next printout for municipalities which receive more under the formula than their 1978 entitlement are 96.9% of the entitlements shown on this printout due to the Sec. 9 add ons.

'NEW' VERSION HOUSE BILL NO. 843 (1977 DATA)

PROPERTY TAX: The adjusted property tax mil rate.

S.T. EQUIV: The calculated mil rate equivalent of each municipality's sales tax.

POP: Population.

CHAPTER 88 ENTITLEMENT: The dollar amounts represent the entitlements calculated for Chapter 88 of HB 843, which is the formula entitlement.

CHAPTER 89 ENTITLEMENT: The dollar amounts represent the entitlements calculated for Chapter 89 of HB 843, which is the entitlement for road maintenance, health facilities, and military support.

SECTION 9 ADD ON: The dollar amounts listed in the column correspond to the difference between the 1978 entitlement and the entitlement under HB 843 for every community which receives less under the proposed legislation than they did in 1978.

HB 843 ENTITLEMENT: This column sums the three previous columns and multiplies the sum by .96861730, which is the downward proration factor necessary to pay out $25 million after the Sec. 9 add ons have been considered.

PRESENT ENTITLEMENT: The actual 1978 entitlement which will be received by each municipality.

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

M E M O R A N D U M

TO: Lisa Rudd

FROM: Annette Smith DATE: April 28, 1978

SUBJECT: Revenue Sharing

You have asked me to look at the present revenue sharing program and at the new proposal for revenue sharing contained in HB 843 in terms of the validity of each program's intent and its workability. And further, to examine the concerns expressed so far by the municipalities and the Department of Community and Regional Affairs with regard to HB 843, together with any possible solutions there may be. The following, then, is a brief summary of each program and its intent, and a compilation of the problems expressed with HB 843 and the suggestions which have been made for amendments.

The present revenue sharing statute was adopted in 1969 to respond to an intolerable situation developing with Alaska's local governments. Mike Bradner summarized the situation in his Study of State Spending Impact on Local Government as follows:

> "Alaska's municipalities in 1969 were in something of a 'double trouble' situation. Many were facing a growing restlessness among real property taxpayers, while at the same time they were under tremendous pressure for expansion and improvements. Real property tax rates had moved generally upward in Alaska communities in the mid-1960s, in part to finance post-statehood growth and optimism, and secondly under the expanded ability to serve brought by the creation of boroughs.
>
> Anchorage was particularly under pressure from growth expansion, with taxes running in the area of 20-mils total, while Fairbanks had experienced a run-up of taxes in the 1960s from fairly modest rates to a total of 26 mils (plus 5% sales tax)."[1]

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1 Mike Bradner, Study of State Spending Impact on Local Government, 1978, p. 6.

Not every local government situation was the same. Some municipalities were under pressures from increasing population to expand services, while others were simply struggling to catch up with long unmet needs of their communities.

The revenue sharing program was therefore conceived and organized in terms of population and services. The two primary factors determining the shared revenue allocation to each community are: (1) population and (2) categories of services provided by the municipality. Service categories range from the basics of police and fire, through land use planning and transportation facilities, to hospitals operation and construction. Each category is assigned a dollar value or, as in HB 70, assigned a unit value. Values vary according to how important a service is felt to be.[2]

The statute requires certain minimum qualifications as a prerequisite to funding each service. For example, the fire department must be registered by the state fire marshall, police service must be available 24 hours a day, and hospital and health care facilities must be licensed by the Department of Health and Social Services. AS 43.18.040 provides that the Department of C&RA will establish regulations to assure that each municipality is performing the services they claim at least at the prescribed minimum level. The tenor of the statute however, is that the Department should distribute funds to any municipality which is making the barest attempt to provide a service to its residents.

The basic rationale of the program seems to be that population requires services. The simplicity of the program is very attractive since it is easy for everyone to understand. But the program favors the more sophisticated and populous municipalities. One need only look at the increasing share of the pot which Anchorage has commanded over the years with its rapidly expanding population and municipal government. From 1973 to 1977 Anchorage has gone from 40.3% to 47.5% of the total revenue sharing allocation. This becomes an important factor when the program is not fully funded.

Over the years the eligible categories have been increased as municipalities have increased services, and there are several proposals currently in the Legislature which would expand eligible services further. For example: HB 70 would include solid waste disposal and ambulance; SB 507 would include cultural facilities operation; HB 536 would extend revenue sharing for contractual health care facilities in the bush; and HB 691 would extend revenue sharing for certain municipal operations in state or federally owned health care facilities.

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2 See Attachment No. I.

Since its inception there have been calls for reform in the program. It was recognized immediately that the purely per capita approach is not particularly helpful to the smaller municipalities. There is recognized a certain "irreducable minimum cost of doing business" regardless of population.[3] Even the very smallest cities should provide certain basic administrative services. There is no catagory for administrative services.

Another problem is the lack of requirements for standards and criteria for services. All the Department of C&RA is required to do is satisfy itself that the municipality is providing the service it is claiming. Quality of the service is not an important factor. Thus a city can qualify for $1500 a mile for road maintenance for a few miles of road which are rarely if ever graded. A city can locate ar open space, call it a park and qualify for $5.00 per capita in revenue sharing, leaving the park maintenance up to the birds.

Several of the amendments to the revenue sharing program have been for the purpose of changing the amounts to be received for each category. Presumably, this was to meet the rising costs of services and also to assist in the distribution of any increased appropriations. But any such changes had to be accomplished by going through the entire legislative process.

Finally, it was recognized that the categorical approach did not take into account the actual underpinings of local government services, namely, local property and sales taxes which are the primary sources of funding for municipal services.

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3 Letter from Representative Mike Miller, Chairman, Interim Committee on Revenue Sharing to Senator Genie Chance, December 8, 1975, p. 2.

The present program delivers the same rate of funding for services regardless of whether the municipalities have any local support at all or whether they have to tax themselves to the hilt to provide those services.

In 1975 an interim committee was established to study the revenue sharing program and to recommend necessary revisions to the statute. The committee's resultant proposal was HB 474 which is, I understand, substantially contained in the current HB 70.

It is interesting to note that Mike Miller's letter of introduction for HB 474 discusses the fact that several municipalities argued for a revenue sharing program which would recognize local tax effort as being a more equitable and realistic approach to revenue sharing. In fact, the interim committee studied legislative proposals which would have implemented such a concept. However, the concept was not adopted by the committee. Apparently, when the figures were run on the local effort proposals, municipalities realized they may not do as well as they expected.[4] I do not know the details of these proposals. Suffice it to say, Alaska's municipalities have recognized the need for reform of the revenue sharing statute and have actually advocated the concept of local effort as a legitimate basis for revenue sharing.

Intent

The stated intent of the present state aid to local governments program is to "reduce local taxation in reasonable proportion to the amount of state aid received". The question is whether the program has had such an effect on local taxation.

There is no doubt that revenue sharing is of great assistance to local government operations, however, it can be argued that the stated intent -- to lower taxes -- has not been accomplished in reasonable proportion to the amount of state aid received.

---

4 Mike Miller's letter P. 3

Mike Bradner's recent report on the state spending impact on local governments gives an idea of the favorable effect state aid has had on local government tax rates. His report concentrates only on Anchorage and Fairbanks, but since these communities are the two largest in Alaska, and therefore the two most likely to benefit most from the per capita base of the present revenue sharing program, his report is pertinent. Mr. Bradner's study does indicate that the total state aid program has contributed to lowered taxes in Fairbanks; in Anchorage it has allowed taxes to remain constant while the municipality has expanded the quantity and quality of its services.

The state aid which helped Fairbanks lower its taxes was state aid for school construction. The borough was able to lower borough taxes and thus allow city taxes to remain constant without undue burden to the taxpayers. While Fairbanks has not added substantial new services, it has increased the quality of its services which apparently was greatly needed. Increased property values due at first to inflation and most recently to high value pipeline company property has contributed to the Fairbanks municipalities' ability to keep tax rates down.

The Municipality of Anchorage has been able to keep tax rates relatively constant while embarking on a program of rapid expansion of municipal government. Mr. Bradner contributes this success also to school aid, revenue sharing and increased property values (and, of course, good management).

Several of the smaller first class cities, on the other hand, are still high in tax rates and low in services. Dillingham has a 1977 tax rate of 17 mils; Cordova, 22, Nome 17.9, and all first class cities have a sales tax.

Across the state municipal governments have been growing over the past ten years in costs as well as in services. Inflation is probably factor number one. Pressure from the local populations to provide more and better services is another prime factor. Pressures also have been growing from the federal and state governments for local governments to provide more services and

more sophisticated administration. [5]

Expansion costs; and while revenue sharing appropriations have increased substantially over the years, the program has not been able to live up to its stated intent to lower taxes in proportion to state aid received. It has helped municipalities get their feet under themselves and it has assisted in the expansion of municipal services.

Proponents of HB 843 argue that the intent of present law to reduce local taxes proportional to state aid is lost because the formula takes no account of what local taxes are and what the local tax base is. Feeding money to a municipality for services at the same rate, regardless of the rate at which the minicipality must tax itself to provide those services, does not reach to the intent of the legislation.

The sponsors of HB 70 seem to have recognized the superfulousness of the intent to reduce taxes, since they left out of the bill any statement of intent whatsoever.

It is conceivable that there is a reasonable public purpose in assuring that specific services are provided by local government, especially if the services are directly related to the health and welfare of the citizens. However, the present program allows a mix of health and welfare and commercial and economic services. There are presently 11 service categories recognized as eligible to receive revenue sharing monies. This is exactly half of the services enumerated in AS 29.48.030. as services which municipalities are empowered to provide. Why are some services favored over others? Why not include every local service?

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5 Examples: EPA requirements to revamp municipal sewer and water systems; Coastal Zone Management Program, demanding more sophisticated planning and administration; the State Highway Department encouraging increased local maintenance of road systems.

It may be argued that the categorical approach may encourage municipalities to assume more local services and thereby reduce the state's participation in local government services.

Observations of the Department of CRA indicate that revenue sharing is not a sufficient incentive to expand services at the local level. There is not a category which provides enough money to encourage a municipality to assume responsibility for a service. Police service, surprisingly, is a financial loss even at $12.00 per capita. The City of Yakutat, population 442, has avoided taking on local police services. It would probably cost them $50,000 for a one man police department. Revenue sharing would be $5,300 . The State Troopers, therefore provide police protection for Yakutat. The community of Eagle River, population 7,200, resisted local police service for years. It was the community's desire for a better quality of service which finally lead to the determination to assume responsibility for local police service. Their entitlement will be $86,400.

The broadness of the categories and the lack of any criteria will, however, encourage the small cities to seek to qualify for some categories at the minimal level - parks and recreation, health facilities and roads being the easiest for which to qualify.

SUMMARY

The present revenue sharing program enjoys the support of most if not all of the state's municipalities. Although somewhat arbitraty, it is simple and easy for everyone to understand. It has assisted municipalities to meet the increased demands made on them during the past 10 years of growth, especially favoring the larger population centers where the full spectrum of local services is provided.

However, the program is not without recognized deficiencies. The Act has been amended every year since its enactment and the 1975-76 Legislative interim committee considered major overhauls of the program including a local effort concept supported by the Municipal League. The comcept of local effort as the legitimate basis for a revenue sharing program has again been proposed in HB 843.

HB 843

HB 843 repeals all provisions of the present program which allocate monies on a per capita basis (police, fire, parks and recreation, land use planning, transportation, and air and water pollution control). Sections of the present program which allocate monies on an other than per capita basis (health facilities, hospitals, road maintenance and military installations) are retained.

The repealed portion is replaced with a per capita allocation system based on population, taxing rate, and a factor which compares each local government to the state average using per capita property value and per capita income as indicators.

Some municipalities with high property values and low tax rates will lose revenue sharing dollars with this approach. Additionally, several second class cities and one first class city which do not levy any local taxes would receive less. In order to give these communities a chance to come to grips with the new approach, Section 10 of the bill provides a generous three year hold harmless clause so that no municipality will get less than its 1978 entitlement.

The sponsor substitute also includes $25,000 minimum grants to all municipalities in a effort to increase the effectiveness of those local governments.

INTENT

The intent as stated in the sponsor substitute is to:

1. Improve the revenue raising and distribution system for the benefit of residient of home rule and general law municipalities by providing for more equitable allocation of financial resources among municipalities to improve their fiscal capacities;

2. Assure that no municipality suffers improverishment of necessary public services, relative to other municipalities, because of the change location of taxable wealth in the state;

3. Provide an incentive to improvement of the administrative capacity of less populous municipalites. [6]

The basic rationale is that those cities with high property values and high per capita incomes are generally in a better position to fund their local government services than are the municipalities with low property values and low incomes. One mill of tax from a poor tax base will not generate as much revenue as from a good tax base, nor will the revenues go as far to fund services.

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6 SSHB 843 p.1

The framers of HB 843 have recognized that there is a great imbalance in the distribution of wealth in the state created by the development of the state's oil wealth. The equalization approach is intended to bring every community in line with a mean level of wealth. Most of the state's municipalities have to be brought up to the mean because the North Slope Borough and Valdez far outstrip every other community in terms of wealth. And those economically disadvantaged communities are given an extra tug through this program.

The statement of intent discards any attempt to influence the lowering of municipal taxes. It may therefore run into opposition from conservative interests who would like to at least think that state pressure is being placed on municipalities to lower taxes. The conservative goal of lowering taxes is replaced with the liberal goal of distributing a portion of the state's resource wealth to municipalities and their citizens not directly benefitting from those resources. The conservative side is addressed by the concept that a show of local effort is prerequisite to receiving state shared revenues. This worthy idea is somewhat dampened by the introduction of a generous minimum grant for every community regardless of local effort or population.

The minimum grants provision addresses the "irreducable cost of doing business" on the very basic level. It is considered that just to be organized and functioning as a municipality requires operation funds to hire a person, rent space, but supplies and postage, hold meetings and elections and pay for an audit.

Finally the bill leaves it up to local decision makers what services they wish to provide, presumably according to what they can afford. This eliminates the inequities of the service categories approach where some services were given more weight (dollars) than others and more or less arbitrarily. It also eliminates the encouragement to provide services just because they are included in the shopping list eligible for revenue sharing.

PROBLEMS WITH HB 843

It is difficult to argue against the concept of revenue sharing according to local effort, and it is difficult to argue that all the state's residents should not benefit from the state's resource wealth. However, it is fairly easy to argue the specifics of how to go about it. The following concerns have been raised with regard to HB 843:

1. The formula includes statewide variables over which the municipality has no contol; thereby making it difficult to do any long range financial planning. Primarily this problem relates to the state averages which are involved. A variance of .50 in both the PCI and the PCPV ratio can mean as much as $300,000 difference in the Anchorage areawide entitlement.

The projections which have been made for HB 843 have used a 1977 data base; that is, one year old data. And this data has just become available in 1978. It may be helpful to use a 2 year old data base on which to determine entitlements. This would at least give municipalities a secure base for projections. The drawback would be that the revenue sharing entitlements would be a bit antiquated.

2. The formula for determining local effort does not induce lowering of taxes, but rather encourages keeping taxes high. As noted earlier, it is not the intent of the program to reduce taxes, but rather to augment the local tax revenues. Local tax effort for local services is considered a good thing, otherwise the state would be fully funding local services.

A ceiling of 25 local effort factor has been included in the bill. A municipality gets no more credit for local effort over that figure. Therefore, it is not to a municipality's advantage to raise taxes above that level purely for revenue sharing purposes. There are several cities in the state which already come out above 25 in local effort (primarily first class cities), which might indicate they are hard pressed to meet demand made on their local governments.

John Williams has made a study of how much these municipalities would be able to reduce taxes and still retain the same revenue sharing entitlement.[7] His findings indicate most municipalities may reduce taxes a very small amount provided everything remains equal. It is probably more realistic to expect only those communities about the 25 local effort factor would actually be able to reduce taxes.

It is more likely municipalities will keep taxes the same and increase either the quality or quantity of municipal services. Municipalities which do not now levy a tax may find it advantageous to levy a tax. This is considered a plus by the framers of HB 843. Additionally, municipalities which lose substantial revenue sharing funds under this new approach (by virtue of having a low tax rate and high PCPV and PCI) may find it advantageous to raise tax rates to make up the difference. Valdex, for example, will have to raise their mil rate .20 mils to regain their former entitlement level.

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7 Memo from John Williams to Terry Gardiner, April 17, 1978, Attachment II.

Lowering the maximum local effort factor to 20 or 15 would have the effect of: 1) reducing the total pay-out; 2) helping those communities with high per capita assessed value, high per capita income, and lower tax rates come closer to the average and thereby receive a larger entitlement; 3) decreasing any incentive there may be to raise taxes for revenue sharing purposes; and 4) decreasing the entitlements to those cities which are above the 25 factor already.

It should be kept in mind that there are two ceilings placed on local effort. One is the 25 local effort factor ceiling of HB 843, and the other is how much the local taxpayers wish to fund services. There is a constant pressure exerted by the taxpayers to lower taxes, regardless of how low they are. It will be more difficult for a council or assembly to reduce taxes, in that a good deal more study will have to be done on the various repercussions of such a move.

The formula, then, while not specifically conducive to lowering taxes, is also not necessarily an incentive to increase taxes except in a case where there are no taxes or very low taxes. The pressures to go either up or down with taxes come primarily from the local taxpayers either in the form of demands for services or demands for lower taxes. [8]

3. Per capita income is not an appropriate indicator of a municipality's ability to pay. It is argued that a city with relatively high income may have either a low or no property tax base, leaving the municipality with a poor showing in the local effort factor. Income tax is not an option available to municipalities. The City of Sand Point testified that a small number of very successful fishermen has driven the PCI for that community up out of proportion. Large tracts of land may be owned by out-of-state landowners or corporations whose income is not reflected in the community.

The framers of HB 843 argue that state averages are needed to come up with relative numbers for the formula, and two indicaters, namely PCPV and PCI, are necessary to make the equation mathematically valid. They maintain that income is a valid indicator of a municipalities ability to pay. Without it, the picture would be lopsided. If the PCI were left out of the formula, there would be a dramatic change in the entitlements of several municipalities.

At my request, John Williams ran the figures for all municipalities given a local effort factor of 20 and eliminating PCI from

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8 Other pressure may come from the state and federal governments as exampled in footnote 5, page 6

from the formula. The changes were,indeed dramatic. Anchorage gains about $2 million dollars; Juneau gains a few hundred thousand; Sand Point gains $18,000 or 30% and the North Slope Borough loses practically all of its entitlement. This is because the North Slope Borough property values are about 10 times the state average, but the per capita income is well below the state average which serves to bring that municipalities profile more in line with reality. The other main losers with this approach are the first class cities and some second class cities, which by and large are the municipalities which show the highest local effort factors. [9]

4. The conversion of sales tax to a millage equivalent has been called into question by both Anchorage and the Department of C&RA. Anchorage felt that the conversion gives a disproportionate emphasis on sales tax. This has been taken care of to some extent by the Department's suggestion of converting the sales tax to millage equivalent according to the revenue generated.

For example:		
	Property Tax Revenues (10 mils)	$1,000,000
	Sales Tax Revenues (3%)	300,000
	Total Revenues	$1,300,000

One mil property tax equals $100,000 in revenues.

Total Revenues	$1,300,000
Revenue from 1 mil property tax	100,000

=13 mil (millage equivalent) [10]

This is a more equitable approach in that it easily takes into account the local situation. Any exemptions granted by municipal ordinances, such a food, are reflected in the revenues. But sales tax will generally outshine millage simply because it can generate more revenues from the turnover of goods and services in a community.

Sales tax is in the formula because it is one of the two main sources of revenue open to local governments. In some communities this is the only revenue source, since there is no property tax base. Anchorage fortunately has not found it necessary to impose a general sales tax. The hotel tax which the Municipality of Anchorage levies on its visitors is presently not included in HB 843, but it can be included by amendment. The addition to Anchorage's entitlement would be about $320,000.[11]

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9 Attachment III

10 Letter to Gardiner from DC&RA, March 14, 1978

11 Anchorage Hotel tax = $1,108,739 revenue= .244 millage equivalent.

Anchorage has also argued that this revenue sharing formula actually encourages Anchorage to institute a sales tax. According to Legislative Research, the institution of a 1% sales tax in Anchorage would increase its revenue sharing entitlement by $959,003. Direct revenues from the sales tax would be at lease $12.6 million. For each additional revenue sharing dollar, therefore, the Municipality would generate more than $13 in direct tax revenues.[12] It is not likely the extra $900 thousand in revenue sharing alone would be sufficient incentive for the Anchorage area to insitiute a sales tax, but this is a decision the local taxpayers would have to make.

The Department of C&RA pointed out that several small municipalities could reach the 25 local effort facot simply by instituting a 1.5% sales tax. This was true for the original HB 843, but since the millage equavalent is now determined according to the sales tax revenues, this is no longer likely.

5. The high minimum grants ($25,000) detract from the philosophy of the program, that local effort is a prerequisite for state aid. Most of the small second class cities get revenue sharing dollars in amounts substantially less that $25,000 + COLA. But they do also receive federal revenue sharing dollars. It could be several years before many of these cities are developed enough to find it advantageous to increase their local effort beyond the present level, which in many cases is zero. The burden of local effort remains on the medium and larger sized cities while the smaller ones get a free ride.

The counter argument is that if the state will provide enough money for a city to actually function as a city (including perhaps an administrative person, an office, typewriter, etc.) the city will start to find other sources of revenue, provide more services, and eventually increase its citizens' desires to the point where local effort is required in order to fund the expanded services. It has been suggested that a minimum grant of $15,000 + COLA would be more appropriate and would serve the same end result. It should be kept in mind that these municipalities also receive Federal revenue sharing funds, although in many cases it is not more than $1,000.[13]

More importantly, it should be noted that several of the second class cities incorporated in the state are not really functioning as municipalities now.

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12 Memo from John Williams, Legislative Affairs to Terry Gardiner, 3/8/78.

13 Attached print out dated 4/26/78 also shows minimum entitlements at $15,000 + COLA. Attachment III

The Department of Community and Regional Affairs has compiled an overview of the state's municipalities and the basic administrative services (i.e. regular elections, regular council meetings, budget and accounting systems, local ordinances, administrative personnel employed, community planning) provided on the local level.[14] The results show that a significant number of municipalities do not provide any of these basic administrative services.

Some of these cities still do receive state and federal revenue sharing and state shared taxes. All of them will receive at least the $25,000 minimum grant if HB 843 (or HB 70) is instituted.

It may be in order to have the Local Boundary Commission take a close look at some of these municipalities and dissolve those which are not functioning.

6. The new program reduces the degree of local autonomy in that it specifies that funds allocated on a service area basis or differential tax zones must be spent in those areas. The present program leaves it up to the municipality to determine how the funds shall be spent.

This provision was included as a logical extention of the local effort philosophy. That is that the area generating the revenues should benefit from the additional input provided by the state.

Most municipalities expressing concern over this provision have hastened to add that this is currently their policy anyway. This section, of course, may be easily eliminated.

7. The Department of C&RA has suggested that that portion of the property tax used to support enterprise activities such as utilities and boat harbors should be subtracted from the eligible millage. (That amount going to support schools is already subtracted.) The argument is that they should be self-supporting services and this revenue sharing approach may in fact be an incentive to always have these activities partially subsidized by taxes

The present revenue sharing program provides revenue sharing for water and sewer systems and transportation facilities which includes docks and boat harbors. The Department does not agree with this support.

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14 Local Government Checklist, Alaska Local Government, by Paul Conger, Research Analyst, Vol. XVII, No. 2, February 1978, pp. 6-12, Attachment IV

The argument to retain revenue sharing support of such services would be that in some areas it may not be possible to make these services self-supporting at this time. Water and sewer would be a prime example in the small cities which have had to install expensive treatment plants requiring extra personnel, chemicals, energy, maintenance. User fees skyrocket, but operation still requires some subsidy from the municipal general fund. A bus service is another example of a needed service, which cannot support itself at the outset at least until its clientele is built up.

8. The Department has also suggested that road maintenance be eliminated either from the formula or from the Chapter 89 per mile allocation. The argument is that municipalities are paid twice for this function. $1,500 a mile sounds like a very generous amount. I understand that the Highway Department has been trying to encourage municipalities to take over responsibility for more of their local roads, and perhaps the $1,500 per mile is part of that encouragement. However, when this amount is translated into the costs of road maintenance, it does not seem so generous. Without revenue sharing support it is probable several municipalities would drop much of their road maintenance.

If the Department could suggest a change in either the formula or the per mile entitlement, which would keep entitlements fairly equal, an amendment may be possible.

9. A further suggestion of the Department is that support of military installations be incorporated into the formula. I have suggested that the Department propose a formula which would accomplish this.

10. One of the largest concerns with the adoption of this new program is funding. The sponsors have provided a model with a total payout of $27 million. The present program funding level is $18.3 million. This in itself is a major policy decision for the Legislature. Is it appropriate to increase municipal revenue sharing nearly $9 million? And can municipalities expect full funding in the future?

General municipal revenue sharing has increased since 1970 from $2.0 to an estimated $18.3 in 1978 -- $16.3 million in 8 years. Much of this increased funding was due to new cities, boroughs and fire districts joining the program since 1970. The program's participants have increased from 9 boroughs and 54 cities in 1970 to 3 unified governments, 7 boroughs, 139 cities and 45 fire protection groups in 1977. 15

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15 Revenue Sharing Funding Summary Sheet. Attachment V

Additional increases in the appropriations were accomplished by amendments to the per capita service categories.

It may be that the time is appropriate for a substantial increase because both HB 474, proposed in 1976, and HB 70, introduced in 1977, carried fiscal notes in the range of $25 million.

Over the years the revenue sharing program has not always enjoyed full funding; 1973, 1974, and 1977 being the most noteworthy with funding allocations at 92.27%, 91.96% and 95% respectively.

There are some important guarantees contained in HB 843 -- the minimum grant entitlement and the Section 10 grandfather entitlements. This program will not work without the increased level of funding. The bill's sponsor has therefore included the provision that the program will not take effect unless the full appropriation of $27 million has been secured. It would be advantageous to build a similar mechanism into the bill at least for the next three years (the duration of Section 10) and preferably extending into the future, so that no municipality will suffer unduly from underfunding of the total program.

SUMMARY

The comcept of HB 843 makes sense in that it approaches state aid to local governments from the standpoint of augmenting their local revenue sources. It attempts to address the local situation insofar as how easily local revenues can be generated. It gets away from the strictly per capita approach which only favors metropolitan areas, and the service categories approach which places a strain on small municipalities to try to qualify for something even at the barest minimum in order to add some extra dollars into their meager treasuries.

The infusion of extra dollars into the program is welcome and needed as more and more responsibilities are being thrust on local governments.

The program appears workable as proposed though it could sustain amendments which may work to the advantage of some municipalities.

The greatest problem with the bill appears to be its dependent on statewide variables. Every municipality relates to the others in that increases or decreases in entitlements conversely affects all the others, because the program is funded with a set amount of money. Property values and per capita income can be affected by major factors over which municipalities either

singly or collectively can have no control. With so many variables involved a municipality cannot plan ahead with much accuracy, thus reducing its level of responsiveness to the local citizenry. Unforunately, this reference to statewide averages is also the beauty of the bill in its intent to distribute the state's wealth according to relative need.

ATTACHMENTS

I. Breakdown of Present Revenue Sharing Funding Categories.

II. Memo from John William to Terry Gardiner, April 17, 1978 and print-out.

III. Print-out dated April 27, 1978 showing Local Effort Factor - 20, No Per Capita Income, $15,000 Minimum Grants

IV. Local Government Checklist, Alaska Local Government, by Paul Conger, Research Analyst, Vol. IVII, No. 2, February 1978, pp.6-12, Attachment IV

V. Revenue Sharing Funding Summary Sheet provided by Department of Community and Regional Affairs.

Background Material
House C&RA Committee files
Re: HB 843

PRESENT REVENUE SHARING FUNDING

Local Government Hi-lites

Police Protection	12.00 each person
Fire Protection	7.50 each person
Air/Water Pollution	2.00 each person
Land Use Planning	2.00 each person
Parks and Recreation	5.00 each person
Transportation Facilities	5.00 each person
Road Maintenance	
a. Public Roads	1500.00 each mile
b. Ice Roads	900.00 each mile
Health Service	2.00 each person
Health Facilities	1000.00 each bed
	4000.00 each facility
Hospitals	1000.00 each bed
	25000.00 each hospital
	75000.00 each hospital
Construction Aid (Hospitals)	2500.00 each bed

The following schedule provides a history of the program as well as a projection of the total costs:

FY	AVAILABLE APPROPRIATION	FULL FORMULA FUNDING	NUMBER OF APPLICANTS PARTICIPATING
1970	$ 1,000,000 1,020,000 1/	$ 2,015,281	9 boroughs 54 cities
1971	6,500,000	6,333,708	1 unified government 80 cities 8 boroughs 5 fire protection groups
1972	7,085,000 415,000 2/	7,505,497	1 unified government 94 cities 8 boroughs 14 fire protection groups
1973	7,800,000 44,300 3/	8,501,575	2 unified governments 107 cities 7 boroughs 20 fire protection groups
1974	8,777,000	9,544,000	2 unified governments 109 cities 8 boroughs 44 fire protection groups
1975	12,929,000	12,458,626	2 unified governments 119 cities 8 boroughs 48 fire protection groups
1976	15,130,100	14,039,600	3 unified governments 138 cities 8 boroughs 38 fire protection groups
1977	~~15,113,600~~ 16,959,346 4/	~~16,969,800~~ (est.) 17,335,512	3 unified governments ~~157~~ 39 cities ~~8~~ 7 boroughs 45 fire protection groups

1/ Supplemental appropriation provided by Chapter 1, SLA 1970.
2/ $413,930 of FY 1973 appropriation allocated by 1972 Legislature to provide additional funding for approved entitlements of FY 1972 applicants.
3/ Additional funds provided by Revised Program for health facilties initially determined to be non-qualifying.
4/ The proration factor between full funding and available funding would be approximately 89.06%.

BRU MUNICIPAL SERVICES REVENUE SHARING BRU CODE 07-73-02-01-01 REVISED

12 ANALYTIC STATEMENT

#2 BASIC ADIMINISTRATIVE SERVICE - LGAD TRAVEL

To provide LGAD with an overview of basic administrative services (i.e. regular elections, regular council meetings, budget and accounting systems, local ordinances, administrative personnel employed, community planning) provided on the local level and assistance rendered by LGAD, an efficienty rating and Table, similar to that used in the previous section, was prepared.

The method used to determine the cities efficiency rating in reference to the basic administrative services they provided is as follows:

A city would be given a rating of -

"6" if the city provided all six services listed above in 1977;

"5" if the city provided all 5 of the six services listed above in 1977;

"4" if the city provided 4 of the six services listed above in 1977;

"3" if the city provided 3 of the six services listed above in 1977;

"2" if the city provided 2 of the six services listed above in 1977;

"1" if the city provided 1 of the six services listed above in 1977;

"0" if the services were not provided.

Mention should be made of the difference between the criteria utilized in this efficiency rating and the one prepared for the SRS-Travel sections in Table 2 and 3. The cities in this section are given efficiency ratings based on administrative services provided in 1977 and does not extend back to include the years 1972-76; however, the travel section in Table 4 does comprise the six year period.

The outcome of the efficiency rating for cities conducting basic administative functions is listed below:

33 cities received a rating of 6
11 cities received a rating of 5
20 cities received a rating of 4
17 cities received a rating of 3
20 cities received a rating of 2
11 cities received a rating of 1
12 cities received a rating of 0

Information was not obtainable on 16 of the cities.

To portray the relationship between the cities based on their efficiency ratings and travel by LGAD to those cities, Table 4 depicts this comparison and can be interpreted in the same manner as Table 2-3.

It is difficult to measure the two factors in this section because the information on services rendered does not extend back to 1972, as does the travel data. The data on Table 4 does indicate that towns providing all the functions in 1977 were also the cities that received the most visits over the past six years. An indicator that would be more revealing regarding the current status of the "services-travel" relationship, is the fact that of the 33 cities that provided all six functions, ten of those cities were visited at least once in 1977.

3 ADMINISTRATIVE PERSONNEL ON DUTY/LGAD TRAVEL

One of the points of interest that was entertained when the topics for the Local Government Checklist were considered, was the desire to see what impact administrative personnel at the local level had on the cities' ability to provide the basic administrative services listed in the previous section. Furthermore, it was discussed that we should ascertain what influence, if any, assistance rendered by LGAD had on their capacity to facilitate the above mentioned duties. *Data compiled from the checklist relative to basic administrative services produced the results listed below.

The cities in the left hand column illustrates the breakdown of cities that have administrative personnel on duty in 1977, but received no visits from LGAD. In the right hand column, is the breakdown of cities that have administrative personnel on duty and were visited by LGAD in 1977.

BASIC ADMINISTRATIVE SERVICES

NO LGAD VISIT	LGAD VISIT
75 cities had administrative personnel on duty in 1977 and did not receive any visits by LGAD that year.	32 cities had administrative personnel on duty in 1977 and were visited by LGAD during this year.
14%, or 11 cities, provided all six services;	69%, or 22 cities, provided all six services;
6%, or 5 cities, provided 5 of the 6 services;	19%, or 6 cities, provided 5 of the 6 services;
25%, or 19 cities, provided 4 of the 6 services;	3%, or 1 city, provided 4 of the 6 services;
20%, or 15 cities, provided 3 of the 6 services;	3%, or 1 city, provided 3 of the 6 services;
26%, or 20 cities, provided 2 of the 6 services;	6%, or 2 cities, provided 2 of the 6 services;
8%, or 6 cities, provided 1 of the 6 services.	No city in this category provided less than two services;
No city in this category provided less than one service.	

*Data not available on 16 cities

NO ADMIN PERSONNEL
NO VISITS - 1977

15 cities had no administrative personnel on duty in 1977 and received no visits from LGAD

1 city provided 2 of the six services

2 cities provided 1 of the six services

12 cities provided no administrative services

NO ADMIN PERSONNEL
VISITED - 1977

One city having no administrative personnel on duty, received a visit from LGAD

1 city provided 2 of the six services

As the above information indicates, cities that are without administrative personnel are also cities that have the poorest record of providing administrative services. Cities that have administrative personnel on board show a noticeable increase in the number of services provided. This is supported by the fact that 50 of the 75 cities in this category provided at least half of the services listed in this study. The appreciable difference, however, of the cities' ability to provide administrative services, based on the criteria presented in this section, is the combination of administrative personnel on duty and a visit by LGAD. This combination appears to be a good mixture with 55% more cities providing all six services than those that did not benefit from a visit by LGAD.

4 Population STATE REVENUE AND BASIC ADMINISTRATIVE FUNCTIONS

To broaden the overview of Alaskan cities, Table 5 provides an accounting of the basic administrative services provided at the local level in relation to a breakdown based on population.

Table 5 denotes the basic administrative services provided in 1977, and relates this to a population breakdown throughout the state. All Alaskan cities, with a population of 800 or more, with the exception of one, provided all six of the basic administrative functions. Cities with the second best average were in the 600-699 population range averaging 5.4 of the services in 1977. Cities with a population of 0-99 received the poorest average, averaging only 1.11 basic administrative services during 1977.

5 Incorporation Date STATE REVENUE & BASIC ADMINISTRATIVE FUNCTIONS

To supplement the population data presented in Section 4, material was also gathered to provide a comparison between cities based on their incorporation dates. The motivation behind this comparison was to draw a parallel between the cities with early incorporation dates against cities that have incorporated more recently, to see if one is demonstrating an ability to provide more viable government based on the criteria that we have established in this study. In making this comparison, incorporated cities were grouped in the following manner:

1) cities incorporated 1970-76 totaling 57*
2) cities incorporated 1960-69 totaling 51*
3) cities incorporated 1900-59 totaling 31

Table 6 displays the comparison between the groups.

In reference to State Revenue Sharing:

1) 27 cities, or 87% of the cities in the older group received SRS all six years;

2) 36 cities, or 71% of the cities in the middle group (1960-69) received SRS all six years;

3) 16 cities, or 28% of the cities in the 1970 or later group received SRS all six years.

Based on the above, cities incorporated prior to 1970 are applying for and receiving SRS far more successfully than cities incorporated after 1970. Also cities incorporated after 1970 had eight cities receiving no SRS the past six years; while in the older group, no city received less than four years of SRS.

Regarding the second element of concern in this section, basic administrative services rendered at the local level, the breakdown of the cities is as follows:

The older group performed an average of 5.54 of the services in 1977, having 22 cities, or 71%, providing all six administrative functions;

The middle group performed an average of 3.30 of the services in 1977 with 8 cities, or 16%, providing all six administrative functions;

The group incorporated in 1970 or later, performed an average of 2.36 of the basic administrative services in 1977 with only three, or 5%, performing all six activites.

In both revenue sharing and basic administrative services rendered, the

older group showed a definite upper hand over those cities incorporated more recently by having 87% of the cities in their group receiving SRS all six years and 70% of the cities in this group performing all the basic administrative services in 1977. This would indicate that cities that have been exposed to the process of applying for and receiving SRS, and have had time to become acquainted with the operations of municipal government, have the edge in providing more viable government at the local level.

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210
CORDOVA, ALASKA 99574

"The Friendly City"

Reply to:

MAR 16 1978

March 14, 1978

Representative Hugh Malone
Pouch V
Juneau, Alaska 99811

Dear ~~Representative Malone,~~ Hugh

The Cordova City Council at the regular meeting of March 13, 1978 voted unanimously to support House Bill 843. The City of Cordova presently has one of the highest tax rates in the state with a 22 mill property tax plus 4% sales tax. The additional revenue generated by House Bill 843 would be a significant step in the reduction of local taxes.

We appreciate and encourage your efforts to reduce the local tax burden.

Very truly yours,

Perry D. Lovett
City Manager

cc Pete Loveseth
Jim Rolc

to CFRA

copy

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

April 6, 1978

Terry - We have received a number of requests for time. Am thinking about the interim committee. Any suggestions? Pls. return letter
Lisa

Representative Lisa Rudd
Chairperson, House Community
& Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

The purpose of this letter is to inform your Committee that the Municipal Administration has reviewed HB 843 and would object to further action on this legislation until all affected local governments have been able to thoroughly assess the strengths and weaknesses of the proposed new revenue sharing formula.

The assumption behind HB 843 as the bill is presently drafted appears to be that some municipalities are not receiving a fair share of revenue sharing funds, and, conversely, that other local governments are receiving a disproportionate amount of available dollars to which they are not equitably entitled. Although the first portion of this assumption may be correct, the Anchorage Administration objects strongly to the implication that the Municipality is receiving more under the present revenue sharing program than it should equitably receive. Our calculations indicate that, at present, Anchorage receives approximately 46% of state revenue sharing funds. With approximately 50% of the state's population, the present program is, if anything, slightly inequitable on a per capita basis for Anchorage taxpayers. Under the proposal advanced in HB 843, the percentage of revenue sharing funds for Anchorage would decline to only 40%. Although there may be merit in providing increased assistance to municipalities with a relatively small tax base resource, it seems difficult to justify taking funds from Anchorage that will, in essence, need to be replaced by Anchorage taxpayers. The Committee is, of course, well aware that the existing revenue sharing program has been under funded in recent years. If a need is felt to provide increased assistance to some municipalities, a strong statement from the Legislature calling for 100% funding of the present program would be an appropriate beginning.

Another possible problem with the proposed formula contained in HB 843 is that it would tie a municipality's position in the revenue sharing pool to statewide variables such as statewide assessed value that are largely beyond its control. For example, a major resource development project that might alter variables such as statewide per capita income and assessed value could affect the revenue sharing entitlements of local governments without regard to changes in need for those municipalities. Under HB 843, it is difficult for a municipality to project what its revenue sharing entitlement might be two or three years in the future.

Although Anchorage does not oppose the concept of a new approach to revenue sharing, the formula proposed in HB 843 would so radically depart from the present system and would have such major impacts on local governments, that it should not be adopted without thorough review and input from both small and large municipalities. For example, Anchorage would like to be presented with a series of printouts similar to those accompanying HB 843 showing the relative position of the Municipality under a variety of realistic assumptions about future statewide assessed value and per capita income. Perhaps a study committee consisting of legislators, representatives from the state administration and local governments could study the proposal prior to the commencement of the next Legislature and could respond with recommendations for a new approach to revenue sharing that would be equitable for all parties concerned.

I appreciate the opportunity to comment on this legislation. If the Committee has any questions concerning the above, please contact me at 264-4237.

DEPARTMENT OF LAW

Theodore D. Berns
Municipal Attorney

TDB:gml

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B — JUNEAU 99811

April 5, 1978

The Honorable Lisa Rudd, Chair
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

Re: HB 843

You have asked for our opinion concerning the ways in which a Municipality may unduly benefit from the proposed revenue sharing bill (HB 843). The Department analysis of the bill (contained in the 14 March 1978 letter to you) explains very briefly some of the problem areas of the bill. In addition to that letter, Local Government Specialist Bruce Aronson of the Department offers the following comments concerning the ways in which municipalities may manipulate the proposed statute to their own best interest.

1. Enterprise activities (utilities, small boat harbors, etc.) should not be included in the formula. In other words, any sales and/or property taxes levied to support enterprise activities should be excluded from the tax rates. If this is not done, the tax rates might be unfairly inflated, and utility fees would be reduced. The State of Alaska would, in effect, support an activity that should be self-supporting.

2. Since the categories of roads, ice roads, and health services and facilities are retained in the legislation, it hardly seems appropriate to include any locally generated taxes, used to fund these services, under Ch. 88 of the bill. A gross example of this type of situation would be a single purpose service area created for road maintenance being eligible under Ch. 88 of the bill for the basic local tax effort formula funds, and also receiving $1,500 per mile for roads maintained. This dual eligibility would seem to be necessary.

3. A simple and rational approach to establish assessed valuations per capita for second class cities in the unorganized borough would

benefit by a low assessed value per capita number. Our earlier suggestion of averaging the per capita assessed value of municipalities of population less than 750 located in the unorganized borough is still one available alternative.

4. HB 843 arbitrarily multiplies the sales tax rate times 2.3 and adds in the property tax rate (in mills). It would be to any municipality's advantage to analyze the "rate of return" to the municipality under its current tax rates. By altering the sales and property tax rates (and assuming total local revenue is constant) a municipality may be able to gain slightly. A "cure-all" to this problem would be to add all locally collected taxes and divide by the revenue generated from one mill property tax. This new number would be the "millage equivalent". By doing the above, a municipality would not tinker with local tax rates to gain some additional State shared wealth.

5. If a municipality has no local retail stores, and/or property that could be taxed (utilizing a property tax) it would be to the municipality's advantage to "raise" local "taxes" until the maximum local effort factor has reached (25). One estimate by Legislative Affairs indicates that in a small rural city, the local effort factor is reached when a 1½% sales tax is levied. No additional benefit occurs when the number 25 is reached.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

PMc:pc

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B — JUNEAU 99811

March 14, 1978

The Honorable Terry Gardiner, Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

Re: HB 843 "An Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date."

This bill (as well as SB 502) would dramatically alter the method by which the State of Alaska distributes financial assistance to municipalities. Currently, under AS 43.18, the State distributes in excess of $18 million dollars annually to municipalities and volunteer fire departments in the unorganized borough utilizing a categorial approach. For example, if a city has a police department, and meets the minimum requirements, the State pays the city $12 per person served by the police department. No consideration is given to the relative ability of the city taxpayers to support the police department, nor the rate of municipal taxation.

The existing revenue sharing formula (AS 43.18) encourages municipalities to provide a wide variety of services, even though the quality of such services may be minimal, and no local tax effort is required. Additionally, the present revenue sharing program favors the more sophisticated municipalities (due to the categorial approach) as well as favoring municipalities having greater populations in a relatively small area. The new concept of distributing State generated wealth utilizing a formula based on relative taxable wealth, relative ability to pay, tax rates, and population makes sense to us and is definitely a step forward in assisting the development of local government in Alaska. Briefly, the concept may be described as helping those municipalites willing to help themselves.

The Department's initial review of HB 843 indicates that consideration should be given to amending the bill in the following areas:

1. The municipal tax rates should be downwardly adjusted to account for taxes used to support utilities (utilities should be self-supporting), and taxes used to support roads, ice roads, and health services and facilities (these categories are retained in this legislation).

2. Since there are no assessed valuations for essentially all second class cities in the unorganized borough, perhaps an arbitrary assessed value could be established. One approach is to compute an average assessed valuation per capita figure based on all first class cities in the unorganized borough having a population less than 750 (the Department already has these figures). This approach would be equitable and inexpensive. Those cities (3) having a population in excess of 750 could be assessed at State expense.

3. Other components of the formula should be carefully considered. For instarce, are the per capita income figures credible? Also, because petroleum property in a few boroughs so distorts the State average valuation, should that figure be adjusted? Exclusion of extreme values or use of the median property value in the State might be appropriate alternatives.

4. For ease of administration, we feel the military population should be treated in a manner consistent with that used for the civilian population. One method of accomplishing this would be to apply the areawide local effort factor to the military population.

5. The concept of calculating a millage equivalent based on all revenues should be explored. For example, a city collecting $1,000,000 dollars from a 10 mill property tax, and $300,000 from a 3% sales tax, would be given a millage equivalent of:

Property Tax Revenues	$1,000,000
Sales Tax Revenues	300,000
Total Revenues	$1,300,000

One mill property tax equals $100,000 in revenues.

$$\frac{\text{Total Revenues}}{\text{Revenue from 1 mill property Tax}} = \frac{\$1,300,000}{\$\ 100,000} = 13 \text{ mills (millage equivalent)}$$

This approach would seem to be equitable in that residents have determined locally the best balance between sales and property taxes to produce sufficient municipal revenues.

The Division of Research, Legislative Affairs Agency has prepared an analysis of the impact of this bill (at various funding levels) on all municipalities.

The Department wholeheartedly supports the concept of HB 843. Also, the proposed amendments would in our opinion, improve the intent of the act providing for equalization of the tax resources of municipalities.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

cc: Mike Harper
Jessie Dodson
Fran Ulmer

PC
4-3-78

CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559
543-2297 — Area Code 907

March 29, 1978

Representative Lisa Rudd
Chairperson House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

At the regular City Council Meeting of March 27, 1978, Council passed and approved Resolution No. 231, endorsing House Bill No. 843, "AN ACT PROVIDING FOR EQUALIZATION OF TAX RESOURCES OF MUNICIPALITIES AND CONTINUING A PORTION OF THE PROGRAM OF STATE AND FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE."

Although the present systems for distributing State Revenue Sharing funds does assist municipalities in providing services there exists an incentive in the revenue sharing program for municipalities to increase or improve the service by increasing local taxes. Under the provision of House Bill No. 843, however, this would all change the proposed formula allocation system, increase the amount of revenue sharing if the Community increases its sales tax or property tax.

If your office should have any questions in regard to Bethels position on the piece of legislation do not hisitate to contact me.

Sincerely,

Lyman Hoffman

Lyman Hoffman
City Manager

LH:lf

CITY OF BETHEL
RESOLUTION NO. 231

A RESOLUTION OF THE CITY OF BETHEL, ALASKA ENDORSING "AN ACT PROVIDING FOR EQUALIZATION OF TAX RESOURCES OF MUNICIPALITIES AND CONTINUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE." IN THE FORM OF HOUSE BILL NO. 843.

WHEREAS, House Bill No. 843, would not distribute State Revenue Sharing strictly on a per capita basis with the remaining 25% allocated according to miles of road maintained and number of health facilities and hospitls, but would improve the allocation system and revenue raising for the benefit of home rule and general law municipalities by providing a more equitable allocation of financial resources among municipalities, and to assure no municipality would suffer impoverishment of necessary public services because of chance location of taxable wealth in the State, and

WHEREAS, this bill would accomplish this by implementing an equalization formula that would base entitlement due each municipality on its population, relative to general revenue and local tax efforts, and

WHEREAS, Bethel City Council believes that the passage of this bill would distribute State Revenue Sharing dollars on a much more equitable basis than the system presently utilized.

NOW THEREFORE, be it resolved that the City of Bethel, Alaska endorses House Bill No. 843, "AN ACT PROVIDING FOR EQUALIZATION OF THE TAX RESOURCES OF MUNICIPLITIES AND CONTIUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR A EFFECTIVE DATE.", and would support simular legislation if introduced in the Senate, and

BE IT FURTHER RESOLVED that the City of Bethel encourages the State Legislature to pass and approve this legislation.

PASSED AND APPROVED by the Bethel City Council this 21 day of March, 1978.

APPROVED:

JOHN P. GUINN, MAYOR

ATTEST:

Laura Franke
LAURA FRANKE, CITY CLERK

Municipality of Anchorage

MEMORANDUM

DATE: March 9, 1978

TO: Ted Berns, Municipal Attorney

FROM: Larry D. Crawford, Director, OMB LP for LC.

SUBJECT: House Bill NO. 843

The following comments are offered regarding House Bill No. 843 providing for "equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes." Comments from the Finance Department have been incorporated in this memorandum.

GENERAL

Under HB 843, Sections 43.18.010-43.18.050 of the present statutes are repealed. These sections provide the authority for current state-shared revenues. In lieu of this, new Chapters 88 and 89 have been added to Section 29 of the statutes. Chapter 88 deals with a new source of revenue called an "Equalization Entitlement." Chapter 89 provides for the continuation of a portion of the state-shared revenues formerly authorized in Section 43. Exhibit A is a copy of HB No. 843; Exhibit B is a copy of the present statutes authorizing state-shared revenues.

Exhibit C is an analysis of HB 843 prepared by the State Legislative Affairs Agency and contains an attachment (Exhibit D) demonstrating the comparative revenue distribution under current law and HB 843.

A review of HB 843 reveals it to be ambiguous in certain cases as well as presenting redistribution of income approach to state revenue sharing. On the basis of the information made available to us, it appears to be detrimental to the Municipality of Anchorage.

AMBIGUITIES

Many of the ambiguities in HB 843 have been clarified by the analysis contained in Exhibit C. However, some problems remain.

1. Two sections (Sec 29.88.055 & 29.73.060) refer to "fiscal year" without indicating whose fiscal year - - the state or local. Complex calculations will be required because of the different fiscal year periods regardless of which year is implied.

2. Section 29.88.030 would lead one to believe that two series of computations would have to be made for the Municipality of Anchorage - - - one for service areas and another for taxing districts. However, the computations in Exhibit D are based on taxing districts.

3. Exhibit C (page 6) states that in the equalization entitlement, the property tax mill rates and sales tax per cent rates are to be converted to mill equivalents. Where is this so stated in the bill? By converting both factors to mill equivalents, a disproportionate emphasis is placed on the sales tax.

4. In order to determine the equalization entitlement in Exhibit D, the products of the formula in HB 843 have been multiplied by a factor of 2.983535316 - - - what

authorizes such a factor? Without the factor, the equalization entitlement per the formula would have been only $6.1 million. With the factor it becomes $18.3 million.

APPROACH TO STATE REVENUE SHARING

HB 843 presents a redistribution of income approach to the concept of state-shared revenues. The title of the new item of revenue - - - "Equalization Entitlement" - - - provides an insight in itself. The stated purpose of the bill is "to assure that no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state." (Sec 29.88.005). One of the criticisms of the present law stated in Exhibit C (page 3) is that it does not include "ability to pay" considerations. A community with a larger than the state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. It is further stated that the same criticisms can be raised with respect to per capita income differentials from which taxes are paid. The net effect of the formula is to favor economically disadvantaged communities.

EFFECTS ON THE MUNICIPALITY OF ANCHORAGE

1. A municipality will be better off if it is high or low in the various components of the equalization entitlement formula as follows:

Population	High
General Govt. Property Tax Mill Rate	High
Sales Tax % Rate	High
Local Per Capita Income*	Low
Local Per Capita Property Value*	Low

* Compared to state averages

At this point, it may be interesting to compare these state components with the following used in determining federal revenue sharing entitlements and whether a governmental jurisdiction is better off if it is high or low:

Population	High
Tax Effort	High
Relative Income	Low

Both the federal and state components follow the same pattern.

2. Anchorage has both a higher than average per capita income and per capita property value. This is confirmed by Exhibit D which shows Anchorage to have unfavorable income and property value factors in the computation formula compared with most other jurisdictions within the state.

3. The most discriminatory portion of the formula, however, is the sales tax element. Sales taxes receive disproportionate weight in the formula (e.g., a 4% sales tax carries the same weight as a 9.20 mill rate). Using the computations for Anchorage in Exhibit D, Anchorage would be entitled to the following additional revenues under the equalization entitlement at the various indicated sales tax rates:

Sales Tax	Additional Entitlement
2%	$3.3 million
3%	$5.0 million
4%	$6.6 million
5%	$8.3 million

In effect, HB 843 is detrimental to Anchorage for its lack of a sales tax. Although Anchorage does have a 5% hotel and motel tax, no provision for such a selective tax is made in the bill.

4. HB 843 would greatly reduce the degree of local automony. In addition to the effects of the lack of a sales tax, communities would be faced with a new restriction as to use of the state revenues. Under current state statutes (see Exhibit B - Sec. 43.18.010 (f)), state-shared revenues may be expended for any public purpose for which the local government has power to expend public funds, except for a few limitations regarding health facilities revenues. Sec. 29.88.030 of HB 843 contains additional requirements regarding the use of funds for specific service areas and tax zones. Although the new provisions are fairly consistent with the way Anchorage has been allocating past state-shared revenues, we would no longer have the flexibility to do otherwise if the circumstances so warrant.

5. In a rapidly growing area such as Anchorage, the local per capita income and property value would increase at a greater rate than the state average thereby creating an adverse effect in the equalization formula.

6. Total state-shared revenues to Anchorage under the new bill shown on the front page of Exhibit D are $9.2 million compared to $8.4 million using the present law. From that, it would appear that the bill is advantageous to us. However, if you look at the last page of Exhibit D, you will find that these amounts are based on total funding of $25 million for the new bill versus $18.3 million under the present law. Will the state appropriation really increase by nearly $7 million if HB 843 is passed? Since there is nothing to indicate such an increase, if only the current level of $18.3 million is available for distribution, Anchorage's share would be only approximately $6.7 million - - - that's $1.7 million less than under the present law. No matter which figure you use as the base, under HB 843 Anchorage's share of state-shared revenues will diminish from 46% of the state total to only 37%.

OTHER CONSIDERATIONS

The impact of the D-2 lands issue is uncertain at this time - - how will the state-selected lands ultimately affect the state per-capita property value? Major concerns relate to the complex calculations and the Municipality's ability to generate the base data required during the budget process. The problems we have now in getting estimated assessed valuations, population, road mileage and hospital bed and facility figures give us an indication of the problems that would be faced.

LDC/en

Attachments

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1978

The Honorable Lisa Rudd
Chairman
Community and Regional Affairs
Committee
House
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

In my November 5, 1977, speech to the Alaska Municipal League, I suggested that the State look for means by which to reward localities which make good faith efforts to tax themselves. In that talk, I sketched a plan whereby shared revenue would vary inversely to a municipality's per capita property values. This suggestion was made in recognition of the disparity of wealth among the communities in our State. I feel the proposed formula is a useful step toward implementation of the concepts contained in that speech.

I have been briefed on legislative proposals (SB 502, HB 843) to redesign the Municipal Revenue Sharing Program. Under these proposals, a municipality's entitlement would be determined by a formula to include as key elements both population and local effort. The latter would, as I understand it, incorporate local property and sales tax rates adjusted by a factor to account for local differences in property tax base and income.

I commend the Legislature for the careful study and deliberation which has gone into preparation of the proposals. I also support the philosophy of State and local government relationships and responsibilities which is expressed in the proposals. I would like to briefly mention several reasons for my support.

First, I believe that the most responsive government is that which is closest to the people it serves. Under the present categorical approach to Revenue Sharing, the State exerts considerable influence on the direction and type of local

services to be provided. I believe the proposed formula approach will give localities more desirable flexibility to determine service priorities at the local level.

Second, I have been an advocate for some time for the formation of local governments in the unorganized borough. At the November 10, 1977, Convention of the Alaska Federation of Natives, I expressed the view that a major obstacle to local government formation was an inadequate tax base which made it difficult for many rural areas to adequately meet the costs of local government services. I indicated then that Revenue Sharing adjusted for variations in per capita property values would help alleviate these problems. I believe the proposed legislation provides a useful tool for encouraging action in this regard.

My staff and that of the Department of Community and Regional Affairs have studied the legislation and have suggested refinements which we feel would facilitate administration of a formula based program. My position on funding of the proposal will have to await review of the fiscal impact of this legislation and the action the Legislature takes in the budget act itself.

Sincerely,

Jay S. Hammond
Governor

February 24, 1978

Report of the Local Government Committee
RurAlCap Citizen Participation Conference

The committee recognized the large number of House and Senate bills, either proposed or already introduced, addressing state, city, and borough needs. In addition, the committee recognized the limited time available to review and comment on these bills.

The committee, therefore, decided to study only those bills of extreme importance, that have the greatest impact on boroughs and cities. The committee, following the advise and suggestion of the assigned Technical Assistant, chose to consider, in detail, the following bills:

see below
- o HB843: "Providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes".
- o SB502 Identical to HB843.

see below — o SB208 "Relating to municipal organization grants".

add non residents — o SSHB75 "Authorizing a borough or city tax on net income".

- o HB~~502~~ "Providing for assessment, levy, and collection of a tax on developed land in the unorganized borough".
- o HB~~509~~ "Exempting certain items from sales tax".
- o HB~~578~~ "Relating to the levy and collection of sales and use tax by municipalities".

The committee, after study and evaluation of the bills identified above, recommended the following:

1. HB843/SB502: The committee supports this bill in principle, with the stipulation that: (a) Section 29.88.010(b) be revised to indicate that the grant made available to a municipality be a minimum of $50,000 in those cases where the indicated formula grant is lower than $50,000, and (b) the last sentence of Section 29.89.010(a) ("No payment may be made...") be eliminated.

2. SB208: The committee supports this bill with the proposed Department of Community and Regional Affairs ammendments relative to dollar amounts available under Section 29.18.180(1) and (2) (please see the attached). Further, the committee feels that a section should be added to provide for pre-planning study grants of up to $50,000 for borough incorporation, and up to $25,000 for city incorporation; provided that: (1) the applicant submit a projected budget, (2) unexpended grant monies be returned to the State, and (3) identification of local governing bodies eligible for pre-planning grants occur.

3. SSHB75: The committee supports the concept of this bill with a stipulation that Section 29.53.500(g) be modified to include transient residents as subject to income tax payment. The concern of the committee is that non-resident wage earners should be taxed on their earned income.

cannery workers, etc.

The committee members unanimously agreed that they cannot support HB202, HB509, and HB578 and, therefore, have recommend to the entire Citizen Participation Conference delegation that it not support the bills.

Submitted: February 24, 1978

Committee Chairperson: Mr. Lutena Mulitalo
Facilitator: Mr. Gordon Jackson
Technical Assistant: Mr. Bill Pritchard

STATE SPENDING IMPACT ON LOCAL GOVERNMENT

Second, in terms of the present, the 1977 school debt pick-up legislation has some far reaching impact on local government.

--Fairbanks principal bond debt . . . . $40.7 million
--(less) Municipally Bonded Projects . .$ 3.0 million

--School debt picked up by state . . . .$37.7 million (est.)
--Net remaining borough liability. . . .$ 3.7 million

However, Fairbanks' actual debt exposure "plus interest" will be $62-million, with all but $3-million (plus interest) being the actual amount the state will pick up on behalf of the borough. In other words, the 1977 action of the legislature will leave the state's second largest borough with only a debt of $3 million plus interest.

The Fairbanks and Anchorage school principal and interest to be picked up by the state as a result of the 1970 and 1977 laws totals about $188-million.

The simple point to be made here is that two enactments (1970 and 1977), have made Alaska local governments virtually debtless. Such a situation is beyond the wildest dreams of policymakers throughout most of the other states.

TOTAL STATE AID TO LOCAL SCHOOLS
1966 - 1977
(in millions)

1966 . . . . . .$16.9	1972 . . . . . .$66.7
1967 . . . . . .$19.4	1973 . . . . . .$69.6
1968 . . . . . .$20.8	1974 . . . . . .$73.1
1969 . . . . . .$25.8	1975 . . . . . .$83.8
1970 . . . . . .$35.1	1976 . . . . . $119.6
1971 . . . . . .$64.1	1977 . . . . . $124.4

The chart on the following page tracks school aid down as it impacted Juneau, Anchorage, and Fairbanks between 1966 and 1977.

STATE EDUCATION AID TO ANCHORAGE, FAIRBANKS, JUNEAU (In Millions)			
	ANCHORAGE	FAIRBANKS	JUNEAU
1966	$ 7.1	$ 2.4	$1.1
1967	$ 8.1	$ 2.7	$1.3
1968	$ 8.9	$ 2.6	$1.3
1969	$11.2	$ 3.3	$1.6
1970	$16.5	$ 4.8	$2.1
1971	$31.0*	$ 9.2*	$4.3*
1972	$29.0	$ 8.4	$4.1
1973	$30.8	$ 8.5	$4.6
1974	$34.8	$ 9.1	$4.9
1975	$38.7	$10.9	$5.4
1976	$45.0	$14.5	$6.4
1977	$49.1	$16.1	$7.1
TOTAL	$301.3-Million	$92.5-Million	$44.2-Million

The above chart shows school aid increasing very marginally in the late 1960s, taking a jump in 1969 after increased severance taxes boosted state income in 1968, again aid increased in 1970 in anticipation of the bonus sale in late 1969, and then state school support approximately doubled for Fairbanks, Anchorage, and Juneau under the Alaska School Foundation Act of 1970.

It should be noted also that Anchorage commands almost half of total state aid to education throughout the schedule.

STATE AID FOR LOCAL SCHOOL CONSTRUCTION DEBT (In Millions)			
Year	Debt Service & Cash Payments	Entitlement (% & Less Cig. Tax)	Authorized Reimbursement
1971	$ 6.1	$ 2.4	$ 1.8
1972	$ 7.3	$ 2.3	$ 2.3
1973	$ 9.7	$ 3.5	$ 3.4
1974	$16.9	$ 7.0	$ 5.7
1975	$18.2	$ 7.6	$ 5.6
1976	$21.6	$ 9.2	$ 8.8
1977	$25.6	$10.1	$ 9.0
1978	$24.2	$10.8	$10.8 (50%)*
1979	$25.4	$25.6	$23.6 (100%)

*Total 71-76 $45.4 million

C

The previous chart shows the rate of state pickup of local school construction debt beginning in 1971, and following through until 1978 and 1979 when the state financial outlay will double from $10.8 million per year to $23.6 million.

Other sources of direct aid from the state to school districts are also present. For example, at the beginning of the bonus money period the state enacted the State Impact Program, patterned after the federal impact program (PL874), and designed to compensate local school districts for the impact of state employees working in "tax exempt" facilities (industrial tax loss).

For example, a community such as Fairbanks annually collected approximately $500,000 in state impact aid, for a cumulative revenue between 1969 and 1974 of $2.5 million. In addition, local school districts have been fully compensated by the state for school bus costs. Again, using Fairbanks as a localized example, transportation aid in recent years has run about $1 million annually, for a cumulative between 1969 and 1974 of $5.7 million.

Additionally, local communities were receiving substantial state aid under the State General Revenue Sharing Programs, with aid being broken down by areas of responsibility (fire, police, hospital, etc.), being exercised by a city or borough.

GENERAL MUNICIPAL REVENUE SHARING (in millions)	
1970	$ 2.0
1971	$ 6.3
1972	$ 7.5
1973	$ 7.8
1974	$ 8.8
1975	$12.4
1976	$ -
1977	$16 6

statewide figures

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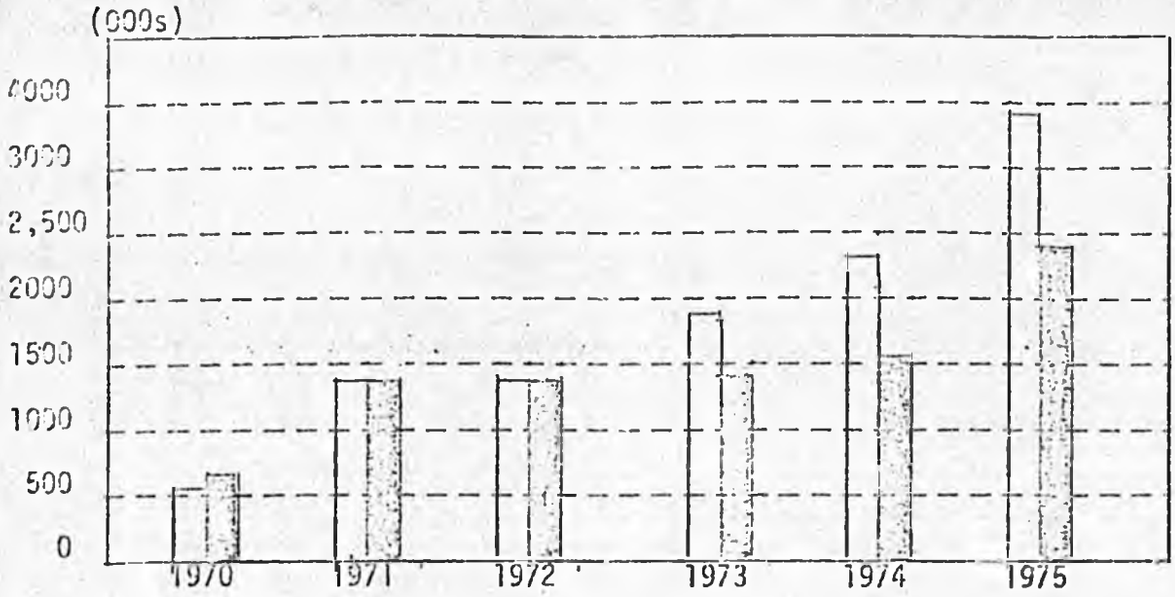
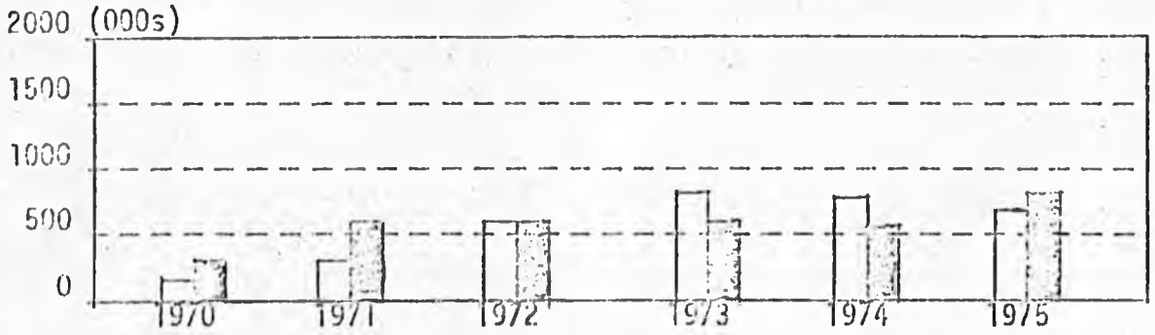


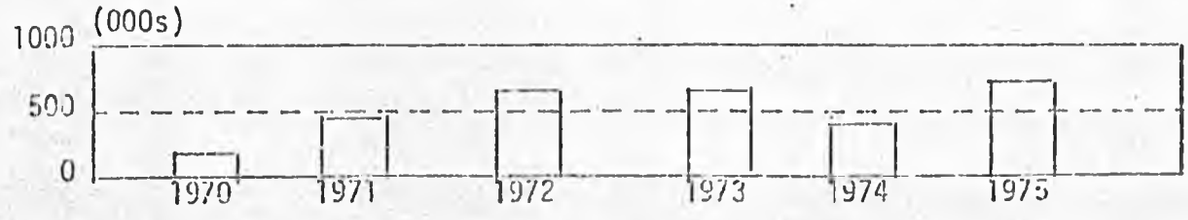
ANCHORAGE MUNICIPAL REVENUE SHARING 1970 - 1975

Borough City



FAIRBANKS MUNICIPAL REVENUE SHARING 1970 - 1975

Borough City



JUNEAU MUNICIPAL REVENUE SHARING 1970 - 1975

Borough (unified government)

c

Alaska municipalities in 1969 were in something of a "double trouble" situation. Many were facing a growing restlessness among real property taxpayers, while at the same time they were under a tremendous pressure for expansion and improvements. Real property tax rates had moved generally upward in Alaska communities in the mid-1960s, in part to finance post-statehood growth and optimism, and secondly under the expanded ability to serve brought by the creation of boroughs.

Anchorage was particularly under pressure from growth expansion, with taxes running in the area of 20-mills total, while Fairbanks had experienced a run-up of taxes in the 1960s from fairly modest rates to a total of 26-mills (plus 5% sales tax).

Hence, the beginning of bonus money revenue sharing was both a potential source of tax relief for local taxpayers, and a means of financing the needs of community growth without tax increases. During the period many communities would have an expanding assessed value base to help finance growth, but that increasing assessed value also demonstrates the pressure the community was under. Other communities were simply struggling to catch-up with long unmet needs under the momentum and optimism of statehood. Anchorage perhaps typifies the growth impacted community, struggling to just finance growth needs without increasing taxes, while Fairbanks typified the community simply trying to finance needs for existing population and still experiencing a tax run-up.

The relationship of revenue sharing from the $900-Million can therefore be viewed from a perspective of:

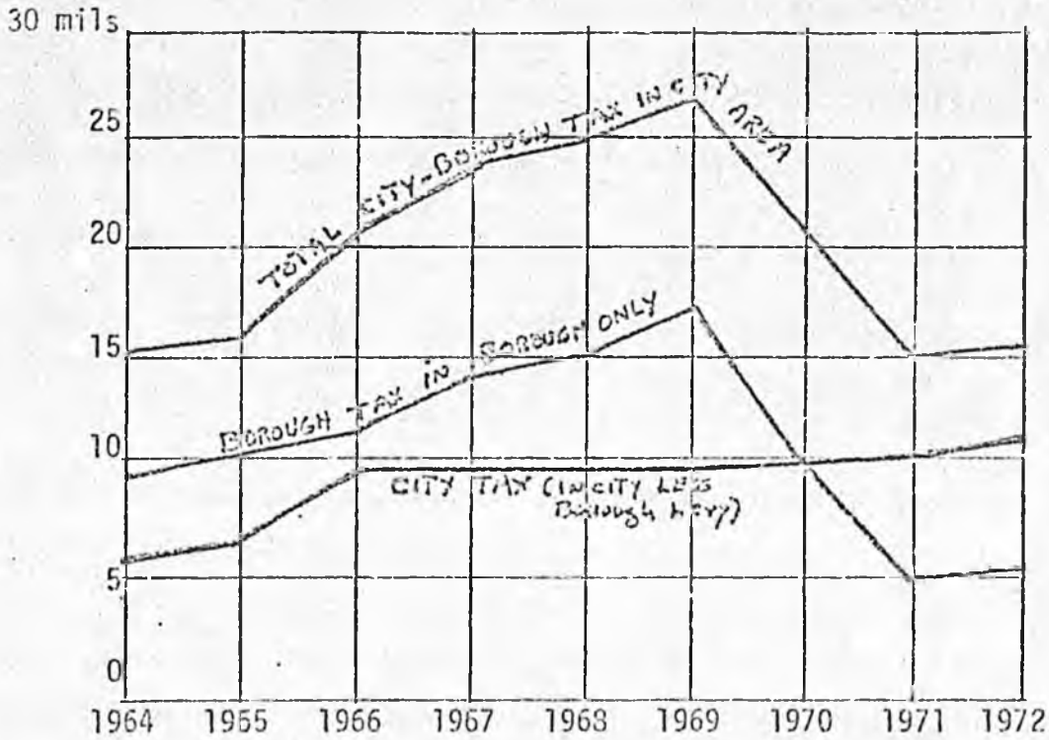
1) Tax reductions by local community

2) Increased services (evidenced by increases in employees)

3) Increased local assessment value as an indicator of local growth pressures.

The following charts focus primarily on Alaska's larger and more sophisticated urban communities, in part because they typify what was happening in the late '60s and early '70s to a majority of Alaskans, and because any attempt to analyze Alaskan local government in terms of an overall view is difficult --local curcumstances of grass roots government in Alaska varies so greatly individualized comparison is difficult if not impossible. However, the view of state action as a catalyst to local government policy by viewing individual communities, at least provides some opportunity for a comprehensive insight to the dramatic influence the state has through revenue sharing.

The following chart provides some insight to the experience of Fairbanks from a real property tax viewpoint in the mid-1960s and the early 1970s. The impact of the state revenue sharing efforts can be seen beginning in 1969.



FAIRBANKS REAL PROPERTY TAXES 1964 - 1972

The Fairbanks graph is perhaps the most dramatic in terms of visability of $900-Million revenue sharing impact. Initially the community opted to take its revenue sharing benefits in the form of real property tax reductions on the borough level. The business of the borough being primarily schools was in a position to take the most advantage in terms of benefits, being the recipient of the major share of revenue sharing through school foundation aid. The general municipal functions of the borough at the time were just beginning to develop.

The City of Fairbanks, which qualified only for general municipal revenue sharing, used revenues to keep its tax rate relatively "level," while expanding some operations at a revenue advantage by shifting powers to the borough, and also through a mildly increasing assessed evaluation base.

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However, Fairbanks by the end of the 1960s was undergoing a genuine tax crisis. The combined borough/city property taxes levied in the city area, grew from a traditional level of about 16-mills in the early 1960's, to a record high of 26-mills in 1969 --only 4-mills short of the state legal limit. The level of taxes in 1969, in fact, generated a "taxpayers revolt" in Fairbanks that did not subside until the middle 1970's, despite the fact that taxes dropped 40% in the city and 60% in the borough area by 1971.

The tax crisis of 1969 in Fairbanks forced the community to take its $900 million benefits largely in tax reductions rather than ... expanded services. It was the borough which was able to cut taxes due to the state school support increases. The city on the other hand benefited greatly by the tax cut of the borough, since the relief granted city property owners from the borough cut "relieved tax pressure," and allowed the city to maintain its level of taxation. As a result the city was able to gradually expand services through: 1) increased state revenue sharing, 2) increasing assessed property values, 3) annexation of new areas (and assessed values), and 4) through the gradual shift of city services to the "broader" tax base of the borough.

Generally, the Fairbanks pattern was reflected throughout the state to some degree, with schools able to generate the tax break, so that cities, which generated most "homeowner" services, could expand their taxes and services beneath that shelter of relief.

Fairbanks represented the most extreme crisis of municipalities in 1969. The community had a 26-mill tax level in the city area, and also had a 5% sales tax in the city zone. However, even with such high tax levels the Fairbanks Community was still just struggling to fill out the needs of its basic pre-1964 structure. In other words, like alot of other communities, Fairbanks was simply struggling to "catch up" with needs.

During the period Fairbanks was growing slowly, with the assessed evaluation of the city growing from $90 million in 1964 to $179 million in 1972. The borough's value also doubled from a 1964 level of $150 million in 1964 to a 1972 level of $301 million. However, a large share of the value gains were simply reevaluation of existing properties, as compared with additions of new property values. However, between 1972 and 1974 Fairbanks added another $100 million in value, and with the addition of full pipeline assessed values the community has now soared over the billion dollar assessed value mark. The addition of the pipeline as a rich industrial tax base, has probably resolved Fairbanks' real property tax problems. In just two years Fairbanks went from a prime example of a tax-poor community to a prime example of a tax-rich community.

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The impact of state revenue sharing can also be seen by a quick comparison of the "changing relationships" of the larger revenue sources in the Fairbanks Borough.

FAIRBANKS BOROUGH REVENUE RELATIONSHIPS

State Foundation Act, Sales Tax, Property Tax

Revenue Source	68-69	69-70	70-71	71-72	73-74	74-75
State Fd. Act	$3.5(1)	$4.7(1)	$9.0(1)	$8.2(1)	$9.2(1)	$9.7(1)
Sales Tax	$1.6(3)	$2.0(3)	$2.1(3)	$2.2(2)	$2.6(2)	$3.0(2)
Property Tax	$3.3(2)	$3.3(2)	$2.2(2)	$1.3(3)	$2.2(3)	$2.7(3)

(*) Numbers reflect rank is predominant revenue earner

Viewing the three predominant revenue producers, state school support has been number one since back in the early 1960s, although at times it barely eclipsed property taxes as number two. Sales tax ran third.

However, in 1971-72 the state school support had widened its lead as number one to almost double sales tax and property taxes combined, and property taxes dropped behind sales taxes to third place.

Nor does the above chart show the whole picture. By 1978 the total revenue of the borough coming from other governments had increased to about 70% of total revenue, while traditional sales taxes and property taxes commanded about 25% of total revenue.

An alternate picture is what the impact of new state revenues did to employment by local governments. However, this is a somewhat difficult picture to show because it involves revenue "relief" that affected three inter-related governments, and it also was a period when services were gradually being transfered from the smaller population base or cities to the larger base of the relatively new borough governments.

The following chart shows Fairbanks combined city/borough employment totals. Combining the totals compensates for statistical error inherent in transfers of powers and services from the city to the borough.

TOTAL EMPLOYEES FAIRBANKS CITY AND BOROUGH[1]

1968 - 1975

Government	1968	1969	1970	1971	1972	1973	1974	1975	1976
Borough	40	45	53	69	85	117	137	174	172
Education	399	370	463	478	459	464	471	564	732
City	173	194	237	288	306	263	262	259	-
TOTAL ALL GOVT	612	609	753	835	850	844	870	997	

(1)Does not include School classified employees

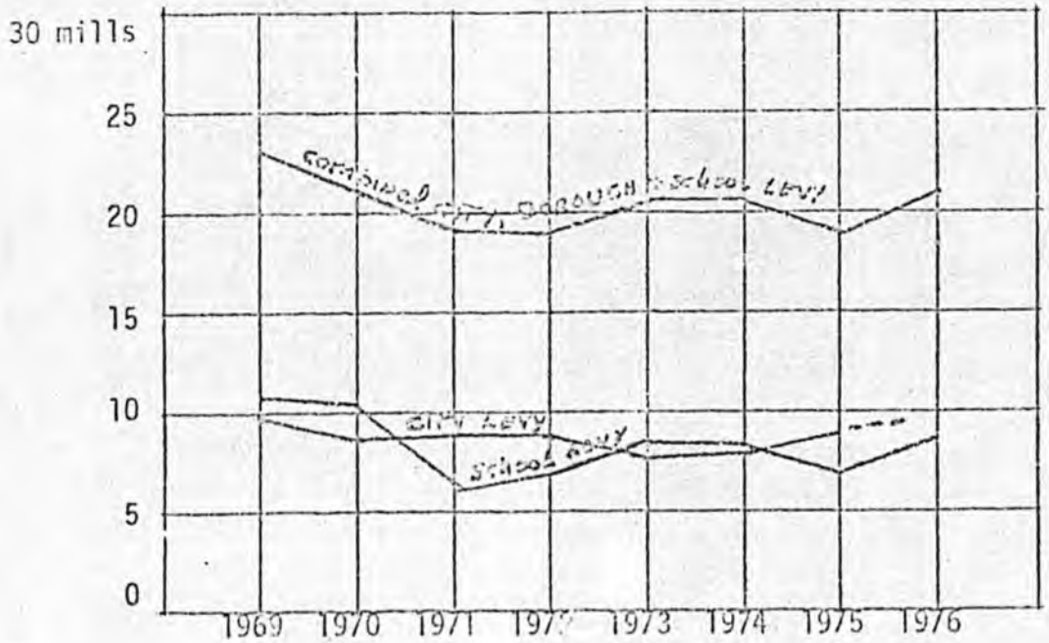
The previous chart shows some employment jumps in the 1969 - 1975 period, and then an increase in the pipeline period. However, during the period the borough's general government growth was in part due to a transfer of function from the city, and the jump in education between 1974 and 1975 was due to the transfer into the system of "on-base" schools (from the state).

THE ANCHORAGE PICTURE

The Anchorage impact due to state revenue transfers is less precise, in part because the expanding Anchorage community took their "relief" from the state largely in the form of expanded services. Anchorage during the period was undergoing a period of rapid expansion, and it is likely that the large infusions of state revenue simply enabled the community to meet new demands without a tax increase.

The Anchorage tax base also rests predominantly on real property taxes, supplemented by a personal property tax. The community does not have a sales tax, a luxury few Alaska municipalities have been able to afford.

The Borough was also much more aggressive in Anchorage in absorbing services (powers) from the city that would be more equitably provided on the expanded tax base of the borough. However, transfers of services tends to distort the indicators of "growing or falling" tax levies, total spending, and numbers of employees. Nevetheless, the collective totals tend to show whatever pattern was prevalent. During the period Anchorage's assessed evaluation was also growing significantly, thus expanding the tax base of the community.



ANCHORAGE REAL PROPERTY TAXES 1969 - 1976

The above chart shows the infusion of state revenue sharing in 1969-1976 dropping basically school taxes, allowing the city to drop taxes slightly while increasing services.

ANCHORAGE BOROUGH REVENUE RELATIONSHIPS

Property Taxes and Other Governmental Revenue

Revenue Source	68-69	69-70	70-71	71-72	73-74	74-75
Revenue Other Gov't Sources	$17.4	$24.2	$38.6	$44.7	$54.9	$68.1
Property Taxes	$15.8	$14.0	$11.6	$16.5	$33.0	$30.6

(in millions)

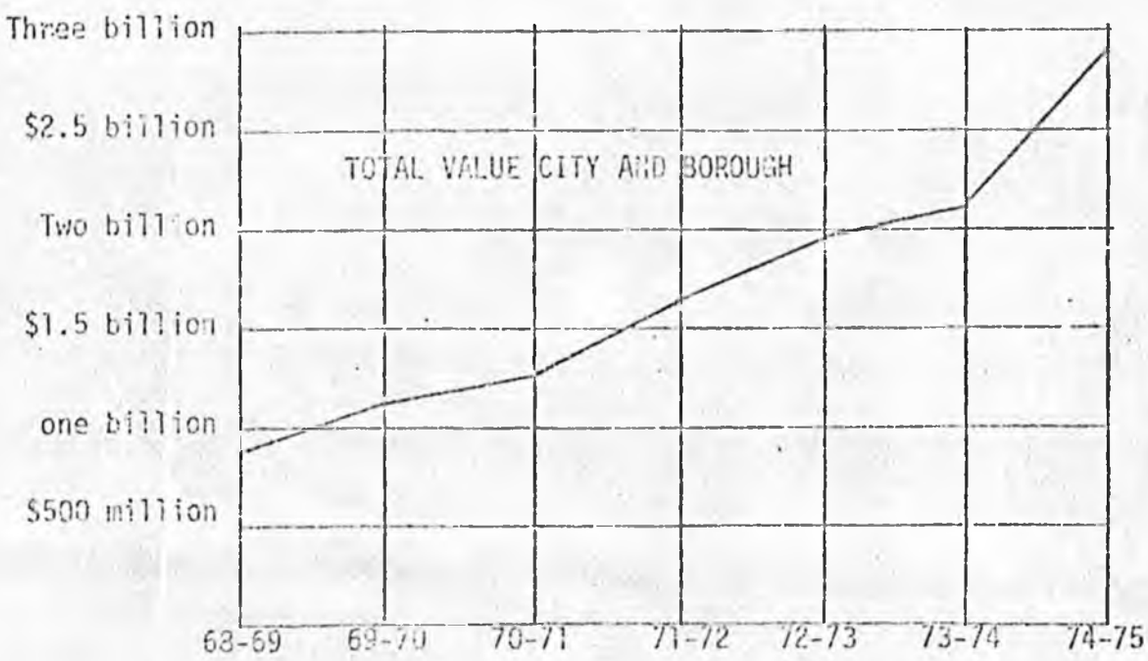
The above chart does not reflect total borough revenues. However, it does show the changing revenue relationship from 1968-'69, when property tax revenues almost equaled "other governmental transfers," until 1974-'75 when "other governmental transfers" double property taxes. Total revenues from the two sources went from $35-million (68-69) to $98-million (1974-75).

The total spending of the Anchorage Borough went from $34.8 million in 1968-69, to $104.9-million in 1974-'75. Since Anchorage chose rapid expansion of services during the 1968-'75 period, the following charts reflects growth by function and expenditure.

ANCHORAGE BOROUGH GROWTH BY SPENDING AND PROGRAM

1968-'69 to 1974-'75

Program	1968-'69	1971-'72	1974-'75
General Gov.	$2.1 (million)	$6.9 (million)	$13.3 (million)
Health	$409,000	$1.3 "	$ 3.4 "
Public Safety	$627,000	$2.4 "	$ 6.2 "
Consv. Nat. Rcs.	$ 11,740	$704,624	$ 2.0 "
Education	$21.2 (million)	$45.0 (million)	$64.2 (million)
Debt Service	$ 3.5 (million)	$ 8.5 (million)	$14.1 (million)
TOTAL SPENDING	$34.8 million	$65.3 million	$104.9 million



GROWTH ANCHORAGE EVALUATION 1969-'68 to 1974-'75

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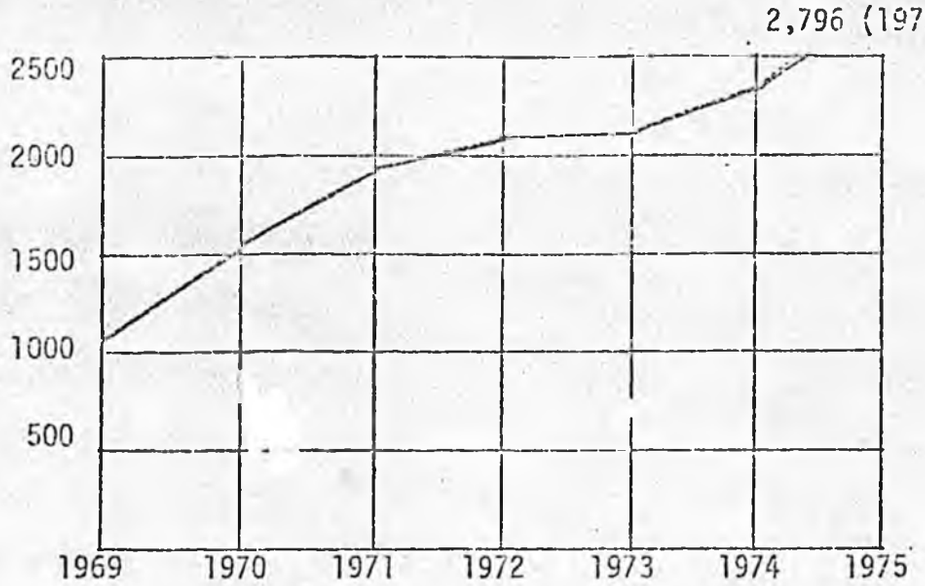

GROWTH BY EMPLOYEES ANCHORAGE CITY AND BOROUGH

The growth in the numbers of employees in the Anchorage city and borough reflected a rapid growth between 1969 and 1971, and then leveled off until 1974.

In general the uniformity of Anchorage real property taxes between 1969 and 1975, the increases in general spending, the growth in assessed value, and the growth in numbers of employees, all reflect a community that was in the midst of expansion. Hence, the impact of state revenue sharing for Anchorage was to moderate the costs of growth and expansion for local taxpayers.

Get computer run which takes muni. * exemptions into acct.

Introduced: 2/14/78
Referred: Community & Regional Affairs and Finance

BY GARDINER, BRADLEY, FREEMAN, MALONE, MILLER, NAKAK, OSTERBACK AND PARR

IN THE HOUSE

HOUSE BILL NO. 843

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date."

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

* Section 1. AS 29 is amended by adding a new chapter to read:

CHAPTER 88. MUNICIPAL TAX RESOURCE EQUALIZATION.

Sec. 29.88.005. PURPOSE. It is the purpose of this chapter to improve the revenue raising and distribution system for the benefit of residents of home rule and general law municipalities by providing for more equitable allocation of financial resources among municipalities to improve their fiscal capacities, and to assure that no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state.

Sec. 29.88.010. STATE EQUALIZATION OF THE RESOURCES OF MUNICIPALITIES FOR GENERAL GOVERNMENT SERVICES. (a) During each fiscal year the state shall pay to a municipality an equalization entitlement for general government services provided by the municipality.

(b) The equalization entitlement due each municipality is based on its population, relative ability to generate revenue, and local tax rate and is determined by the application of the formulas:

(1) Entitlement = P x LE

where P = population; and

LE = local effort, but not exceeding 25.

(2) LE shall be calculated in accordance with the formula

$$LE = (PT + 2.3\ ST) \times \frac{(SPCI/LPCI + SPCPV/LPCPV)}{2}$$

where PT = property tax mill rate;

ST = sales tax per cent rate;

SPCI = state average per capita income;

LPCI = local per capita income;

SPCPV = state average per capita property value; and

LPCPV = local per capital property value.

(c) For purposes of this section,

(1) the population of the taxing unit is determined annually in accordance with sec. 15 of this chapter;

(2) property tax mill rate equals the full and true ad valorem mill rate of the taxing unit for general government services during the preceding fiscal year of the taxing unit determined by adjustment of the unit's property tax rate in accordance with sec. 20 of this chapter;

(3) sales tax per cent rate equals the full and true sales tax per cent rate of the taxing unit for general government services during the preceding fiscal year of the taxing unit determined by adjustment of the unit's sales tax rate in accordance with sec. 20 of this chapter;

(4) state per capita income equals the state average per capita income determined in accordance with sec. 20 of this chapter;

(5) local per capita income equals the local taxing unit per capita income determined in accordance with sec. 20 of this chapter;

(6) state per capita property value equals the state average per capita assessed property value determined in accordance with sec. 20 of this chapter; and

(7) local per capita property value equals the local taxing unit per capita assessed property value determined in accordance with sec. 20 of this chapter.

Sec. 29.88.015. DETERMINATION OF POPULATION. For purposes of this chapter, population of a taxing unit shall be determined by the latest figures of the United States Bureau of the Census or other population data which, in the judgment of the department, is reliable.

adjust tax rate down for muni. exemptions

Sec. 29.88.020. DETERMINATIONS OF LOCAL EFFORT. (a) Not later than October 15 of each fiscal year, or as soon thereafter as is reasonably convenient, the department shall make a final determination of the tax effort of each taxing unit which will be used as the basis for computation of entitlements and distribution of equalization entitlements for the fiscal year under this chapter. The department shall make the determinations based upon the information returned by the municipality and upon the several audits or financial statements prepared and submitted by the municipality.

(b) If, upon review of information obtained by the department, it determines that a portion of the estimated or actual municipal tax effort claimed by the municipality does not qualify for inclusion in and recognition as tax effort for general government purposes, the department shall deduct an amount equal to its estimate of revenue which is not recognized for these purposes before computing the local tax effort entitlement for general property or general sales tax rate. Before making a determination to disallow an amount, the department shall first notify the municipality in writing of the reasons for the proposed disallowance and provide the municipality reasonable time in which to respond or to challenge the department's determination.

(c) The per capita income of the state or of the taxing unit shall be determined by the department by the latest figures of the

United States Bureau of the Census or other reliable data computed for the state and its municipalities or election districts and which, in the judgment of the department, is reliable. The department may not accept an estimate of per capita income from a municipality unless the municipality provides estimates of data for all municipalities; if the most reliable data computed for the state and its municipalities expresses per capita income on the basis of election districts or similar regional unit, the department may apply the data to all taxing units within the election district or similar regional unit.

(d) The per capita full and true per capita assessed property value shall be computed by the state assessor in the manner provided for computation of state aid to education under AS 14.17. The state assessor shall compute a value under this subsection for any municipal school district which is authorized to levy and collect a property tax but which does not levy a tax.

Sec. 29.88.025. FINANCIAL REPORTS. No entitlement may be computed and distributed to a municipality until the municipality has first submitted a financial report to the department for the fiscal year preceding the year for which the entitlement is sought, together with a budget for the municipality's current fiscal year. The financial reports shall specifically include a listing of general revenues collected from taxes levied and assessed by the municipality which, in the opinion of the municipal officials, are eligible for inclusion within computations for determination of the local effort of the taxing unit. The department may, by regulation, prescribe procedures and filing dates for submitting financial reports and for obtaining all information required to compute and determine the municipality's local effort.

Sec. 29.88.030. LIMITATION ON COMPUTATION AND USE OF ENTITLEMENTS. (a) Entitlements allocated to a unified municipality or organized

borough which includes cities or service areas shall be computed with reference to and expended by the municipality in accordance with the following:

(1) an entitlement determined with reference to the local effort of a municipality for areawide purposes shall be used for areawide purposes only;

(2) an entitlement determined with reference to the local effort of a municipality for a service area shall be used for that service area only;

(3) an entitlement determined with reference to the local effort of a municipality for exercise of a nonareawide power shall be used for the provision of nonareawide services only.

(b) Entitlements allocated to a city which contains one or more differential tax zones established under AS 29.53.405 having differential levies for services shall be computed with reference to and expended by the municipality in accordance with the following:

(1) an entitlement determined with reference to the local effort of the city for areawide purposes shall be used for areawide purposes only; and

(2) an entitlement determined with reference to the local effort of the city in a differential tax zone shall be used for the provision of a service in that tax zone only.

Sec. 29.88.040. EQUALIZATION ACCOUNT. (a) This chapter may not be construed so as to create a debt to the state.

(b) The municipal tax equalization account is established. Funds to carry out the provisions of this chapter may be appropriated annually by the legislature to the account. The amount appropriated to the account shall be fully allocated by the department for the purpose of fulfilling each municipality's share authorized under sec. 10 of this

chapter, and shall be distributed by the department pro rata among eligible municipalities.

Sec. 29.88.045. REGULATIONS. The department may adopt regulations necessary to implement the purposes and provisions of this chapter.

Sec. 29.88.050. DEFINITIONS. In this chapter

(1) "department" means the Department of Community and Regional Affairs;

(2) "general government services" means those services, exclusive of public education, which are authorized to and provided by a municipality; for purposes of this chapter, the term

(A) includes property and sales tax levies for retirement of debt service, except debt service attributable to public education construction costs;

(B) excludes fees for government services and inspections, special assessments upon property, or locally levied taxes the incidence of which does not generally burden residents or property owners within the taxing unit;

(3) "municipality" means a city, borough or unified municipality incorporated under the laws of the state;

(4) "taxing unit" means a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities;

(B) in a city, a differential tax zone.

* Sec. 2. AS 29 is amended by adding a new chapter to read:

CHAPTER 89. STATE AID FOR MISCELLANEOUS MUNICIPAL PURPOSES.

Sec. 29.89.005. REVENUE SHARING PAYABLE. In addition to the entitlements under ch. 88 of this title, during each fiscal year the state shall pay aid to a municipality or other eligible recipient which has

the power to provide the services described in this chapter and exercises the power in the manner required by this chapter.

Sec. 29.89.010. STATE AID TO MUNICIPALITIES FOR ROADS. (a) 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 Transportation and Public Facilities. No payments may be made for maintenance of roads not used by automotive equipment.

(b) 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 Transportation and Public Facilities, 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. 29.89.015. STATE AID TO MUNICIPALITIES AND OTHER ELIGIBLE RECIPIENTS FOR HEALTH FACILITIES AND HOSPITALS. (a) The state shall pay $2 per capita to a municipality which has the power to provide health facilities and services and in which a hospital is located.

(b) In addition to the payment made under (a) of this section, the state shall make payments

(1) to a municipality which has the power to provide hospital facilities and services and which exercises the power on the basis of $1,000 per bed for each bed actually used for patient care limited to the number of beds provided for in the construction design of the hospital, or $75,000 a hospital for those hospitals with 10 or more beds, or $25,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; funds received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(2) on the basis set out in (1) of this subsection to a municipality for nonprofit hospitals not operated by a municipality if the municipality first certifies to the department that the hospital is in compliance with all standards for hospitals which have been adopted by the municipality; in the absence of this certification the funds which would have gone to the hospital lapse into the state general fund; payments to the municipality shall be transferred to the hospital in accord with the basis by which the entitlement was generated by the hospital and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(3) $1,000 per bed to an organized borough or city outside an organized borough in which a health facility is operated for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or $4,000 per health facility as the municipality may determine;

(c) A hospital may not receive payment under both (b)(1) and (b)(2) of this section.

(d) Funds received by a municipality under (a) or (b)(3) of this section shall be used for expenses of health services or operation and maintenance of facilities as the municipality determines.

(e) Before funds may be distributed under this section, the commissioner of health and social services shall certify to the distributing agency that any accumulation of assets by nonprofit corporations or other recipients under this section are dedicated irrevocably to a public purpose.

Sec. 29.89.020. STATE AID FOR HOSPITAL CONSTRUCTION. If construction of a facility began after January 1, 1968 and state matching aid for construction approved for payment to the municipality or other facility sponsor constitutes less than 25 per cent of the total project cost, the state shall pay to the municipality 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 section shall continue until the municipality or other 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. No funds received for construction shall be used for any other purpose.

Sec. 29.89.025. STATE AID TO MUNICIPALITIES FOR POPULATION LOCATED ON MILITARY RESERVATIONS. (a) A municipality may not receive state shared revenue provided in this chapter based on the population residing on that portion of a military reservation annexed to a municipality after January 1, 1973, except as provided in this section.

(b) If a military reservation is located within a municipality, the municipality is limited in its entitlement to state shared revenue, based on the population residing on the reservation, as follows:

(1) $6 per capita for police protection services under (c) of

this section;

(2) $1.25 per capita for parks and recreation services under (d) of this section;

(3) $2.50 per capita for transportation services or facilities under (e) of this section.

(c) Shared revenue may be paid for police protection services under this section if

(1) municipal police protection is available 24 hours a day; and

(2) municipal police officers are citizens of the United States who are at least 19 years of age and none of whom has been convicted of a crime involving moral turpitude within the past 10 years.

(d) Shared revenue may be paid for parks and recreation services under this section if the municipality provides parks or recreation facilities or services within or in the near vicinity of the military reservation.

(e) Shared revenue may be paid for transportation services or facilities under this section if the municipality provides municipally operated small boat harbors, ports, airports, or mass transit systems.

Sec. 29.89.030. STATE AID TO VOLUNTEER FIRE DEPARTMENTS IN THE UNORGANIZED BOROUGH. (a) The state shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or a city a sum for protection purposes equal to $7.50 per capita for the population served by the department, as determined by the state fire marshal using the latest figures of the United States Bureau of the Census or other reliable data.

(b) Grants shall be made as set out in (a) of this section to facilitate the organization of volunteer fire departments in an area not in an organized borough or a city, upon application of the proposed fire

protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations promulgated by the state fire marshal.

(c) In this section, "fire protection" includes, but is not limited to, fire protection provided by a volunteer fire department registered with the state fire marshal which has official recognition and financial support from the community or area in which it is located.

Sec. 29.89.035. POPULATION DETERMINATION. For purposes of this chapter, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data, including but not limited to public school enrollment figures, public utility connection, registered voters or certified employment payrolls.

Sec. 29.89.040. AREA COST-OF-LIVING DIFFERENTIAL. (a) State payments to a municipality or other eligible recipient under this chapter shall reflect area cost-of-living differentials. Amounts distributed shall be based upon the sum of per capita, per mile and per bed or facility grants due each municipality or other recipient multiplied by the appropriate area cost-of-living differential. The area cost-of-living differential for each recipient shall be determined annually by election district under the provisions of AS 39.27.030; however, the area cost-of-living differential to be applied shall not result in an amount to be distributed less than the base allocation.

(b) The election districts used in (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

Sec. 29.89.045. UNIFICATION, MERGER OR CONSOLIDATION OF MUNICIPALITIES. If a borough and the cities within the borough merge, consolidate or unify in accordance with AS 29.68, the amount of revenue

sharing to which the successor municipality is entitled shall be computed for the first year and each year thereafter as if the merger, consolidation or unification had not occurred, and the successor municipality shall receive not less than the amount so computed.

Sec. 29.89.050. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a) This chapter may not be construed so as to create a debt of the state.

(b) The special municipal services account is established. Funds to carry out the provisions of this chapter may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of each municipality's or other recipient's share authorized under this chapter, such funds as are available shall be distributed pro rata among eligible municipalities and other recipients.

(c) Money in the special municipal services account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this chapter reverts to the general fun

Sec. 29.89.055. REGULATIONS. The Department of Community and Regional Affairs shall adopt regulations necessary to carry out the purposes of this chapter. The regulations shall include minimum standards required to qualify a municipality for grants for each service and provisions for a performance report 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.

Sec. 29.89.060. DEFINITIONS. In this chapter

(1) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general hospital; the term excludes facilities operated or wholly supported by the state or the federal government;

(2) "health facility" means public health centers, maternity homes and community mental health centers, facilities for the mentally or physically handicapped, nursing homes and convalescent centers which are licensed, when required, by the state under AS 18.20.010 - 18.20.130 and are owned or operated or both by a local government or by a nonprofit corporation or other nonprofit sponsor; the term excludes facilities operated or wholly supported by the state or the federal government.

* Sec. 3. AS 29.23.560(a)(3) is amended to read:

(3) tax assessment and tax levy figures as requested specifically indicating the amount or rate of levy for general government, education, and other purposes;

* Sec. 4. AS 29.23.560(a) is amended by adding new paragraphs to read:

(4) a copy of the current annual budget of the municipality;

(5) a summary of the optional property and sales tax exemptions authorized in the municipality by ordinance, together with the municipality's estimate of the revenues lost to it by operation of each of the exemptions.

State should adjust tax rate down for exemptions .020 (p.3)

* Sec. 5. AS 29.23.560(b) is amended to read:

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under ch. 88 of this title and state aid for miscellaneous municipal services under ch. 89 of this title [STATE-SHARED REVENUES UNDER AS 43.18]. The Department of Community and Regional Affairs [STATE] shall withhold annual allocations under those chapters [THAT CHAPTER] in the event of noncompliance until such time as the report requirements are met [COMPLIED WITH].

* Sec. 6. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.060. TAXPAYER NOTICE. (a) If a municipality levies

and collects real or personal property taxes, the governing body shall furnish the following notice with tax statements mailed for the fiscal year for which aid is received under AS 14.17, AS 43.18.100, and chapters 88 and 89 of this title:

"NOTICE TO TAXPAYER

For the current fiscal year the (city) (borough) has been allocated the following amount of state aid for school and municipal purposes under the applicable financial assistance Acts:

PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE (AS 14.17)	$
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT (AS 43.18.100)	$
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE (AS 29.88)	$
STATE AID FOR MISCELLANEOUS MUNICIPAL SERVICES (AS 29.89)	$
TOTAL AID	$

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE	.... MILLS	.... MILLS
STATE AID FOR RETIREMENT OF SCHOOL CONSTRUCTION DEBT	.... MILLS	.... MILLS
MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE	.... MILLS	.... MILLS

STATE AID FOR MISCELLANEOUS

MUNICIPAL SERVICES .... MILLS .... MILLS

TOTAL MILLAGE EQUIVALENT .... MILLS .... MILLS"

(b) If the municipality levies and collects only a sales tax, the governing body shall provide a notice substantially in the form set out in (a) of this section. In providing notice under this subsection, the council or assembly shall substitute for the millage equivalency its estimate of the equivalent sales tax rate for each of the categories of financial assistance set out in (a) of this section. Notice shall be provided

(1) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with first publication to occur not earlier than 45 days before the first day of the municipality's fiscal year; or

(2) if there is no newspaper of general circulation in the municipality, by posting a copy of the notice for at least 20 days in at least two public places within the municipality, with posting to occur not earlier than 45 days before the first day of the municipality's fiscal year.

(c) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization assistance under ch. 88 of this title and state aid for miscellaneous municipal services under ch. 89 of this title. The Department of Community and Regional Affairs shall withhold annual allocations under those chapters until municipal officials demonstrate that the requirements of this section have been met.

* Sec. 7. AS 29.13.100 is amended by adding new paragraphs to read:

(38) AS 29.73.060 (taxpayer notice)

(39) AS 29.88 (municipal tax resource equalization assistance)

(40) AS 29.89 (state aid for miscellaneous municipal services)

* Sec. 8. AS 43.18.010 - 43.18.050 and secs. 4 and 5, ch. 120, SLA 1977 are repealed.

* Sec. 9. Other provisions of this Act notwithstanding, a municipality which would receive less money under the provisions of this Act than it was entitled to receive in fiscal year 1978 under the provisions of AS 43.18 repealed by this Act shall, until June 30, 1981, be entitled to receive an amount equal to that authorized for fiscal year 1978 under the former provisions of AS 43.18, in accordance with those provisions.

* Sec. 10. This Act takes effect July 1, 1978.

Notes to printout 2 submitted with memo of February 8, 1978

(1) *LOCAL GOV'T:* Local governments are presented with boroughs and communities therein listed first. The breakdown of each borough is consistent with their revenue sharing application ("SA" means service area).

(2) *PROPERTY TAX:* The column lists the property tax mil rate applied to service area of municipality. Property taxes dedicated to or expended for education are excised from each government's tax base.

(3) *SALES TAX:* The column lists the sales tax percentage rate provided for by each local government. Only sales taxes which fall evenly upon the local populace are allowable under the proposal.

(4) *PCI RATIO:* The column lists the quotient generated by dividing the state-wide average per capita income by the respective local government per capita income. Communities with PCI's below the state average will have quotients larger than 1.

(5) *PROPERTY RATIO:* The column lists the quotient generated by dividing the state-wide per capita property value by the local government per capita property value. Communities "poorer" than the state average will have quotients larger than 1.

(6) *AVE RATIO:* The column lists the average of the PCI and PCPV ratios as expressed in the two preceding columns. The number appearing in this column is multiplied by the local tax effort to generate the local effort factor in the proposed formula. For those local governments where no property assessment has been made, we have estimated *(EST)* the per capita value by looking to similar communities where assessments have been made. About 13% of the state population lives in those communities where a property value assessment has not been made. Two Anchorage Borough service areas have been designated as "estimated" because of inconsistencies between the state assessor's report of "full and true" values for some service areas and the population for those service areas as reported by the Anchorage Borough.

(7) *LOCAL EFFORT:* The column lists the product of multiplying the local tax effort (property tax plus 2.3 times sales tax) by the average ratio value in column 6. We have not allowed the local effort factor to exceed 25. This effectively limits the local government from increasing tax levels indiscriminately to seek incremental revenue sharing allocations.

(8) *POP.:* The column lists the population base accepted by the Department of C.R.A. for the purpose of determining revenue sharing entitlements.

(9) *COLA:* The column lists the cost of living allowance multiplier used by C.R.A. in determining entitlements.

(10) *NEW ENTITLEMENT:* The column lists the pro-rated entitlement received by each local government under the proposed per capita distribution.

(11) *TOTAL (+RHM):* The column totals the per capita entitlement shown in column 10 with the non-per capita entitlements for road maintenance, hospitals, etc. The non-per capita entitlements are listed at parity with each community's full entitlement as allowed by C.R.A., and each entitlement is multiplied by the *COLA* factor before it is added to the per capita entitlement.

(12) *PRESENT ENTITLEMENT:* The column lists the entitlements provided for at parity (multiplied by the *COLA* factor) under present law. The non-per capita entitlements due the Anchorage and Juneau boroughs are lumped into the first service area listed for each borough.

The last three columns are totaled at the bottom of the printout. The present entitlements in the last column will total more than was actually received by the local governments in FY 77, since the program was funded at such a level so as to require a pro-rated reduction from each entitlement. As is evident, the proposed formula adjusted the per capita entitlements by a coefficient so that the total payout for the proposal will be $25 million.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

February 17, 1978

MEMORANDUM

SUBJECT: HB 843 (W.O. #7/R)

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we prepare an analysis of HB 843, an Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date. The following analysis consists of: (1) a discussion of present revenue sharing law; (2) an overview of the general implications of the bill; (3) the financial distribution scheme as provided for in the bill; (4) a discussion of the allocation formula; and (5) an attachment demonstrating the comparative revenue distribution under current law and HB 843.

PRESENT REVENUE SHARING

HB 843 would amend the current state aid to local governments program, as provided for in AS 43.18.010-090. The current law provides for the legislature to annually appropriate an amount to be distributed to local governments according to a series of local services which are eligible under the program. Approximately 75% of the revenues are distributed on a per capita basis; the remainder are allocated according to miles of road maintained and the number of health facilities and hospitals (either on a per facility basis or a per bed basis). Services in support of military installations are apportioned on a per capita

EXHIBIT C

basis but according to a different schedule than utilized for civilian populations. The Department of Community and Regional Affairs (CRA) determines whether a municipality qualifies under the provisions specified for each eligible service category. When eligibility has been certified, the municipality then receives a statutorily set amount per capita (or medical facility or mile of road maintained) specified for each service category. For example, a municipality receives $12 per capita for police protection, $7.50 per capita for fire protection, and $2 per capita for land use planning. Should the liability of the program exceed the legislatively appropriated amount, all municipal entitlements are prorated so that the total liability equals the available money.

The legislative intent for the program was restated via the passage of HB 89 in 1977 (120 SLA 1977 becomes effective July 1, 1978) to read "(t)he intent of §§ 10-100 of this chapter in authorizing state aid for....municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year" (sec. 4, HB 89).

Using the criteria established by the legislative intent, there would appear to be two considerations regarding the present revenue sharing law which indicate that it cannot fully accomplish the intent. (1) The present distribution system does not consider the local tax rate in distributing revenues. Those communities which have a relatively high tax rate receive payments at the same rate as communities which supply minimal or no services from local taxes. Instead, present law directs the Dept. of CRA to determine whether specific services which

are being supplied by the municipalities qualify them for categorical entitlements, regardless of differences in tax rates utilized in funding those service categories.[1] (2) Additionally, present law does not include "ability to pay" considerations. A community with a larger than state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. The same criticism can be raised with respect to per capita income differentials from which taxes are paid. A circular argument can be developed which demonstrates that poorer communities must set taxing rates at higher levels to generate the same revenues per capita as wealthier municipalities, which in turn requires a greater proportion of the disposable income of the poorer municipality residents to pay the additional tax burden vis-a-vis wealthier communities. The alternative for the poorer community is to forgo local services, which causes concomitant financial loss if the forgone services were eligible for revenue sharing dollars. The actual result is often substandard services.

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[1] The eligible services list has expanded since inception and presently includes services related to health and welfare, transportation, recreation, and economic development (a bill before the legislature this year would add cultural activities). Since the eligible services list has greatly expanded, it would appear timely to consider allowing any public service specifically authorized by a municipality to be considered as eligible for revenue sharing dollars. A method for accomplishing this would be to look directly at the local tax rate in determining the distribution of the revenue sharing appropriation, since the tax rate will reflect the level and number of services provided by municipal tax revenues.

OVERVIEW OF HB 843

HB 843 repeals essentially all provisions of the present revenue sharing law which allocate monies on a per capita basis (police, fire, parks and recreation, land use planning, transportation, and air and water pollution control). Present law which allocates monies for health facilities, hospitals, road maintenance, fire districts outside of municipalities, and support of military installations is saved.

The repealed portion is replaced with a per capita allocation system based upon population, taxing rate, and a factor which compares each local government to the state average using per capita property value and per capita income as indicators. Our analysis indicates that any appropriation to the program in excess of $23 million will increase the entitlement for all local governments with local tax ordinances in effect except the North Slope Borough and the City of Valdez. Several second class cities and one first class city with no local taxes would receive less. Section 9 of the bill provides for all local governments to be held harmless for three years after passage, such that no municipality will receive less during that three year period than they did in 1978, regardless of their entitlement as calculated by the specified formula.

FINANCIAL DISTRIBUTION SCHEME

HB 843 provides that revenue sharing dollars shall be utilized by municipalities in the taxing jurisdiction for which the amount of entitlement is determined. Boroughs with area-wide taxes for general government services except education shall receive revenue sharing

allocations to be used for area-wide purposes. For boroughs with differential taxing rates in service areas, revenue sharing entitlements based upon the service area tax rates must be utilized only in those service areas. First or second class cities with city-wide taxes would receive an allocation based upon the city-wide tax rate to be used city-wide (except for education). Cities with differential taxing zones would receive allocations according to the tax rate applied in each differential tax zone.

This system of distribution would appear to have a neutral effect with respect to the unification of existing governments. We do not find any circumstance where a subsequent unification agreement would cause a decrease in the revenue sharing entitlement for identical services. The bill contains a hold harmless clause for entitlements under the non per capita portion should a subsequently unified local government be entitled to less than the preceding multiple local governments.

ALLOCATION FORMULA

HB 843 specifies a formula to be used in determining entitlements for per capita revenue sharing distributions. The formula utilizes three considerations: (1) population; (2) tax rate; and (3) the relative "ability to pay" of each local government or subunit thereof.

The formula is:

$$\text{Entitlement} = \underbrace{P}_{A} \times \underbrace{\left[\underbrace{(PT + 2.3ST)}_{B} \times \underbrace{\left(\frac{SPCPV/LPCPV + SPCI/LPCI}{2}\right)}_{C}\right]}_{D}$$

where P = population
PT = property tax mil rate
ST = sales tax per cent rate
SPCPV = state average per capita property value
LPCPV = local per capita property value
SPCI = state average per capita income
LPCI = local per capita income

We will discuss the formula according to the portions indicated by the braces.

Part A

The population is determined in the same fashion as provided for in present law. Any reasonable population estimate is accepted by the Dept. of CRA.

Part B

Part B indicates the portion of the formula which determines the local tax rate. Property tax mil rates and sales tax per cent rates are converted to mil equivalents. The 2.3 conversion factor multiplied by

the sales tax rate was determined by comparing the revenue that could be generated by applying a one mil property tax to the total full and true assessed property value in the state and a one per cent sales tax to the total retail business in the state. That comparison demonstrates that a one per cent sales tax would generate 2.3 times more revenue than a one mil property tax.

Part C

The portion of the formula set out by brace C averages two ratios that compare the "economic base" of each local government to the state average. The ratios are mathematically designed to create a number larger than one for communities lower than the state average for the two indicators, and a number smaller than one for communities above the state average. The average of the two ratios is then multiplied times the computed tax rate so as to adjust upward the local tax effort of economically disadvantaged communities and downward economically advantaged communities.

Part D

The portion set out by brace D is called the local effort factor, and is not allowed to exceed 25. The ceiling has the effect of setting a limit on the amount of support given to each municipality under the revenue sharing program. This, in combination with the required publishing of revenue sharing entitlements, would appear consistent with the legislative intent of the program, which is to diminish local tax burdens.

The bill further provides for adjustments in both sales tax and property tax rates based on optional exemptions allowed under Alaska law. As an example, a municipality utilizing the $10,000 residential property tax exemption would be required to declare the revenues forgone by the exemption, and a comparative portion of the tax would be excised from the tax rate base before computing that municipality's entitlement. Mandatory exemptions, such as agricultural lands and senior citizens housing would not affect the tax rate, since the forgone revenues are reimbursed by the state.

JW:dh

PROPOSED REVENUE SHARING (1977 DATA)

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25
PAYOUT SET TO $25 MILLION (2.983535315) ($6,129,422)($6,712,653)

SN	LOCAL GOV'T	PROPERTY TAX	SALES TAX	PCI RATIO	PROPERTY RATIO	AVE RATIO	LOCAL EFFORT	POP.	PER CAPITA ENTITLEMENT	TOTAL (+ RHH)	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS											
1	ANCHORAGE (AW)	3.04	0.000	0.963	1.70	1.335	4.05	180,653	$2,187,996	$4,976,817	$8,374,557
2	CITY (SA)	7.16	0.000	0.894	1.63	1.266	9.06	68,059	$1,841,577	$1,811,245	$0
3	HILLSIDE (SA)	3.65	0.000	0.871	1.03	0.952	3.47	8,937	$92,679	$91,152	$0
4	SPENARD (SA)	7.23	0.000	0.887	1.50	1.195	8.64	38,816	$1,001,281	$984,789	$0
5	GIRDWOOD (SA)	3.82	0.000	0.796	0.82	0.811	3.09	600	$5,548	$5,456	$0
6	GLEN ALPS (SA)	3.42	0.000	0.790	0.80	0.801	2.74	65	$531	$522	$0
7	RICH. VISTA (SA)	7.16	0.000	1.096	11.68	6.389	25.00	1,105	$82,420	$81,062	$0
8	SAND LAKE (SA)	4.72	0.000	0.885	1.85	1.370	6.46	18,914	$365,048	$359,035	$0
9	MULDOON (SA)	4.72	0.000	0.955	2.76	1.861	8.78	22,306	$584,788	$575,157	$0
10	RABBIT CREEK (SA)	3.65	0.000	0.882	1.90	1.393	5.08	6,532	$99,121	$97,488	$0
11	EAGLE RIVER (SA)	3.04	0.000	0.998	2.08	1.541	4.68	7,182	$100,441	$98,786	$0
12	CHUGIAK (SA)	1.73	0.000	0.998	2.83	1.917	3.31	5,876	$58,168	$57,210	$0
13	OCEAN VIEW (SA)	4.72	0.000	0.882	1.78	1.333	6.29	1,894	$35,561	$34,976	$0
14	OTHER SA	0.52	0.000	0.963	0.54	0.752	0.39	372	$434	$427	$0
								TOTAL	$6,455,598	$9,174,129	$8,374,557
15	BRISTOL BAY BOROUGH (AW)	6.25	0.000	0.977	1.88	1.433	8.95	1,311	$35,035	$42,691	$32,370
16	SOUTH NAKNEK SA	1.50	0.000	0.977	0.92	0.950	1.42	175	$744	$731	$0
								TOTAL	$35,780	$43,423	$32,370
17	FAIRBANKS BOROUGH (AW)	1.30	2.000	0.747	1.62	1.186	6.99	60,227	$1,257,641	$1,348,084	$1,200,637
18	BALLAINE LAKE (SA)	1.00	0.000	0.747	4.62	2.686	2.68	168	$1,346	$1,324	$0
19	DIANE (SA)	1.50	0.000	0.747	2.97	1.860	2.79	66	$549	$540	$0
20	WILDVIEW ACRES (SA)	1.00	0.000	0.747	2.24	1.496	1.49	77	$343	$338	$0
21	SMITH RANCH (SA)	2.00	0.000	0.747	3.97	2.359	4.71	438	$6,165	$6,064	$0
22	ENGINEER CREEK (SA)	2.00	0.000	0.747	3.35	2.348	4.69	144	$2,018	$1,985	$0
23	ESTER LUMP (SA)	2.50	0.000	0.747	0.34	0.547	1.36	10	$40	$40	$0
24	NORTH STAR F.P. (SA)	1.00	0.000	0.747	2.07	1.412	1.41	6,500	$27,399	$26,948	$0
25	BECKER RIDGE (SA)	3.00	0.000	0.747	0.70	0.727	2.18	108	$702	$691	$0
26	FAIRBANKS (CITY)	9.00	3.000	0.658	2.40	1.533	24.38	30,462	$2,215,920	$2,683,613	$1,265,807
27	NORTH POLE (CITY)	5.80	3.000	1.197	1.30	1.252	15.90	461	$21,873	$39,700	$29,890
								TOTAL	$3,534,001	$4,109,330	$2,496,335
28	HAINES BOROUGH	1.40	1.000	1.210	2.39	1.803	6.67	1,924	$38,314	$37,683	$0
29	HAINES (CITY)	7.20	3.000	1.325	2.99	2.160	25.00	1,366	$101,887	$116,465	$65,721
								TOTAL	$140,202	$154,148	$65,721
30	JUNEAU (AW)	8.30	1.000	0.847	2.40	1.627	17.24	20,465	$1,053,208	$1,241,448	$751,062
31	JUNEAU SA1	2.71	2.000	0.847	2.30	1.576	11.52	7,258	$249,640	$245,528	$0
32	JUNEAU SA2	1.21	2.000	0.847	3.69	2.272	13.20	1,006	$63,269	$62,227	$0
33	JUNEAU SA3	0.74	0.000	0.847	1.11	0.902	0.72	197	$427	$420	$0
34	JUNEAU SA4	2.79	0.000	0.847	1.60	1.228	3.42	1,370	$14,006	$13,775	$0
35	JUNEAU SA5	2.23	0.000	0.847	2.78	1.816	4.04	8,369	$101,122	$99,457	$0
36	JUNEAU SA6	1.71	0.000	0.847	2.59	1.721	2.94	719	$6,316	$6,212	$0
37	JUNEAU SA7	1.37	0.000	0.847	1.98	1.418	1.94	427	$2,476	$2,435	$0
38	JUNEAU SA8	1.30	0.000	0.847	1.30	1.078	1.40	518	$2,167	$2,131	$0
								TOTAL	$1,492,634	$1,673,637	$751,062

EXHIBIT D

39	KENAI BOROUGH (AW)	0.00	0.000	1.066	0.85	0.959		0.00	24,611	$0	$309,787	$970,590
40	CENTRAL HOSPITAL (SA)	0.20	0.000	1.066	4.79	2.989		0.58	14,100	$24,647	$24,241	$0
41	SOUTH HOSPITAL (SA)	2.00	0.000	1.066	2.63	1.848		3.69	5,300	$58,463	$57,500	$0
42	NORTH KENAI FIRE (SA)	5.85	0.000	1.066	0.41	0.742		4.34	3,512	$45,491	$44,741	$0
43	NORTH KENAI REC (SA)	0.85	0.000	1.066	0.40	0.734		0.62	3,935	$7,445	$7,322	$0
44	BEAR CREEK FIRE (SA)	6.00	0.000	1.066	4.52	2.796		16.77	675	$33,788	$33,231	$0
45	HOMER (CITY)	12.00	4.000	1.004	1.80	1.402		25.00	1,802	$134,408	$145,722	$74,774
46	KACHEMAK (CITY)	2.00	0.000	1.872	1.24	1.559		3.11	151	$1,405	$1,382	$0
47	KENAI (CITY)	15.00	4.000	1.051	2.69	1.875		25.00	5,364	$400,092	$456,892	$246,090
48	SELDOVIA (CITY)	16.50	2.000	0.939	3.89	2.448		25.00	612	$45,640	$54,744	$26,132
49	SEWARD (CITY)	18.00	0.000	0.978	3.46	2.223		25.00	2,279	$169,986	$191,046	$96,533
50	SOLDOTNA (CITY)	11.00	3.000	1.074	2.55	1.816		25.00	2,586	$192,885	$228,193	$126,703
									TOTAL	$1,114,261	$1,554,814	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.98	1.500	1.201	1.81	1.509		12.72	11,490	$436,328	$429,142	$84,555
52	SHORELINE (SA)	1.22	0.000	1.201	3.18	2.195		2.67	550	$4,395	$4,322	$0
53	KETCHIKAN (CITY)	10.30	2.500	1.232	2.18	1.709		25.00	7,922	$591,336	$738,721	$393,632
54	SAXMAN (CITY)	0.00	0.000	2.051	2.85	2.454	(EST)	0.00	272	$0	$8,157	$8,294
									TOTAL	$1,032,060	$1,180,344	$486,481
55	KODIAK BOROUGH ( )	2.00	0.000	0.934	1.22	1.081		2.16	7,901	$50,973	$214,333	$207,791
56	FIRE DISTRICT (SA)	2.27	0.000	0.934	3.60	2.271		5.15	1,546	$23,783	$23,391	$0
57	ROAD DISTRICT (SA)	0.75	0.000	0.934	3.27	2.106		1.57	312	$1,470	$1,446	$0
58	KODIAK (CITY)	9.10	3.000	0.845	1.49	1.172		18.76	4,960	$277,647	$295,722	$190,984
59	AKHIOK (CITY)	0.00	0.000	2.167	8.57	5.371	(EST)	0.00	102	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	1.132	4.28	2.709	(EST)	0.00	137	$0	$1,811	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	2.062	4.28	3.174	(EST)	0.00	327	$0	$16,997	$17,281
62	OUZINKIE (CITY)	0.00	3.000	1.768	8.57	5.171	(EST)	25.00	170	$12,680	$12,471	$2,284
									TOTAL	$366,559	$577,123	$431,316
64	MAT-SU BOROUGH (AW)	3.54	0.000	1.413	1.29	1.355		4.79	16,724	$239,412	$367,056	$295,973
65	WASILLA FIRE (SA)	0.90	0.000	1.413	3.16	2.286		2.05	3,101	$19,042	$18,728	$0
66	BUTTE FIRE (SA)	0.70	0.000	1.413	2.43	1.926		1.34	1,818	$7,314	$7,193	$0
67	GREATER PALMER (SA)	0.20	0.000	1.413	2.37	1.895		0.37	2,593	$2,932	$2,884	$0
68	SUTTON FIRE (SA)	2.00	0.000	1.413	5.21	3.313		6.62	594	$11,743	$11,550	$0
69	OTHER AREA (SA)	0.20	0.000	1.413	0.75	1.106		0.22	6,231	$4,113	$4,045	$0
70	TALKEETNA FLOOD (SA)	2.20	0.000	1.413	3.99	2.702		5.94	223	$3,956	$3,891	$0
71	GARDEN TERRACE (SA)	4.70	0.000	1.413	1.96	1.690		7.94	57	$1,350	$1,328	$0
72	GODDARD (SA)	1.10	0.000	1.413	1.76	1.587		1.74	29	$151	$148	$0
73	WOODSIDE (SA)	1.10	0.000	1.413	2.25	1.834		2.01	139	$836	$823	$0
74	WILDERNESS VALLEY (SA)	1.10	0.000	1.413	0.94	1.180		1.29	16	$61	$60	$0
75	HOUSTON (CITY)	0.00	0.000	2.093	1.18	1.637		0.00	375	$0	$40,676	$41,357
76	PALMER (CITY)	5.00	2.000	1.326	2.22	1.774		17.03	1,859	$94,473	$118,708	$86,977
77	WASILLA (CITY)	0.90	0.000	1.423	1.83	1.630		1.46	1,566	$6,856	$72,719	$73,937
									TOTAL	$392,247	$649,817	$498,246
78	NORTH SLOPE BOROUGH (AW)	6.01	0.000	1.834	0.10	0.972		5.84	9,139	$159,319	$303,117	$308,193
79	ANAKTUVUK PASS (CITY)	0.00	0.000	7.234	12.24	9.741	(EST)	0.00	150	$0	$0	$0
80	BARROW (CITY)	0.00	3.000	2.840	6.12	4.482	(EST)	25.00	2,306	$172,000	$169,167	$30,553
81	KAKTOVIK (CITY)	0.00	0.000	1.296	12.24	6.772	(EST)	0.00	123	$0	$2,023	$2,057
82	NUIQSUT (CITY)	0.00	0.000	7.208	12.24	9.728	(EST)	0.00	152	$0	$0	$0
83	POINT HOPE (CITY)	0.00	3.000	3.463	12.24	7.856	(EST)	25.00	304	$28,641	$28,170	$0
84	WAINWRIGHT (CITY)	0.00	2.000	4.191	12.24	8.220	(EST)	25.00	341	$25,434	$25,015	$0
									TOTAL	$385,396	$527,494	$340,803
85	SITKA BOROUGH	2.10	4.000	0.978	1.82	1.402		15.84	7,650	$361,594	$487,414	$383,994
FIRST CLASS CITIES												
86	CORDOVA	13.67	3.000	1.048	3.12	2.085		25.00	2,406	$170,459	$293,581	$211,729
87	CRAIG	8.30	3.000	1.211	3.78	2.495		25.00	467	$34,832	$44,492	$26,050
88	DILLINGHAM	17.00	2.000	0.782	3.17	1.978		25.00	1,269	$94,652	$100,059	$60,754

89	GALENA	0.00	2.700	1.362	10.12	5.745	25.00	631	$47,065	$65,109	$41,499
90	HOONAH	0.00	3.000	2.143	6.81	4.480	25.00	848	$63,250	$62,209	$28,715
91	HYDABURG	0.00	2.500	4.162	11.32	7.744	25.00	300	$28,343	$34,997	$14,650
92	IKAKE	0.00	3.000	2.978	12.15	7.567	25.00	679	$50,645	$51,372	$20,256
93	KING COVE	5.00	1.000	1.744	6.10	3.926	25.00	408	$30,432	$34,897	$21,275
94	KLAWOCK	0.00	1.500	2.477	13.49	7.987	25.00	323	$24,092	$30,122	$14,449
95	KENANA	10.00	0.000	1.460	3.93	2.696	25.00	493	$36,772	$56,802	$40,963
96	KOME	15.66	3.000	0.776	3.28	2.030	25.00	2,585	$192,810	$376,623	$283,132
97	PELICAN	3.40	3.000	2.258	1.56	1.909	19.67	169	$9,919	$15,729	$9,616
98	PETERSBURG	14.00	3.750	1.041	2.67	1.859	25.00	2,126	$158,574	$254,429	$169,595
99	SAINT MARY'S	0.00	0.000	5.348	12.57	8.961	0.00	415	$0	$21,829	$22,194
100	SKAGWAY	9.27	3.000	0.905	1.22	1.066	17.23	854	$43,924	$62,496	$48,537
101	UNALASKA	9.59	1.000	0.942	1.31	1.130	13.44	510	$20,459	$104.098	$102,445
102	VALDEZ	4.56	0.000	0.476	0.26	0.370	1.69	7,483	$37,750	$287,911	$417,165
103	ZONE I	2.68	0.000	0.476	4.10	2.292	6.16	6,683	$122,854	$120,830	$0
104	ZONE II	0.89	0.000	0.476	1.21	0.843	0.75	700	$1,578	$1,552	$0
								TOTAL	$162,183	$410,294	$417,165
105	WRANGELL	5.95	2.556	1.071	3.59	2.332	25.00	3,152	$235,102	$329,051	$209,010
106	ZONE II	1.78	0.000	1.071	3.64	2.360	4.21	797	$10,018	$9,853	$0
107	ZONE III	3.57	0.000	1.071	1.28	1.179	4.21	100	$1,256	$1,235	$0
108	ZONE IV	5.95	0.000	1.071	3.88	2.478	14.74	2,250	$99,011	$97,380	$0
								TOTAL	$345,388	$437,520	$209,010
109	YAKUTAT	13.25	1.500	1.983	1.86	1.925	25.00	442	$32,968	$32,425	$0
SECOND CLASS CITIES											
110	AKIACHAK	0.00	0.000	3.132	12.24	7.690	(EST)	0.00	354	$0	$30,395	$30,904
111	AKIAK	0.00	0.000	3.625	12.24	7.937	(EST)	0.00	165	$0	$1,054	$1,072
112	AKOLMIUT	0.00	1.000	3.078	12.24	7.663	(EST)	17.62	608	$31,974	$93,171	$82,122
113	ALAKANUK	0.00	1.000	6.192	12.24	9.220	(EST)	21.20	527	$33,345	$45,071	$29,265
114	ALEKNAGIK	0.00	0.000	3.261	12.24	7.755	(EST)	0.00	227	$0	$0	$0
115	ALLAKAKET	0.00	0.000	2.856	12.24	7.552	(EST)	0.00	164	$0	$2,606	$2,741
116	AMOLER	0.00	2.000	3.267	12.24	7.758	(EST)	25.00	217	$16,185	$30,514	$22,531
117	ANDERSON	0.00	3.000	1.133	12.24	6.691	(EST)	25.00	470	$35,056	$47,260	$31,548
118	ANGOON	0.00	2.000	4.737	12.24	8.493	(EST)	25.00	287	$21,406	$20,902	$18,036
119	ANIAK	0.00	0.000	6.168	12.24	9.208	(EST)	0.00	323	$0	$23,762	$24,160
120	ANVIK	0.00	0.000	5.848	12.24	9.048	(EST)	0.00	87	$0	$0	$0
121	ATMAUTLUAK	0.00	0.000	2.284	12.24	7.266	(EST)	0.00	168	$0	$10,406	$10,583
122	BETHEL	0.00	3.000	0.767	6.12	3.446	(EST)	23.77	3,409	$241,853	$351,983	$264,487
123	BREVIG MISSION	0.00	3.000	2.734	12.24	7.491	(EST)	25.00	120	$8,950	$14,291	$8,534
124	BUCKLAND	0.00	2.000	2.719	12.24	7.484	(EST)	25.00	172	$12,829	$12,617	$0
125	CHEFORNAK	0.00	0.000	1.785	12.24	7.017	(EST)	0.00	192	$0	$1,841	$1,872
126	CHEVAK	0.00	2.000	3.628	12.24	7.938	(EST)	25.00	447	$33,341	$32,791	$9,878
127	CHUATHBALUK	0.00	0.000	7.074	12.24	9.661	(EST)	0.00	118	$0	$9,064	$9,216
128	CLARK'S POINT	0.00	0.000	0.764	12.24	6.507	(EST)	0.00	98	$0	$0	$0
129	DEERING	0.00	3.000	1.011	12.24	6.880	(EST)	25.00	100	$7,458	$12,597	$8,626
130	DELTA JUNCTION	0.00	0.000	1.838	2.85	2.048	(EST)	0.00	892	$0	$31,081	$31,602
131	DIOMEDE	0.00	0.000	2.059	12.24	7.154	(EST)	0.00	135	$0	$6,224	$6,328
132	EAGLE	3.00	0.000	2.933	4.30	3.695		11.08	145	$4,796	$8,721	$4,904
133	EEK	0.00	2.000	2.846	12.24	7.547	(EST)	25.00	195	$14,544	$14,305	$6,211
134	EKWOK	0.00	0.000	1.921	12.24	7.085	(EST)	0.00	109	$0	$0	$0
135	ELIM	0.00	2.000	1.938	12.24	7.093	(EST)	25.00	205	$15,290	$20,005	$11,909
136	EMMONAK	0.00	2.000	7.598	12.24	9.923	(EST)	25.00	545	$40,650	$44,603	$16,744
137	FORT YUKON	0.00	3.000	1.657	12.24	6.953	(EST)	25.00	637	$47,512	$77,078	$53,434
138	FORTUNA LEDGE	0.00	0.000	3.906	12.24	8.077	(EST)	0.00	200	$0	$10,100	$10,270
139	GAMBELL	0.00	3.000	2.012	12.24	7.130	(EST)	25.00	412	$30,730	$30,224	$6,241
140	GOLOVIN	0.00	0.000	2.347	12.24	7.298	(EST)	0.00	118	$0	$0	$0
141	GOODNEWS BAY	0.00	3.000	2.000	12.24	7.173	(EST)	25.00	240	$18,497	$18,193	$4,674
142	GRAYLING	0.00	0.000	4.904	12.24	8.631	(EST)	0.00	167	$0	$2,362	$2,402
143	HOLY CROSS	0.00	0.000	7.484	12.24	9.866	(EST)	0.00	212	$0	$15,804	$ 6,068
144	HOOPER BAY	0.00	2.000	4.200	12.24	8.224	(EST)	25.00	590	$44,007	$43,282	$0
145	HUGHES	0.00	0.000	2.842	12.24	7.545	(EST)	0.00	98	$0	$1,611	$1,638

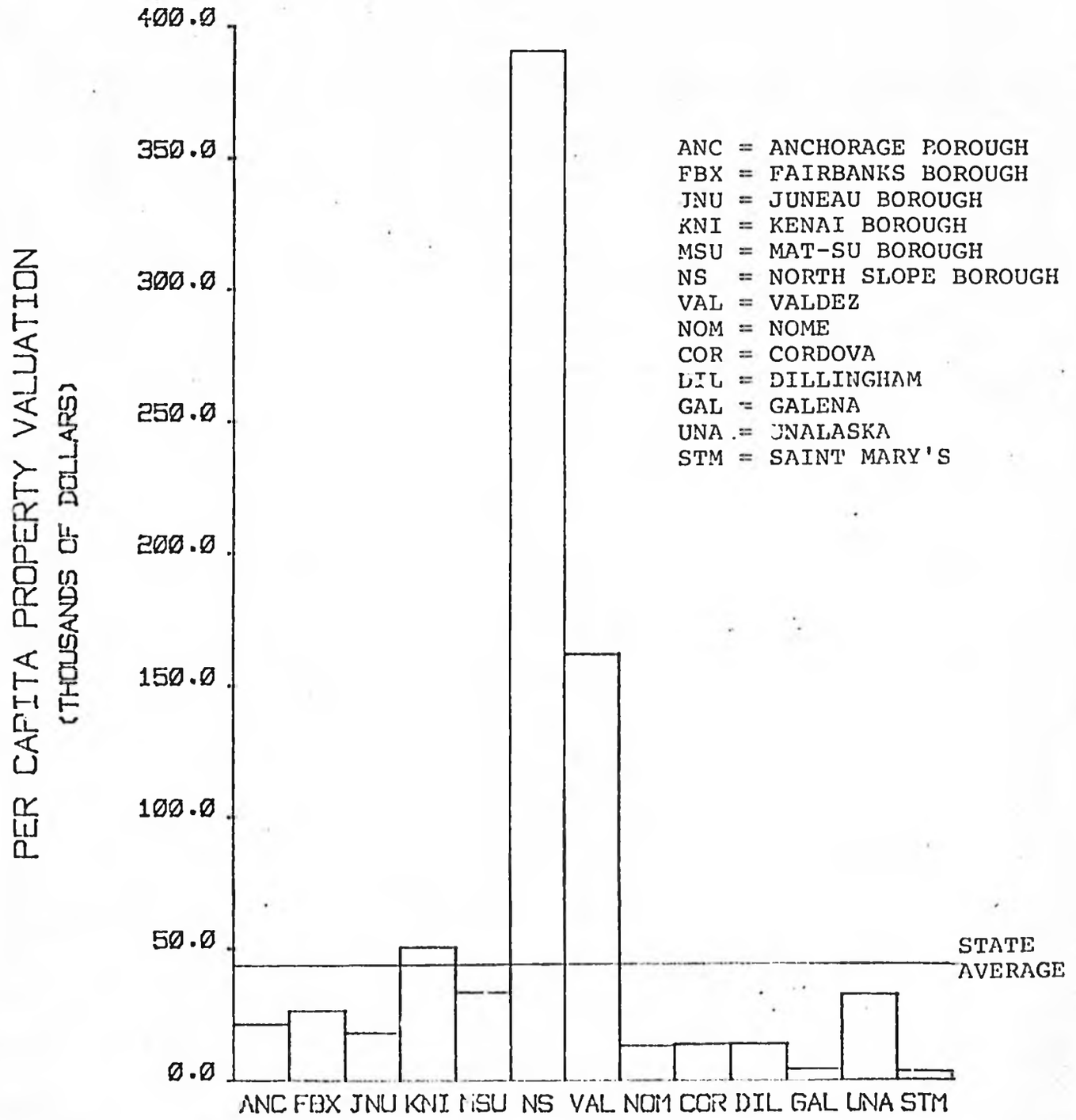
146	HUSLIA	0.00	0.000	4.132	12.24	8.190	(EST)	0.00	218		$0	$40,104	$40,776
147	KALTAG	0.00	0.000	3.613	12.24	7.931	(EST)	0.00	240		$0	$6,768	$6,881
148	KASAAN	0.00	0.000	1.262	12.24	6.755	(EST)	0.00	38		$0	$4,401	$4,475
149	KIANA	0.00	0.000	1.954	12.24	7.101	(EST)	0.00	314		$0	$17,256	$17,545
150	KIVALINA	0.00	2.000	2.544	12.24	7.396	(EST)	25.00	208	$15,514		$22,493	$14,172
151	KOBUK	0.00	0.000	2.910	12.24	7.579	(EST)	0.00	60		$0	$5,853	$5,951
152	KOTLIK	0.00	2.000	6.478	12.24	9.363	(EST)	25.00	284	$21,183		$25,948	$11,476
153	KOTZEBUE	0.00	3.000	1.063	6.12	3.593	(EST)	24.79	2,526	$186,890		$186,943	$116,363
154	KOYUK	0.00	2.000	3.777	12.24	8.013	(EST)	25.00	160	$11,934		$16,704	$9,909
155	KOYUKUK	0.00	0.000	1.254	12.24	6.751	(EST)	0.00	124		$0	$6,077	$6,179
156	KUPREANOF	0.00	0.000	1.118	12.24	6.683	(EST)	0.00	42		$0	$0	$0
157	KWETHLUK	0.00	0.000	3.256	12.24	7.752	(EST)	0.00	444		$0	$16,184	$16,455
158	LOWER KALSKAG	0.00	0.000	7.945	12.24	10.097	(EST)	0.00	195		$0	$3,078	$3,129
159	MANOKOTAK	0.00	2.000	3.150	12.24	7.699	(EST)	25.00	225	$16,782		$16,505	$5,539
160	MCGRATH	0.00	0.000	1.469	12.24	6.859	(EST)	0.00	296		$0	$21,161	$21,516
161	MEKORYUK	0.00	2.000	2.124	12.24	7.186	(EST)	25.00	184	$13,724		$18,612	$11,538
162	MOUNTAIN VILLAGE	0.00	2.000	3.885	12.24	8.067	(EST)	25.00	513	$38,263		$31,633	$17,673
163	NAPAKIAK	0.00	2.000	1.647	12.24	6.948	(EST)	25.00	276	$20,586		$30,118	$18,826
164	NAPASKIAK	0.00	0.000	1.340	12.24	6.794	(EST)	0.00	210		$0	$5,235	$5,323
165	NEWHALEN	0.00	0.000	1.364	12.24	6.806	(EST)	0.00	8[illegible]		$0	$0	$0
166	NEW STUYAHOK	0.00	0.000	4.627	12.24	8.438	(EST)	0.00	2[illegible]		$0	$0	$0
167	NEWTOK	0.00	0.000	1.987	12.24	7.118	(EST)	0.00	124		$0	$0	$0
168	NIGHTMUTE	0.00	2.000	2.626	12.24	7.437	(EST)	25.00	123	$9,174		$9,023	$799
169	NIKOLAI	0.00	0.000	6.309	12.24	9.279	(EST)	0.00	85		$0	$7,636	$7,764
170	NONDALTON	0.00	0.000	1.852	12.24	7.051	(EST)	0.00	226		$0	$0	$0
171	NOORVIK	0.00	2.000	2.058	12.24	7.154	(EST)	25.00	527	$39,308		$48,263	$28,443
172	NULATO	0.00	0.000	2.438	12.24	7.343	(EST)	0.00	331		$0	$10,267	$10,439
173	PILOT STATION	0.00	0.000	7.320	12.24	9.784	(EST)	0.00	301		$0	$12,117	$12,320
174	PLATINUM	0.00	0.000	1.333	12.24	6.791	(EST)	0.00	59		$0	$1,848	$1,879
175	PORT ALEXANDER	0.00	2.000	0.814	12.24	6.531	(EST)	25.00	51	$3,804		$3,741	$661
176	PORT HEIDEN	0.00	0.000	1.968	12.24	7.108	(EST)	0.00	89		$0	$50,926	$51,778
177	QUINHAGAK	0.00	1.000	2.362	12.24	7.305	(EST)	16.80	395	$19,802		$24,897	$15,525
178	RUBY	0.00	0.000	2.002	12.24	7.125	(EST)	0.00	219		$0	$3,500	$3,559
179	RUSSIAN MISSION	0.00	0.000	0.980	12.24	6.614	(EST)	0.00	158		$0	$2,091	$2,126
180	SAINT MICHAEL	0.00	2.000	2.114	12.24	7.181	(EST)	25.00	206	$15,365		$20,078	$10,121
181	SAINT PAUL	0.00	3.000	1.221	12.24	6.735	(EST)	25.00	550	$41,023		$108,210	$85,410
182	SAND POINT	0.00	3.000	0.659	4.28	2.473	(EST)	17.06	544	$27,697		$52,510	$40,458
183	SAVOONGA	0.00	2.000	1.861	12.24	7.055	(EST)	25.00	409	$30,506		$34,971	$17,701
184	SCAMMON BAY	0.00	2.000	5.988	12.24	9.118	(EST)	25.00	193	$14,395		$14,158	$6,147
185	SELAWIK	0.00	3.000	2.415	17.86	10.139		25.00	521	$38,860		$38,220	$17,073
186	SHAGELUK	0.00	0.000	4.500	12.24	8.374	(EST)	0.00	169		$0	$13,540	$13,766
187	SHAKTOOLIK	0.00	2.000	2.591	12.24	7.420	(EST)	25.00	160	$11,934		$11,737	$0
188	SHELDON POINT	0.00	0.000	8.206	12.24	10.227	(EST)	0.00	135		$0	$0	$0
189	SHISHMAREF	0.00	1.000	2.437	12.24	7.343	(EST)	16.88	326	$16,427		$24,551	$19,441
190	SHUNGNAK	0.00	2.000	2.034	12.24	7.141	(EST)	25.00	182	$13,575		$18,613	$9,408
191	STEBBINS	0.00	2.000	2.530	12.24	7.389	(EST)	25.00	298	$22,227		$21,861	$9,217
192	TANANA	0.00	1.000	1.061	12.24	6.655	(EST)	15.30	409	$22,789		$44,218	$25,506
193	TELLER	0.00	3.000	2.812	12.24	7.530	(EST)	25.00	219	$16,334		$26,042	$14,844
194	TENAKEE SPRINGS	0.00	0.000	4.698	12.24	8.473	(EST)	0.00	140		$0	$6,030	$6,131
195	TOGIAK	0.00	2.000	2.569	12.24	7.409	(EST)	25.00	419	$31,252		$30,737	$10,315
196	TOKSOOK BAY	0.00	2.000	4.249	12.24	8.249	(EST)	25.00	317	$23,644		$28,369	$16,121
197	TULUKSAK	0.00	0.000	1.886	12.24	7.067	(EST)	0.00	202		$0	$0	$0
198	TUNUNAK	0.00	2.000	2.780	12.24	7.514	(EST)	25.00	299	$22,301		$27,048	$12,780
199	UNALAKLEET	0.00	0.000	1.451	12.24	6.850	(EST)	0.00	690		$0	$33,091	$33,645
200	UPPER KALSKAG	0.00	0.000	8.584	12.24	10.416	(EST)	0.00	164		$0	$2,696	$2,741
201	WALES	0.00	0.000	2.331	12.24	7.200	(EST)	0.00	109		$0	$0	$0
202	WHITE MOUNTAIN	0.00	1.000	2.555	12.24	7.402	(EST)	17.02	98	$4,377		$4,895	$0
203	WHITTIER	0.00	3.000	0.593	3.57	2.303	(EST)	14.37	292	$12,522		$34,654	$33,961
204	EXT FIRE AREAS	0.00	0.000	0.000	00.00	00.000		0.00	0		$0	$55,475	$56,405
								TOTALS		$18,287,347	$25,000,000	$18,290,176	

ATTACHMENTS

We are submitting two computer printouts, the first showing the data base we used for our analysis, and the second demonstrating how the revenues would be distributed by the proposed formula. The present data base utilizes 1976 data. The significant difference between the present 1976 data base and a 1977 data base which we intend to complete shortly is the additional valuation of the trans-Alaska pipeline which results in a sizeable increase in the total property in the state. Presently, the pipeline is equal to just under half of the total property value in the state. To demonstrate the local effects of the incremental value of the pipeline when comparing 1976 to 1977 data, the 1976 PCPV for Valdez and the North Slope Borough were $66,000 and $142,000 respectively; whereas their 1977 PCPV were $162,000 and $390,000. The state-wide average PCPV was $29,700 in 1976 and $42,900 in 1977.

We are also attaching a computer graphic demonstrating the distribution of "wealth" as estimated by per capita property value using 1977 data.

PER CAPITA PROPERTY VALUATION
1977



prepared by
Legislative Affairs
Agency
see attached memorandum

Audio hearing

Anderson
Gardiner

Rasmuson - None -

Small communities farther outside rev. sharing —
Wd. get 13,000 more under old rev. sharing bill - if funding at full — ?

Orig intent (decrease taxation) good - but not working -

→ Hospitals, roads, military cont'd.

Judy Slajer -

assembly supports but asks for more time - Munis. shd. work together

James Veazey - ombudsman for sr. cits in Ketch. -
opposes hosp. $ for rev. sharing

David Jensen - Sand Pt. & King Cove
objects to method of entitlement per cap. income - no bearing to tax resource - (Munis. can't tax personal inc.)
Per cap. inc. has no relationship to " " prop. value -
no acct. for COLA diff. in per cap. inc.

What services are being provided by munis. shd. be considered

Jensen (cont'd.)
Shd. consider per capita debt –

Wesley Howe – Mat-Su boro –
Neither for or against
Formula complicated – can't tell cits. what
→ More bookkeeping? They will get
→ Prob. w/ spending in serv. areas?

~~Wash~~ Shd. be hold harmless for new service areas –
No incentive for new service –
No other local efforts taken into consideration (fees for subdiv., recreation charges)
Some munis. May subsidize utils. w/ taxes & bill encourages that practice to continue

Minzer – Fbx. Memorial Hosp.
$2500 per bed. – additional services added by hosp. –
consider new beds & added dirvs. under old beds for construction $

Rose – Anch. –
Gov. has not reached a position yet.
Per cap. inc. & prop. value are avail. after fact.
→ 1. Anch's % of pie decreases – if not fully funded – trouble
milage equiv. → 2. Benefit to sales tax com. –
3. Likes simplicity of current bill – can't anticipate fed. sharing funding

Rose (cont'd.)

4. Fears flexibility of muni. lessened. (spending only in serv. areas)

→ Aware of % for arch. going down

Wants 100% school funding rather than 843

Nancy Kraning - ass't. city mgr. Bethel fully funded at $25 mil.

Carol Donaldson - Ypiktak Biota Manpower

1. More bookkeeping - service area expend., areawide expend., nonareawide expend., differential tax zones -

enough
lawyers too low

23
25
11
5
4
6
55
61

→ spec. entitlements
→ game playing by
Munis on taxes
→ obligation of state
to attempt to
equalize?
→ other states or
feds do this?

Lisa -

If possible I'd like to see a vote by your committee on HB843. Many of the comments & criticisms made are easily addressable by amendments. Some will always be opposed to the desire to restrict the thrust of revenue sharing. More time to study won't change philosophical objections. Time to study legitimate amendments regarding the functioning & effects of the bill may be appropriate. Are you intending to push HB370? There may not be any interim committees this year. More later. Thanks for your work on the bill. T.G.

Ms. Rudd

Background Material
House C&RA Committee files
Re: HB 843

PRESENT REVENUE SHARING FUNDING

Local Government Hi-lites

Police Protection	12.00 each person
Fire Protection	7.50 each person
Air/Water Pollution	2.00 each person
Land Use Planning	2.00 each person
Parks and Recreation	5.00 each person
Transportation Facilities	5.00 each person
Road Maintenance	
a. Public Roads	1500.00 each mile
b. Ice Roads	900.00 each mile
Health Service	2.00 each person
Health Facilities	1000.00 each bed
	4000.00 each facility
Hospitals	1000.00 each bed
	25000.00 each hospital
	75000.00 each hospital
Construction Aid (Hospitals)	2500.00 each bed

Notes to printout 1 submitted with memo of February 8, 1978.

(1) *LOCAL GOV'T:* Local governments are presented with boroughs and communities therein listed first. The breakdown of each borough is consistent with their revenue sharing application ("SA" means service area).

(2) *PER CAP. EXIST.:* The column lists the total entitlements distributed on a per capita basis (police, fire, parks and rec., air and water pollution, land use planning, transportation, and health services).

(3) *HEALTH & ROADS:* The column lists entitlements distributed on a non-per capita basis. This includes road maintenance (distributed on a mile basis), health facilities, hospitals, and construction aid (distributed on a per facility basis, i.e., hospitals). For boroughs which submitted their applications according to service areas, we have lumped the non-per capita entitlements in the first listed service area.

(4) *MILITARY:* Those local governments which supply services related to the support of military installations receive entitlements according to the services supplied and the military population. As with the health and roads category, the military entitlements are lumped into the first service area listed if a local government has multiple listings.

(5) *TOTAL ENTITLEMENT:* The column totals the three prior columns and represents the total entitlement each community is qualified to receive. The cost of living allowance factor (column 8) is factored into the three columns which break down the total entitlement. The actual monies received by a local government will be less than that listed, since the entitlements are pro-rated according to the money appropriated to the local government assistance program.

(6) *POP.:* The column lists the population base accepted by C.R.A. for the purpose of determining revenue sharing entitlements.

(7) *PER CAP. PROP. VALUE:* The column lists the "full and true" per capita property value as determined by the state assessor. For those local governments where no property assessment has been made, we have estimated *(EST.)* the per capita property value by looking to similar communities where assessments have been made. About 13% of the state population lives in those communities where a property value assessment has not been made. Two Anchorage Borough service areas have been designated as "estimated" because of inconsistencies between the state assessor's report of "full and true" property values for some service areas and the population for those service areas as reported by the Anchorage Borough. The per capita property value figures listed for these two service areas are more than likely inaccurate, but we are not capable of correcting the data without further clarification from the Department.

(8) *COLA:* The column lists the cost of living allowance multiplier used by the C.R.A. in determining entitlements.

(9) *PROPERTY TAX:* The column lists the property tax assessment for each service area or local government, less the levies designated for schools. If a levy was not specifically dedicated by a local government to schools, we obtained income and expenditure figures from the local government audits and calculated an apportionment to schools, which was then deducted from the local government property tax base.

(10) *SALES TAX:* As with property tax, the column lists the sales tax rate for each local government or service area, unless the tax was dedicated to schools. When a school dedication was not declared, we obtained information from the local government audits and diminished the sales tax base according to the portion of sales tax receipts appropriated to schools.

(11) *1974 PCI:* This column lists the Bureau of Census per capita income figures for 1974.

HB 843

WORKSHOP ON SSHB 843

MUNICIPAL REVENUE SHARING

Governor's Conference Room
Monday, May 8, 1978
9:00 a.m. to 3:00 p.m.

Representative Lisa Rudd, Chair of the House Community and Regional Affairs Committee presiding.

Representative Rudd opened the meeting stating the purpose of this work session was to provide an opportunity for an in-depth look at this revenue sharing proposal and to discuss any problem areas which may be identified.

The morning session was devoted to review of the proposed legislation. The bill's sponsor, Representative Terry Gardiner, summarized the provisions of the bill and addressed the concepts of local effort and equalization. John Williams, Legislative Research, reviewed the elements of the formula. Representative Rudd outlined four concerns which she had with the proposed program and asked the municipal representatives to address those concerns during the workshop discussions:

1. The complexity of the proposed formula;

2. The validity of the local effort concept as a basis for revenue sharing program;

3. The question of whether equalization is a legitimate concern of the state;

4. The question of whether it is a legitimate state concern to assure the provision of certain services on the local level.

During the afternoon session municipal representatives gave their comments on the concepts and specifics of the proposed legislation. The following is a summary of the major points of the discussions:

1. The formula is too complicated and includes too many variables. Mr. Sharp of Juneau suggested a simplification of the formula. The same product (millage equivalent) can result from taking the sum of the total municipal revenues, subtracting any revenues specifically excluded, and dividing that remainder by what 1 mil would bring from 100% of full and true value.

The main objection still remains, however; that each municipality's entitlement is dependent upon several statewide variables over which it has no control. It was suggested that entitlements could be computed with two year old data rather than current data, thereby making it easier for a municipality to figure its expected entitlement. The drawback to this approach is that entitlements will not reflect the most recent changes which, if an industrial development project is involved, can be major.

2. Locally generated school tax support should be included. Most communities tax themselves for additional school support over and above what is received from the school foundation program and the school constuction program. Petersburg, for example, devotes its entire 5% sales tax to school support. Anchorage claims 42% or about 6 mils goes to education. This was felt to be a legitimate indicator of local effort. At least one municipality, however, suggested that education should be left out of the program of state aid for municipal operations since such motherhood issues have a tendency to take over.

3. The formula seems to be a compulsion to keep taxes high rather than an incentive to reduce taxes. It is a built in uncertainty for assemblies and councils about future revenues and their effect on revenue sharing entitlements. John Williams pointed out that there are two mitigating factors: 1) The local effort factor ceiling of 25. No municipality will get revenue sharing credit for taxation above this figure; and 2) The willingness of local taxpayers to pay taxes. This last is considered the major determining factor. Any reduction in tax rate translates into more of a loss in direct revenues than in revenue sharing dollars. Bruce Aronsen, of the Department of Community and Regional Affairs, stated the ratio was about 12 to 1 ($12 local revenues to $1 revenue sharing).

Ketchikan pointed out that the present revenue sharing program bears no relation to taxation. The money just comes, so to speak. With HB 843, municipalities really have to consider the effects of their taxing policies.

It was also discussed that the present revenue sharing program has at best helped maintain the tax level while allowing increases of municipal services. More likely, it has just slowed the tax increase.

4. Anchorage maintains there is no direct correlation between tax base and service needs. In a growing community there are more service needs, crime, transportation, etc. Anchorage, for example, is a crossroads and service center for much of Alaska, therefore it services more than just its population. A sales tax does address this to a degree, and Anchorage would request that their hotel-motel sales tax be counted in the local effort formula. SSHB 843 specifically excludes taxes which do not generally burden the entire citizenry. Another example of such special tax is the raw fish tax of the Bristol Bay Borough.

5. Single purpose service districts. Fairbanks questioned the appropriateness of treating service districts as separate political units, as this may have a tendency to encourage a separatist attitude on the part of the service districts. Boroughs would rather consider service areas as an integral part of the whole. SSHB 843 specifies that funds allocated on a service area basis or by differential tax zones must be spent in those areas. Mr. Nordale also pointed out that they have several single purpose service districts, providing only road maintenance. These districts can receive double payment under Chapter 89 (RHM) and under Chapter 88 (formula).. This can lead to a situation where a service area can be receiving as much as twice as much money as they actually need.

If this is actually a problem, a solution may be to allow for petition to the DC&RA to use the funds elsewhere. The municipalities may prefer to delete the provision in HB 843 which requires the use of revenue sharing funds in the service areas.

6. Include per capita debt as a measure of local effort. Theoretically, municipal debt is considered in this formula since it is reflected in the tax rate. If local effort for education is included, all possibilities for local debt will be included since much of a municipality's bonded debt is for school construction. Dillingham pointed out that a city must first have a tax base before it can incur bonded debt. Several Alaskan municipalities are precluded from bonding by virtue of having no tax base.

7. Is it a legitimate state interest to see that a certain level of local services is maintained? Mr. Nordale pointed out that it does seem to be state policy to emphasize such services as police and fire protection since those categories receive the greatest intitlement in the revenue sharing program and have historically received the most attention

and amendment. Mr. Sharp pointed out that if it is a legitimate state responsibility to assure certain local services, then it is also incumbant upon the state to see that those services are actually being provided at some quality level. The present revenue sharing program does not address this aspect. The municipalities generally agreed that revenue sharing is not usually a major determinent in what services are to be provided, although the Fairbanks Borough maintains that the availability of revenue sharing dollars does help sell certain programs at the local level such as their air pollution control program.

8. Is equalization a legitimate concern of the state : Mr. Lovett of Cordova said he sees the bill as an attempt to equalize the quality of life in Alaskan communitites. A municipality of a certain size must provide the full specturm of basic services for its residents regardless of the cost. For example, Cordova devotes more than 20% of its budget to police protection. A population of a few hundred more could use the same size police department but would also have a larger tax base to fund it. A community the size of Cordova must forgo many of the amenities because it must concentrate all its resources on providing the basics. He was pleased to see that the Legislature had recognized this need and was addressing it through the revenue sharing program.

Mr. Sharp of Juneau noted that court cases in California, New Jersey and Texas have established the concept of equalization in the area of education by recognizing a person's right to equal protection in the quality of education. The courts have found that it is not appropriate to finance education strictly on the basis of local property tax revenues because of the disparities in property tax base. He said he expected the equalization concept to be extended into the area of local government services in the near future and was pleased to see the Alaska Legislature taking the lead in recognizing this idea.

Mayor Sullivan from Anchorage suggested that if the state felt it appropriate to give more assistance to the poorer communities, it could be done through maintaining the existing revenue sharing program, but with an additional appropriation and distribution to help so-called "disadvantaged" communities.

The main concern of the Municipality of Anchorage was that their percent of the total program would be reduced under HB 843. Under present law, Anchorage is entitled to 45.66%; SSHB 843 would only provide them with 35.77%.

45.66%; SSHB 843 would only provide them with 35.77%. Anchorage felt that other municipalities were being upgraded at the expense of Anchorage.

Representative Gardiner pointed out that the result will be the same whether HB 843 is used or the present program plus an additional distribution program as Mayor Sullivan suggested. It should not be viewed in terms of taking away from anyone. In actual fact, Anchorage will gain between $1 and $2 million dollars under the proposed program.

'NEW' PROPOSED REVENUE SHARING (1977 DATA)

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25 (HOLD HARMLESS NOT APPLIED)
PAYOUT SET TO $25 MILLION (3.3516427)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 25, 1978

SN	LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	PCI RATIO	PROPERTY RATIO	AVE RATIO	LOCAL EFFORT	POP.	PER CAPITA ENTITLEMENT	TOTAL (+ RHM)	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS											
1	ANCHORAGE (AW)	2.93	0.244	0.963	1.70	1.335	4.24	180,653	$2,567,383	$5,443,548	$8,378,557
2	CITY (SA)	7.07	0.000	0.894	1.63	1.266	8.96	67,014	$2,012,843	$2,012,843	$0
3	HILLSIDE (SA)	3.49	0.000	0.871	1.03	0.952	3.32	8,937	$99,635	$99,635	$0
4	SPENARD (SA)	7.34	0.000	0.887	1.50	1.195	8.78	38,816	$1,142,399	$1,142,399	$0
5	GIRDWOOD (SA)	3.35	0.000	0.796	0.82	0.811	2.72	600	$5,472	$5,472	$0
6	GLEN ALPS (SA)	3.37	0.000	0.796	0.80	0.801	2.70	65	$589	$589	$0
7	RICH. VISTA (SA)	7.24	0.000	1.096	11.68	6.389	25.00	1,105	$92,589	$92,589	$0
8	SAND LAKE (SA)	3.97	0.000	0.885	1.85	1.370	5.44	18,915	$345,464	$345,464	$0
9	MUILDOON (SA)	4.70	0.000	0.955	2.76	1.861	8.76	23,345	$685,791	$685,791	$0
10	RABBIT CREEK (SA)	3.37	0.000	0.882	1.90	1.393	4.69	6,532	$102,839	$102,839	$0
11	EAGLE RIVER (SA)	2.28	0.000	0.998	2.08	1.541	3.51	7,182	$84,662	$84,662	$0
12	CHUGIAK (SA)	1.28	0.000	0.998	2.83	1.917	2.46	5,876	$48,574	$48,574	$0
13	OCEAN VIEW (SA)	4.86	0.000	0.882	1.78	1.333	6.48	1,894	$41,193	$41,193	$0
14	OTHER SA	0.52	0.000	0.963	0.54	0.752	0.39	372	$492	$492	$0
								TOTAL	$7,229,932	$10,106,097	$8,378,557
15	BRISTOL BAY BOROUGH (AW)	6.15	8.203	0.977	1.88	1.433	20.57	1,311	$90,426	$98,797	$32,370
16	SOUTH NAKNEK SA	1.47	0.000	0.977	0.92	0.950	1.40	175	$822	$822	$0
								TOTAL	$91,249	$99,619	$32,370
17	FAIRBANKS BOROUGH (AW)	1.19	2.227	0.747	1.62	1.186	4.06	60,227	$820,245	$933,264	$1,200,637
18	BALLAINE LAKE (SA)	0.81	0.000	0.747	4.62	2.686	2.19	168	$1,234	$1,234	$0
19	DIANE (SA)	1.22	0.000	0.747	2.97	1.860	2.28	66	$505	$505	$0
20	WILDVIEW ACRES (SA)	0.82	0.000	0.747	2.24	1.496	1.22	77	$316	$316	$0
21	SMITH RANCH (SA)	1.63	0.000	0.747	3.97	2.359	3.85	438	$5,658	$5,658	$0
22	ENGINEER CREEK (SA)	1.64	0.000	0.747	3.95	2.348	3.85	144	$1,861	$1,861	$0
23	ESTER LUMP (SA)	2.04	0.000	0.747	0.34	0.547	1.12	10	$37	$37	$0
24	NORTH STAR F.P. (SA)	0.87	0.000	0.747	2.07	1.412	1.23	6,500	$26,963	$26,963	$0
25	BECKER RIDGE (SA)	2.35	0.000	0.747	0.70	0.727	1.71	108	$620	$620	$0
26	FAIRBANKS (CITY)	6.94	4.603	0.658	2.40	1.533	17.70	30,462	$1,807,470	$2,320,104	$1,265,807
27	NORTH POLE (CITY)	4.36	9.184	1.197	1.30	1.252	16.96	461	$26,217	$44,709	$29,890
								TOTAL	$2,691,132	$3,335,276	$2,496,336
28	HAINES BOROUGH	1.42	0.000	1.210	2.39	1.803	2.56	1,924	$16,530	$16,530	$0
29	HAINES (CITY)	7.62	5.588	1.325	2.99	2.160	25.00	1,366	$114,458	$130,986	$65,721
								TOTAL	$130,988	$147,517	$65,721
30	JUNEAU (AW)	8.62	0.000	0.847	2.40	1.627	14.03	20,465	$962,930	$1,171,960	$751,062
31	JUNEAU SA1	2.78	9.135	0.847	2.30	1.576	18.79	7,259	$457,354	$457,354	$0
32	JUNEAU SA2	1.21	4.128	0.847	3.69	2.272	12.15	1,606	$65,404	$65,404	$0
33	JUNEAU SA3	0.79	0.000	0.847	1.11	0.982	0.77	197	$514	$514	$0
34	JUNEAU SA4	2.88	0.000	0.847	1.60	1.228	3.54	1,370	$16,275	$16,275	$0
35	JUNEAU SA5	2.35	0.000	0.847	2.78	1.816	4.26	8,369	$119,712	$119,712	$0
36	JUNEAU SA6	1.89	0.000	0.847	2.59	1.721	3.25	719	$7,850	$7,850	$0
37	JUNEAU SA7	1.41	0.000	0.847	1.98	1.418	2.00	427	$2,875	$2,875	$0
38	JUNEAU SA8	1.30	0.000	0.847	1.30	1.078	1.41	518	$2,451	$2,451	$0
								TOTAL	$1,635,369	$1,844,399	$751,062

39	KENAI BOROUGH (AW)	0.00	0.000	1.066	0.85	0.959		0.00	24,611	$0	$314,975	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.000	1.066	4.79	2.929		0.55	14,100	$26,303	$26,303	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	1.066	2.63	1.848		3.74	5,300	$66,562	$66,562	$0
42	NORTH KENAI FIRE (SA)	5.45	0.000	1.066	0.41	0.742		4.04	3,512	$47,627	$47,627	$0
43	NORTH KENAI REC (SA)	0.84	0.000	1.066	0.40	0.734		0.62	3,995	$8,353	$8,353	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	1.066	4.52	2.796		15.19	675	$34,370	$34,370	$0
45	HOMER (CITY)	11.26	5.742	1.004	1.80	1.402		23.84	1,802	$144,003	$157,758	$74,774
46	KACHEMAK (CITY)	1.75	0.000	1.872	1.24	1.559		2.72	151	$1,381	$1,381	$0
47	KENAI (CITY)	14.58	7.952	1.051	2.69	1.875		25.00	5,364	$449,455	$513,906	$246,090
48	SELDOVIA (CITY)	14.48	2.589	0.999	3.89	2.448		25.00	612	$51,280	$61,293	$26,132
49	SEWARD (CITY)	17.58	0.000	0.978	3.46	2.223		25.00	2,279	$190,959	$215,220	$96,533
50	SOLDOTNA (CITY)	10.24	7.470	1.074	2.55	1.816		25.00	2,586	$216,683	$255,819	$126,703
									TOTAL	$1,236,981	$1,703,572	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	3.439	1.201	1.81	1.509		12.06	11,490	$464,610	$464,610	$84,555
52	SHORELINE (SA)	1.00	0.000	1.201	3.18	2.195		2.20	550	$4,067	$4,067	$0
53	KETCHIKAN (CITY)	9.67	8.902	1.232	2.18	1.709		25.00	7,928	$664,295	$824,051	$393,632
54	SAXMAN (CITY)	0.00	0.000	2.051	2.85	2.454	(EST)	0.00	272	$0	$4,350	$8,294
									TOTAL	$1,132,973	$1,297,079	$486,481
55	KODIAK BOROUGH (AW)	1.83	0.000	0.934	1.22	1.081		1.98	7,901	$52,624	$219,574	$207,791
56	FIRE DISTRICT (SA)	2.31	0.000	0.934	3.60	2.271		5.25	1,546	$27,247	$27,247	$0
57	ROAD DISTRICT (SA)	0.64	0.000	0.934	3.27	2.106		1.36	312	$1,422	$1,422	$0
58	KODIAK (CITY)	8.19	6.044	0.845	1.49	1.172		16.70	4,960	$277,638	$300,664	$190,984
59	AKHIOK (CITY)	0.00	0.000	2.167	8.57	5.371	(EST)	0.00	102	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	1.132	4.28	2.709	(EST)	0.00	137	$0	$0	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	2.062	4.28	3.174	(EST)	0.00	327	$0	$6,208	$17,281
62	OUZINKIE (CITY)	0.00	6.484	1.768	8.57	5.171	(EST)	25.00	170	$14,244	$14,244	$2,284
63	PORT LIONS (CITY)	0.00	0.000	1.027	4.28	2.657	(EST)	0.00	227	$0	$3,934	$11,133
									TOTAL	$373,177	$573,296	$431,316
64	MAT-SU BOROUGH (AW)	3.12	0.000	1.413	1.29	1.355		4.23	16,724	$237,421	$371,212	$295,973
65	WASILLA F(1,8,9,10,11)	0.77	0.000	1.413	2.50	1.960		1.52	4,908	$25,058	$25,058	$0
66	BUTTE FIRE (SA)	0.59	0.000	1.413	2.43	1.926		1.14	1,818	$6,949	$6,949	$0
67	SUTTON FIRE (SA)	1.71	0.000	1.413	5.21	3.313		5.68	594	$11,319	$11,319	$0
68	OTHER AREA (SA)	0.17	0.000	1.413	1.66	1.538		0.27	12,924	$11,925	$11,925	$0
69	TALKEETNA FLOOD (SA)	1.99	0.000	1.413	3.99	2.702		5.38	223	$4,024	$4,024	$0
70	GARDEN TERRACE (SA)	3.08	0.000	1.413	1.96	1.690		5.21	57	$995	$995	$0
71	HOUSTON (CITY)	0.00	0.000	2.093	1.18	1.637		0.00	375	$0	$36,494	$41,357
72	PALMER (CITY)	4.25	8.690	1.326	2.22	1.774		22.96	1,859	$143,061	$169,284	$86,977
73	WASILLA (CITY)	0.00	0.000	1.423	1.83	1.630		0.00	1,566	$0	$65,813	$73,937
									TOTAL	$440,756	$703,077	$498,246
74	NORTH SLOPE BOROUGH (AW)	5.55	0.110	1.834	0.10	0.972		5.50	9,139	$168,562	$234,072	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.000	7.234	12.24	9.741	(EST)	0.00	150	$0	$0	$0
76	BARROW (CITY)	0.00	13.319	2.840	6.12	4.482	(EST)	25.00	2,306	$193,222	$193,222	$38,553
77	KAKTOVIK (CITY)	0.00	0.000	1.296	12.24	6.772	(EST)	0.00	123	$0	$0	$2,057
78	NUIQSUT (CITY)	0.00	0.000	7.208	12.24	9.728	(EST)	0.00	152	$0	$0	$0
79	POINT HOPE (CITY)	0.00	6.696	3.463	12.24	7.856	(EST)	25.00	384	$32,175	$32,175	$0
80	WAINWRIGHT (CITY)	0.00	7.540	4.191	12.24	8.220	(EST)	25.00	741	$28,572	$28,572	$0
									TOTAL	$422,532	$488,043	$348,803
81	SITKA BOROUGH	2.10	3.866	0.978	1.82	1.402		8.37	7,650	$214,631	$348,613	$383,994
	FIRST CLASS CITIES											
82	CORDOVA	8.51	12.045	1.048	3.12	2.085		25.00	2,406	$201,601	$320,640	$211,729
83	CRAIG	5.83	8.783	1.211	3.78	2.495		25.00	467	$39,130	$49,535	$26,050
84	DILLINGHAM	15.12	10.142	0.782	3.17	1.978		25.00	1,269	$106,330	$113,413	$60,754
85	GALENA	0.00	14.025	1.362	10.12	5.745		25.00	631	$52,872	$72,006	$41,499
86	HOONAH	0.00	8.625	2.143	6.81	4.480		25.00	848	$71,054	$71,054	$28,715
87	HYDABURG	0.00	15.989	4.162	11.32	7.744		25.00	380	$31,840	$39,080	$14,650

88	KAKE	0.00	1.142	2.978	12.15	7.567		8.64	679	$19,676	$21,263	$20,256
89	KING COVE	2.00	2.917	1.744	6.10	3.926		19.30	408	$26,405	$31,455	$21,275
90	KLAWOCK	0.00	3.411	2.477	13.49	7.987		25.00	323	$27,064	$33,599	$14,449
91	NENANA	9.16	6.097	1.460	3.93	2.696		25.00	521	$43,655	$64,637	$40,963
92	NOME	17.39	9.808	0.776	3.28	2.030		25.00	2,585	$216,599	$406,719	$283,132
93	PELICAN	3.20	9.915	2.258	1.56	1.909		25.00	169	$14,160	$20,234	$9,616
94	PETERSBURG	12.81	1.231	1.041	2.67	1.859		25.00	2,126	$178,139	$278,255	$169,595
95	SAINT MARY'S	0.00	0.000	5.348	12.57	8.961		0.00	415	$0	$5,200	$22,194
96	SKAGWAY	9.40	3.402	0.905	1.22	1.066		13.65	854	$39,096	$58,715	$48,537
97	UNALASKA	9.59	21.412	0.942	1.31	1.130		25.00	510	$42,733	$128,116	$102,445
98	VALDEZ	4.43	0.000	0.476	0.26	0.370		1.64	7,483	$41,246	$160,727	$417,165
99	ZONE I	1.88	0.000	0.476	4.10	2.292		4.32	6,683	$96,885	$96,885	$0
100	ZONE II	0.57	0.000	0.476	1.21	0.843		0.48	700	$1,141	$1,141	$0
									TOTAL	$139,274	$258,755	$417,165
101	WRANGELL	5.87	9.307	1.071	3.59	2.332		25.00	3,152	$264,109	$363,568	$209,010
102	ZONE II	2.02	0.000	1.071	3.64	2.360		4.78	797	$12,786	$12,786	$0
103	ZONE III	4.11	0.000	1.071	1.28	1.179		4.85	100	$1,626	$1,626	$0
104	ZONE IV	5.40	0.000	1.071	3.88	2.478		13.39	2,250	$101,001	$101,001	$0
									TOTAL	$379,523	$478,982	$209,010
105	YAKUTAT	11.60	4.567	1.983	1.86	1.925		25.00	442	$37,035	$37,035	$0
	SECOND CLASS CITIES											
106	AKIACHAK	0.00	0.000	3.132	4.46	3.799	(EST)	0.00	354	$0	$19,630	$30,904
107	AKIAK	0.00	0.000	3.625	4.46	4.045	(EST)	0.00	165	$0	$0	$1,072
108	AKOLMIUT	0.00	0.544	3.078	4.46	3.772	(EST)	2.05	608	$4,186	$66,944	$82,122
109	ALAKANUK	0.00	1.312	6.192	4.46	5.329	(EST)	6.99	527	$12,356	$24,836	$29,265
110	ALEKNAGIK	0.00	0.000	3.261	4.46	3.863	(EST)	0.00	227	$0	$0	$0
111	ALLAKAKET	0.00	0.000	2.856	4.46	3.661	(EST)	0.00	164	$0	$0	$2,741
112	AMBLER	0.00	0.915	3.267	4.46	3.866	(EST)	3.53	217	$2,574	$17,413	$22,531
113	ANDERSON	0.00	2.240	1.133	4.46	2.799	(EST)	6.27	470	$9,879	$22,884	$31,548
114	ANGOON	0.00	2.822	4.737	4.46	4.601	(EST)	12.98	287	$12,493	$20,555	$18,036
115	ANIAK	0.00	0.000	6.168	4.46	5.317	(EST)	0.00	323	$0	$13,575	$24,160
116	ANVIK	0.00	0.000	5.848	4.46	5.157	(EST)	0.00	87	$0	$0	$0
117	ATMAUTLUAK	0.00	0.000	2.284	4.46	3.374	(EST)	0.00	169	$0	$5,200	$10,583
118	BETHEL	0.00	12.613	0.767	4.28	2.527	(EST)	25.00	3,409	$285,643	$401,668	$264,487
119	BREVIG MISSION	0.00	0.000	2.734	4.46	3.600	(EST)	0.00	120	$0	$5,580	$8,534
120	BUCKLAND	0.00	1.998	2.719	4.46	3.592	(EST)	7.18	172	$4,139	$4,139	$0
121	CHEFORNAK	0.00	0.000	1.785	4.46	3.125	(EST)	0.00	192	$0	$0	$1,872
122	CHEVAK	0.00	1.864	3.628	4.46	4.047	(EST)	7.54	447	$11,303	$11,303	$9,878
123	CHUATHBALUK	0.00	0.000	7.074	4.46	5.770	(EST)	0.00	118	$0	$5,350	$9,216
124	CLARK'S POINT	0.00	0.000	0.764	4.46	2.615	(EST)	0.00	98	$0	$0	$0
125	DEERING	0.00	3.534	1.511	4.46	2.988	(EST)	10.56	100	$3,540	$8,890	$8,626
126	DELTA JUNCTION	0.00	0.000	1.238	0.71	0.976	(EST)	0.00	892	$0	$18,779	$31,602
127	DIOMEDE	0.00	0.000	2.059	4.46	3.262	(EST)	0.00	135	$0	$5,050	$6,328
128	EAGLE	2.21	0.000	2.993	4.39	3.695		8.19	145	$3,982	$8,053	$4,904
129	EEK	0.00	1.602	2.846	4.46	3.656	(EST)	5.85	195	$3,829	$3,829	$6,211
130	EKWOK	0.00	0.000	1.921	4.46	3.193	(EST)	0.00	109	$0	$0	$0
131	ELIM	0.00	1.919	1.938	4.46	3.202	(EST)	6.14	205	$4,223	$9,273	$11,909
132	EMMONAK	0.00	4.460	7.598	4.46	6.032	(EST)	25.00	545	$45,666	$50,365	$16,744
133	FORT YUKON	0.00	8.339	1.657	4.46	3.061	(EST)	25.00	637	$53,374	$84,231	$53,434
134	FORTUNA LEDGE	0.00	0.000	3.906	4.46	4.186	(EST)	0.00	200	$0	$5,200	$10,270
135	GAMBELL	0.00	2.682	2.012	4.46	3.239	(EST)	8.68	412	$11,996	$11,996	$6,241
136	GOLOVIN	0.00	0.000	2.347	4.46	3.406	(EST)	0.00	118	$0	$0	$0
137	GOODNEWS BAY	0.00	1.2[illegible]	2.098	4.46	3.282	(EST)	4.08	248	$3,398	$3,398	$4,674
138	GRAYLING	0.00	0.[illegible]0	4.994	4.46	4.730	(EST)	0.00	167	$0	$0	$2,402
139	HOLY CROSS	0.00	0.000	7.484	4.46	5.975	(EST)	0.00	212	$0	$13,375	$17,486
140	HOOPER BAY	0.00	3.528	4.200	4.46	4.332	(EST)	10.95	590	$21,667	$21,667	$0
141	HUGHES	0.00	0.000	2.842	4.46	3.654	(EST)	0.00	98	$0	$0	$1,638
142	HUSLIA	0.00	0.000	4.132	4.46	4.299	(EST)	0.00	216	$0	$36,587	$40,776
143	KALTAG	0.00	0.000	3.613	4.46	4.039	(EST)	0.00	240	$0	$2,226	$6,881
144	KASAAN	0.00	0.000	1.262	4.46	2.863	(EST)	0.00	38	$0	$4,000	$4,475

145	KIANA	0.00	0.000	1.954	4.46	3.210	(EST)	0.00	314	$0	$10,405	$17,345
146	KIVALINA	0.00	1.869	2.544	4.46	3.504	(EST)	6.55	208	$4,569	$11,925	$14,172
147	KOBUK	0.00	0.000	2.910	4.46	3.688	(EST)	0.00	60	$0	$5,350	$5,951
148	KOTLIK	0.00	1.943	6.478	4.46	5.472	(EST)	10.63	284	$10,125	$15,325	$11,476
149	KOTZEBUE	0.00	11.586	1.063	4.28	2.675	(EST)	25.00	2,526	$211,656	$214,839	$116,363
150	KOYUK	0.00	0.335	3.777	4.46	4.121	(EST)	1.38	160	$741	$5,791	$9,999
151	KOYUKUK	0.00	0.000	1.254	4.46	2.859	(EST)	0.00	124	$0	$5,350	$6,179
152	KUPREANOF	0.00	0.000	1.118	4.46	2.792	(EST)	0.00	42	$0	$0	$0
153	KWETHLUK	0.00	0.000	3.256	4.46	3.861	(EST)	0.00	444	$0	$5,200	$16,455
154	LOWER KALSKAG	0.00	0.000	7.945	4.46	6.205	(EST)	0.00	195	$0	$5,350	$12,262
155	MANOKOTAK	0.00	0.901	3.150	4.46	3.807	(EST)	3.43	225	$2,588	$2,588	$5,539
156	MCGRATH	0.00	0.000	1.469	4.46	2.967	(EST)	0.00	296	$0	$11,816	$21,516
157	MEKORYUK	0.00	1.290	2.124	4.46	3.295	(EST)	4.25	184	$2,621	$7,821	$11,538
158	MOUNTAIN VILLAGE	0.00	4.799	3.885	4.46	4.175	(EST)	20.04	513	$34,462	$39,662	$22,873
159	NAPAKIAK	0.00	6.644	1.647	4.46	3.056	(EST)	20.30	276	$18,786	$28,822	$18,826
160	NAPASKIAK	0.00	0.000	1.340	4.46	2.903	(EST)	0.00	210	$0	$0	$5,323
161	NEWHALEN	0.00	0.000	1.364	4.46	2.915	(EST)	0.00	89	$0	$0	$0
162	NEW STUYAHOK	0.00	0.000	4.627	4.46	4.546	(EST)	0.00	230	$0	$0	$0
163	NEWTOK	0.00	0.000	1.987	4.46	3.226	(EST)	0.00	124	$0	$0	$0
164	NIGHTMUTE	0.00	2.540	2.626	4.46	3.546	(EST)	9.00	123	$3,714	$3,714	$799
165	NIKOLAI	0.00	0.000	6.309	4.46	5.387	(EST)	0.00	85	$0	$7,195	$7,764
166	NONDALTON	0.00	0.000	1.852	4.46	3.159	(EST)	0.00	226	$0	$0	$0
167	NOORVIK	0.00	2.264	2.058	4.46	3.262	(EST)	7.38	527	$13,050	$22,814	$28,443
168	NULATO	0.00	0.000	2.438	4.46	3.452	(EST)	0.00	331	$0	$8,225	$10,439
169	PILOT STATION	0.00	0.257	7.320	4.46	5.893	(EST)	1.51	301	$1,528	$3,478	$12,320
170	PLATINUM	0.00	0.000	1.333	4.46	2.899	(EST)	0.00	59	$0	$0	$1,879
171	PORT ALEXANDER	0.00	2.526	0.814	4.46	2.640	(EST)	6.67	51	$1,140	$1,140	$661
172	PORT HEIDEN	0.00	0.000	1.968	4.46	3.217	(EST)	0.00	89	$0	$50,373	$51,778
173	QUINHAGAK	0.00	1.037	2.362	4.46	3.414	(EST)	3.54	395	$4,691	$10,203	$15,525
174	RUBY	0.00	0.000	2.002	4.46	3.234	(EST)	0.00	219	$0	$0	$3,662
175	RUSSIAN MISSION	0.00	0.000	0.980	4.46	2.723	(EST)	0.00	158	$0	$1,716	$2,126
176	SAINT MICHAEL	0.00	0.000	2.114	4.46	3.290	(EST)	0.00	206	$0	$5,050	$10,121
177	SAINT PAUL	0.00	5.751	1.221	4.46	2.843	(EST)	16.35	550	$30,152	$99,152	$85,410
178	SAND POINT	0.00	12.392	0.659	4.28	2.473	(EST)	25.00	544	$45,582	$71,274	$40,458
179	SAVOONGA	0.00	0.652	1.861	4.46	3.163	(EST)	2.06	409	$2,828	$7,878	$17,701
180	SCAMMON BAY	0.00	1.422	5.988	4.46	5.227	(EST)	7.43	193	$4,810	$4,810	$6,147
181	SELAWIK	0.00	12.526	2.415	17.86	10.139		25.00	521	$43,655	$43,655	$17,073
182	SHAGELUK	0.00	0.000	4.500	4.46	4.482	(EST)	0.00	169	$0	$12,070	$14,897
183	SHAKTOOLIK	0.00	0.966	2.591	4.46	3.528	(EST)	3.40	160	$1,828	$1,828	$0
184	SHELDON POINT	0.00	0.000	8.206	4.46	6.335	(EST)	0.00	136	$0	$0	$0
185	SHISHMAREF	0.00	2.183	2.437	4.46	3.451	(EST)	7.53	326	$8,237	$16,771	$19,441
186	SHUNGNAK	0.00	2.184	2.034	4.46	3.250	(EST)	7.09	182	$4,330	$9,680	$9,488
187	STEBBINS	0.00	1.035	2.530	4.46	3.498	(EST)	3.62	298	$3,618	$3,618	$9,217
188	TANANA	0.00	1.610	1.061	4.46	2.763	(EST)	4.45	499	$7,445	$29,614	$25,506
189	TELLER	0.00	1.090	2.812	4.46	3.639	(EST)	3.96	219	$2,911	$13,056	$14,844
190	TENAKEE SPRINGS	0.00	0.000	4.698	4.46	4.581	(EST)	0.00	140	$0	$1,556	$6,131
191	TOGIAK	0.00	2.850	2.569	4.46	3.517	(EST)	10.02	419	$14,082	$14,082	$10,315
192	TOKSOOK BAY	0.00	2.168	4.249	4.46	4.357	(EST)	9.44	317	$10,037	$15,237	$16,121
193	TULUKSAK	0.00	0.000	1.886	4.46	3.176	(EST)	0.00	202	$0	$0	$0
194	TUNUNAK	0.00	0.523	2.780	4.46	3.622	(EST)	1.89	299	$1,901	$7,101	$12,780
195	UNALAKLEET	0.00	0.000	1.451	4.46	2.958	(EST)	0.00	630	$0	$22,510	$33,645
196	UPPER KALSKAG	0.00	0.000	8.584	4.46	6.525	(EST)	0.00	164	$0	$0	$2,741
197	WALES	0.00	0.896	2.331	4.46	3.398	(EST)	3.04	109	$1,113	$1,113	$0
198	WHITE MOUNTAIN	0.00	0.000	2.555	4.46	3.510	(EST)	0.00	98	$0	$0	$0
199	WHITTIER	0.00	5.136	0.593	3.57	2.083	(EST)	10.70	292	$10,473	$33,185	$33,961
200	EXT FIRE AREAS	0.00	0.000	#.###	##.##	##.###		0.00	1	$0	$66,341	$66,341
									TOTAL	$18,262,861	$25,000,000	$18,321,095

'NEW' VERSION HOUSE BILL NO. 843 (1977 DATA)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 25, 1978

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25
PAYOUT SET TO $25 MILLION (3.3516427)
ADD ON TOTALS $809,987
PRORATION DOWN AFTER SECTION 9 ADD ON ADDITIONS IS .96861730

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	SECTION 9 ADD ON	HB843 ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS								
1 ANCHORAGE (AW)	2.93	0.244	180,653	$2,567,383	$2,876,165	$0	$5,272,715	$8,378,557
2 CITY (SA)	7.07	0.000	67,014	$2,012,843	$0	$0	$1,949,674	$0
3 HILLSIDE (SA)	3.49	0.000	8,937	$99,635	$0	$0	$96,508	$0
4 SPENARD (SA)	7.34	0.000	38,816	$1,142,399	$0	$0	$1,106,547	$0
5 GIRDWOOD (SA)	3.35	0.000	600	$5,472	$0	$0	$5,300	$0
6 GLEN ALPS (SA)	3.37	0.000	65	$589	$0	$0	$570	$0
7 RICH. VISTA (SA)	7.24	0.000	1,105	$92,589	$0	$0	$89,683	$0
8 SAND LAKE (SA)	3.97	0.000	18,915	$345,464	$0	$0	$334,623	$0
9 MULDOON (SA)	4.70	0.000	23,345	$685,791	$0	$0	$664,269	$0
10 RABBIT CREEK (SA)	3.37	0.000	6,532	$102,839	$0	$0	$99,611	$0
11 EAGLE RIVER (SA)	2.28	0.000	7,182	$84,662	$0	$0	$82,005	$0
12 CHUGIAK (SA)	1.28	0.000	5,876	$48,574	$0	$0	$47,049	$0
13 OCEAN VIEW (SA)	4.86	0.000	1,894	$41,193	$0	$0	$39,900	$0
14 OTHER SA	0.52	0.000	372	$492	$0	$0	$477	$0
			TOTAL	$7,229,932	$2,876,165		$9,788,940	$8,378,557
15 BRISTOL BAY BOROUGH (AW)	6.15	8.203	1,311	$90,426	$8,370	$0	$95,696	$32,370
16 SOUTH NAKNEK SA	1.47	0.000	175	$822	$0	$0	$796	$0
			TOTAL	$91,249	$8,370		$96,493	$32,370
17 FAIRBANKS BOROUGH (AW)	1.19	2.227	60,227	$820,245	$113,018	$230,179	$1,126,931	$1,200,637
18 BALLAINE LAKE (SA)	0.81	0.000	168	$1,234	$0	$0	$1,195	$0
19 DIANE (SA)	1.22	0.000	66	$505	$0	$0	$489	$0
20 WILDVIEW ACRES (SA)	0.82	0.000	77	$316	$0	$0	$306	$0
21 SMITH RANCH (SA)	1.63	0.000	438	$5,658	$0	$0	$5,481	$0
22 ENGINEER CREEK (SA)	1.64	0.000	147	$1,861	$0	$0	$1,803	$0
23 ESTER LUMP (SA)	2.04	0.000	10	$37	$0	$0	$36	$0
24 NORTH STAR F.P. (SA)	0.87	0.000	6,500	$26,963	$0	$0	$26,117	$0
25 BECKER RIDGE (SA)	2.35	0.000	108	$620	$0	$0	$600	$0
26 FAIRBANKS (CITY)	6.94	4.603	30,462	$1,807,470	$512,634	$0	$2,247,293	$1,265,807
27 NORTH POLE (CITY)	4.36	9.184	461	$26,217	$18,492	$0	$43,306	$29,890
			TOTAL	$2,691,132	$644,144		$3,453,562	$2,496,336
28 HAINES BOROUGH	1.42	0.000	1,924	$16,530	$0	$0	$16,011	$0
29 HAINES (CITY)	7.62	5.588	1,366	$114,458	$16,528	$0	$126,876	$65,721
			TOTAL	$130,988	$16,528		$142,887	$65,721
30 JUNEAU (AW)	3.62	0.000	20,465	$962,930	$209,030	$0	$1,135,181	$751,062
31 JUNEAU SA1	2.78	9.135	7,259	$457,354	$0	$0	$443,001	$0
32 JUNEAU SA2	1.21	4.128	1,606	$65,404	$0	$0	$63,351	$0
33 JUNEAU SA3	0.79	0.000	197	$514	$0	$0	$498	$0
34 JUNEAU SA4	2.88	0.000	1,370	$16,275	$0	$0	$15,765	$0
35 JUNEAU SA5	2.35	0.000	8,369	$119,712	$0	$0	$115,955	$0
36 JUNEAU SA6	1.89	0.000	719	$7,850	$0	$0	$7,604	$0
37 JUNEAU SA7	1.41	0.000	427	$2,875	$0	$0	$2,784	$0
38 JUNEAU SA8	1.30	0.000	518	$2,451	$0	$0	$2,374	$0

			TOTAL	$1,695,369	$209,030		$1,786,517	$751,062
39	KENAI BOROUGH (AW)	0.00	0.000	24,611	$0	$314,975	$0	$305,090	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.000	14,100	$26,303	$0	$0	$25,478	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	5,300	$66,562	$0	$0	$64,473	$0
42	NORTH KENAI FIRE (SA)	5.45	0.000	3,512	$47,627	$0	$0	$46,132	$0
43	NORTH KENAI REC (SA)	0.84	0.000	3,995	$8,353	$0	$0	$8,091	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	675	$34,370	$0	$0	$33,291	$0
45	HOMER (CITY)	11.26	5.742	1,802	$144,003	$13,754	$0	$152,807	$74,774
46	KACHEMAK (CITY)	1.75	0.000	151	$1,381	$0	$0	$1,338	$0
47	KENAI (CITY)	14.58	7.952	5,364	$449,455	$64,451	$0	$497,779	$246,090
48	SELDOVIA (CITY)	14.48	2.589	612	$51,280	$10,013	$0	$59,370	$26,132
49	SEWARD (CITY)	17.58	0.000	2,279	$190,959	$24,260	$0	$208,466	$96,533
50	SOLDOTNA (CITY)	10.24	7.470	2,586	$216,683	$39,135	$0	$247,790	$123,703
			TOTAL		$1,236,981	$466,590		$1,650,110	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	3.439	11,490	$464,610	$0	$0	$450,029	$84,555
52	SHORELINE (SA)	1.00	0.000	550	$4,067	$0	$0	$3,939	$0
53	KETCHIKAN (CITY)	9.67	8.902	7,928	$664,295	$159,756	$0	$798,190	$393,632
54	SAXMAN (CITY)	0.00	0.000	272	$0	$4,350	$3,944	$8,033	$8,294
			TOTAL		$1,132,973	$164,106		$1,260,193	$486,481
55	KODIAK BOROUGH (AW)	1.83	0.000	7,901	$52,624	$166,949	$0	$212,683	$207,791
56	FIRE DISTRICT (SA)	2.31	0.000	1,546	$27,247	$0	$0	$26,392	$0
57	ROAD DISTRICT (SA)	0.64	0.000	312	$1,422	$0	$0	$1,378	$0
58	KODIAK (CITY)	8.19	6.044	4,960	$277,638	$23,026	$0	$291,228	$190,984
59	AKHIOK (CITY)	0.00	0.000	102	$0	$0	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	137	$0	$0	$1,841	$1,783	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	327	$0	$6,208	$11,073	$16,739	$17,281
62	OUZINKIE (CITY)	0.00	6.484	170	$14,244	$0	$0	$13,797	$2,284
63	PORT LIONS (CITY)	0.00	0.000	227	$0	$3,934	$7,199	$10,784	$11,133
			TOTAL		$373,177	$200,118		$574,787	$431,316
64	MAT-SU BOROUGH (AW)	3.12	0.000	16,724	$237,421	$133,790	$0	$359,562	$295,973
65	WASILLA F(1,8,9,10,11)	0.77	0.000	4,908	$25,058	$0	$0	$24,271	$0
66	BUTTE FIRE (SA)	0.59	0.000	1,818	$6,949	$0	$0	$6,731	$0
67	SUTTON FIRE (SA)	1.71	0.000	594	$11,319	$0	$0	$10,964	$0
68	OTHER AREA (SA)	0.17	0.000	12,924	$11,925	$0	$0	$11,551	$0
69	TALKEETNA FLOOD (SA)	1.99	0.000	223	$4,024	$0	$0	$3,897	$0
70	GARDEN TERRACE (SA)	3.08	0.000	57	$995	$0	$0	$964	$0
71	HOUSTON (CITY)	0.00	0.000	375	$0	$36,494	$4,863	$40,059	$41,357
72	PALMER (CITY)	4.25	8.690	1,859	$143,061	$26,222	$0	$163,972	$86,977
73	WASILLA (CITY)	0.00	0.000	1,566	$0	$65,813	$8,123	$71,617	$73,937
			TOTAL		$440,756	$262,321		$693,592	$498,246
74	NORTH SLOPE BOROUGH (AW)	5.55	0.110	9,139	$168,562	$65,510	$74,120	$298,521	$309,193
75	ANAKTUVUK PASS (CITY)	0.00	0.000	150	$0	$0	$0	$0	$0
76	BARROW (CITY)	0.00	13.319	2,306	$193,222	$0	$0	$187,158	$38,553
77	KAKTOVIK (CITY)	0.00	0.000	123	$0	$0	$2,057	$1,992	$2,057
78	NUIQSUT (CITY)	0.00	0.000	152	$0	$0	$0	$0	$0
79	POINT HOPE (CITY)	0.00	6.696	384	$32,175	$0	$0	$31,166	$0
80	WAINWRIGHT (CITY)	0.00	7.540	341	$28,572	$0	$0	$27,676	$0
			TOTAL		$422,532	$65,510		$546,514	$348,803
81	SITKA BOROUGH	2.10	3.866	7,650	$214,631	$133,982	$35,380	$371,943	$383,994
	FIRST CLASS CITIES								
82	CORDOVA	8.51	12.045	2,406	$201,601	$119,038	$0	$310,577	$211,729
83	CRAIG	5.83	8.783	467	$39,130	$10,405	$0	$47,980	$26,050
84	DILLINGHAM	15.12	10.142	1,269	$106,330	$7,082	$0	$109,854	$60,754
85	GALENA	0.00	14.025	631	$52,872	$19,134	$0	$69,746	$41,499

86	HOONAH	0.00	8.625	848	$71,054	$0	$0	$68,824	$28,715
87	HYDABURG	0.00	15.989	380	$31,840	$7,240	$0	$37,854	$14,650
88	KAKE	0.00	1.142	679	$19,676	$1,587	$0	$20,596	$20,256
89	KING COVE	2.00	2.917	408	$26,405	$5,050	$0	$30,468	$21,275
90	KLAWOCK	0.00	3.411	323	$27,064	$6,535	$0	$32,545	$14,449
91	NENANA	9.16	6.097	521	$43,655	$20,982	$0	$62,608	$40,963
92	NOME	17.39	9.808	2,585	$216,599	$190,119	$0	$393,955	$283,132
93	PELICAN	3.20	9.915	169	$14,160	$6,073	$0	$19,599	$9,616
94	PETERSBURG	12.81	1.231	2,126	$178,139	$100,115	$0	$269,523	$169,595
95	SAINT MARY'S	0.00	0.000	415	$0	$5,200	$16,994	$21,498	$22,194
96	SKAGWAY	9.40	3.402	854	$39,096	$19,618	$0	$56,872	$48,537
97	UNALASKA	9.59	21.412	510	$42,733	$85,382	$0	$124,095	$102,445
98	VALDEZ	4.43	0.000	7,483	$41,246	$119,481	$158,410	$309,122	$417,165
99	ZONE I	1.88	0.000	6,683	$96,885	$0	$0	$93,845	$0
100	ZONE II	0.57	0.000	700	$1,141	$0	$0	$1,106	$0
				TOTAL	$139,274	$119,481		$404,073	$417,165
101	WRANGELL	5.87	9.307	3,152	$264,109	$99,458	$0	$352,158	$209,010
102	ZONE II	2.02	0.000	797	$12,786	$0	$0	$12,384	$0
103	ZONE III	4.11	0.000	100	$1,626	$0	$0	$1,575	$0
104	ZONE IV	5.40	0.000	2,250	$101,001	$0	$0	$97,832	$0
				TOTAL	$379,523	$99,458		$463,950	$209,010
105	YAKUTAT	11.60	4.567	442	$37,035	$0	$0	$35,873	$0
	SECOND CLASS CITIES								
106	AKIACHAK	0.00	0.000	354	$0	$19,630	$11,274	$29,935	$30,904
107	AKIAK	0.00	0.000	165	$0	$0	$1,072	$1,038	$1,072
108	AKOLMIUT	0.00	0.544	608	$4,186	$62,757	$15,178	$79,545	$82,122
109	ALAKANUK	0.00	1.312	527	$12,356	$12,480	$4,429	$28,347	$29,265
110	ALEKNAGIK	0.00	0.000	227	$0	$0	$0	$0	$0
111	ALLAKAKET	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
112	AMBLER	0.00	0.915	217	$2,574	$14,839	$5,117	$21,824	$22,531
113	ANDERSON	0.00	2.240	470	$9,879	$13,004	$8,664	$30,558	$31,548
114	ANGOON	0.00	2.822	287	$12,493	$8,061	$0	$19,910	$18,036
115	ANIAK	0.00	0.000	323	$0	$13,575	$10,584	$23,402	$24,160
116	ANVIK	0.00	0.000	87	$0	$0	$0	$0	$0
117	ATMAUTLUAK	0.00	0.000	169	$0	$5,200	$5,383	$10,251	$10,583
118	BETHEL	0.00	12.613	3,409	$285,643	$116,025	$0	$389,063	$264,487
119	BREVIG MISSION	0.00	0.000	120	$0	$5,580	$2,954	$8,266	$8,534
120	BUCKLAND	0.00	1.998	172	$4,139	$0	$0	$4,009	$0
121	CHEFORNAK	0.00	0.000	192	$0	$0	$1,872	$1,813	$1,872
122	CHEVAK	0.00	1.864	447	$11,303	$0	$0	$10,949	$9,878
123	CHUATHBALUK	0.00	0.000	118	$0	$5,350	$3,866	$8,927	$9,216
124	CLARK'S POINT	0.00	0.000	98	$0	$0	$0	$0	$0
125	DEERING	0.00	3.534	100	$3,540	$5,350	$0	$8,611	$8,626
126	DELTA JUNCTION	0.00	0.000	892	$0	$18,779	$12,822	$30,610	$31,602
127	DIOMEDE	0.00	0.000	135	$0	$5,050	$1,278	$6,130	$6,328
128	EAGLE	2.21	0.000	145	$3,982	$4,071	$0	$7,800	$4,904
129	EEK	0.00	1.602	195	$3,829	$0	$2,382	$6,016	$6,211
130	EKWOK	0.00	0.000	109	$0	$0	$0	$0	$0
131	ELIM	0.00	1.919	205	$4,223	$5,050	$2,635	$11,535	$11,909
132	EMMONAK	0.00	4.460	545	$45,666	$4,699	$0	$48,785	$16,744
133	FORT YUKON	0.00	8.339	637	$53,374	$30,856	$0	$81,587	$53,434
134	FORTUNA LEDGE	0.00	0.000	200	$0	$5,200	$5,070	$9,947	$10,270
135	GAMBELL	0.00	2.682	412	$11,996	$0	$0	$11,619	$6,241
136	GOLOVIN	0.00	0.000	118	$0	$0	$0	$0	$0
137	GOODNEWS BAY	0.00	1.245	248	$3,398	$0	$1,275	$4,528	$4,674
138	GRAYLING	0.00	0.000	167	$0	$0	$2,402	$2,326	$2,402
139	HOLY CROSS	0.00	0.000	212	$0	$13,375	$4,111	$16,937	$17,486
140	HOOPER BAY	0.00	2.528	590	$21,667	$0	$0	$20,987	$0
141	HUGHES	0.00	0.000	98	$0	$0	$1,638	$1,587	$1,638
142	HUSLIA	0.00	0.000	216	$0	$36,587	$4,189	$39,496	$40,776

143	KALTAG	0.00	0.000	240	$0	$2,226	$4,654	$6,565	$6,881
144	KASAAN	0.00	0.000	38	$0	$4,000	$475	$4,334	$4,475
145	KIANA	0.00	0.000	314	$0	$10,405	$7,139	$16,994	$17,545
146	KIVALINA	0.00	1.869	208	$4,569	$7,356	$2,246	$13,727	$14,172
147	KOBUK	0.00	0.000	60	$0	$5,350	$601	$5,765	$5,951
148	KOTLIK	0.00	1.943	284	$10,125	$5,200	$0	$14,844	$11,476
149	KOTZEBUE	0.00	11.586	2,526	$211,656	$3,183	$0	$208,097	$116,363
150	KOYUK	0.00	0.335	160	$741	$5,050	$4,207	$9,685	$9,999
151	KOYUKUK	0.00	0.000	124	$0	$5,350	$829	$5,985	$6,179
152	KUPREANOF	0.00	0.000	42	$0	$0	$0	$0	$0
153	KWETHLUK	0.00	0.000	444	$0	$5,200	$11,255	$15,938	$16,455
154	LOWER KALSKAG	0.00	0.000	195	$0	$5,350	$6,912	$11,877	$12,262
155	MANOKOTAK	0.00	0.901	225	$2,588	$0	$2,951	$5,365	$5,539
156	MCGRATH	0.00	0.000	296	$0	$11,816	$9,699	$20,841	$21,516
157	MEKORYUK	0.00	1.290	184	$2,621	$5,200	$3,716	$11,176	$11,538
158	MOUNTAIN VILLAGE	0.00	4.799	513	$34,462	$5,200	$0	$38,417	$22,873
159	NAPAKIAK	0.00	6.644	276	$18,786	$10,036	$0	$27,918	$18,826
160	NAPASKIAK	0.00	0.000	210	$0	$0	$5,323	$5,156	$5,323
161	NEWHALEN	0.00	0.000	89	$0	$0	$0	$0	$0
162	NEW STUYAHOK	0.00	0.000	230	$0	$0	$0	$0	$0
163	NEWTOK	0.00	0.000	124	$0	$0	$0	$0	$0
164	NIGHTMUTE	0.00	2.540	123	$3,714	$0	$0	$3,597	$799
165	NIKOLAI	0.00	0.000	85	$0	$7,195	$568	$7,520	$7,764
166	NONDALTON	0.00	0.000	226	$0	$0	$0	$0	$0
167	NOORVIK	0.00	2.264	527	$13,050	$9,763	$5,628	$27,550	$28,443
168	NULATO	0.00	0.000	331	$0	$8,225	$2,213	$10,111	$10,439
169	PILOT STATION	0.00	0.257	301	$1,528	$1,950	$8,841	$11,933	$12,320
170	PLATINUM	0.00	0.000	59	$0	$0	$1,879	$1,820	$1,879
171	PORT ALEXANDER	0.00	2.526	51	$1,140	$0	$0	$1,104	$661
172	PORT HEIDEN	0.00	0.000	89	$0	$50,373	$1,405	$50,153	$51,778
173	QUINHAGAK	0.00	1.037	395	$4,691	$5,512	$5,322	$15,038	$15,525
174	RUBY	0.00	0.000	219	$0	$0	$3,662	$3,547	$3,662
175	RUSSIAN MISSION	0.00	0.000	158	$0	$1,716	$410	$2,060	$2,126
176	SAINT MICHAEL	0.00	0.000	206	$0	$5,050	$5,071	$9,803	$10,121
177	SAINT PAUL	0.00	5.751	550	$30,152	$68,999	$0	$96,040	$85,410
178	SAND POINT	0.00	12.392	544	$45,582	$25,691	$0	$69,037	$40,458
179	SAVOONGA	0.00	0.652	409	$2,828	$5,050	$9,822	$17,145	$17,701
180	SCAMMON BAY	0.00	1.422	193	$4,810	$0	$1,336	$5,954	$6,147
181	SELAWIK	0.00	12.526	521	$43,655	$0	$0	$42,285	$17,073
182	SHAGELUK	0.00	0.000	169	$0	$12,070	$2,826	$14,429	$14,897
183	SHAKTOOLIK	0.00	0.966	160	$1,828	$0	$0	$1,770	$0
184	SHELDON POINT	0.00	0.000	136	$0	$0	$0	$0	$0
185	SHISHMAREF	0.00	2.183	326	$8,237	$8,534	$2,669	$18,831	$19,441
186	SHUNGNAK	0.00	2.184	182	$4,330	$5,350	$0	$9,376	$9,488
187	STEBBINS	0.00	1.035	298	$3,618	$0	$5,398	$8,928	$9,217
188	TANANA	0.00	1.610	499	$7,445	$22,169	$0	$28,685	$25,506
189	TELLER	0.00	1.090	219	$2,911	$10,144	$1,788	$14,378	$14,844
190	TENAKEE SPRINGS	0.00	0.000	140	$0	$1,556	$4,575	$5,939	$6,131
191	TOGIAK	0.00	2.850	419	$14,082	$0	$0	$13,640	$10,315
192	TOKSOOK BAY	0.00	2.168	317	$10,037	$5,200	$883	$15,615	$16,121
193	TULUKSAK	0.00	0.000	202	$0	$0	$0	$0	$0
194	TUNUNAK	0.00	0.523	299	$1,901	$5,200	$5,679	$12,379	$12,780
195	UNALAKLEET	0.00	0.000	630	$0	$22,510	$11,135	$32,589	$33,645
196	UPPER KALSKAG	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
197	WALES	0.00	0.896	109	$1,113	$0	$0	$1,078	$0
198	WHITE MOUNTAIN	0.00	0.000	98	$0	$0	$0	$0	$0
199	WHITTIER	0.00	5.136	292	$10,473	$22,712	$776	$32,895	$33,961
200	EXT FIRE AREAS	0.00	0.000	1	$0	$66,341	$0	$64,259	$66,341
				TOTAL	$18,262,861	$6,737,139		$25,000,000	$18,321,095

COMPARISON OF REVENUE SHARING OPTIONS

ESTIMATED PAYOUTS IN 1977

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
APRIL 6, 1978

	LOCAL GOVERNMENT	POP	HB 843	PER CENT	EXIST.LAW	PER CENT	HB 70	PER CENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS								
1	ANCHORAGE (AW)	180,653	$5,121,008		$8,378,557		$11,269,005	
2	CITY (SA)	67,014	$1,953,352		$0		$0	
3	HILLSIDE (SA)	8,937	$96,690		$0		$0	
4	SPENARD (SA)	38,816	$1,108,634		$0		$0	
5	GIRDWOOD (SA)	600	$5,310		$0		$0	
6	GLEN ALPS (SA)	65	$572		$0		$0	
7	RICH. VISTA (SA)	1,105	$89,852		$0		$0	
8	SAND LAKE (SA)	18,915	$335,254		$0		$0	
9	MULDOON (SA)	23,345	$665,522		$0		$0	
10	RABBIT CREEK (SA)	6,532	$99,799		$0		$0	
11	EAGLE RIVER (SA)	7,182	$82,159		$0		$0	
12	CHUGIAK (SA)	5,876	$47,138		$0		$0	
13	OCEAN VIEW (SA)	1,894	$39,976		$0		$0	
14	OTHER SA	372	$478		$0		$0	
		TOTAL	$9,645,751	35.72%	$8,378,557	45.66%	$11,269,005	46.09%
15	BRISTOL BAY BOROUGH (AW)	1,311	$95,964		$32,370		$32,370	
16	SOUTH NAKNEK SA	175	$798		$0		$0	
		TOTAL	$96,762	0.35%	$32,370	0.17%	$32,370	0.13%
17	FAIRBANKS BOROUGH (AW)	60,227	$1,141,607		$1,200,637		$1,339,160	
18	BALLAINE LAKE (SA)	168	$1,198		$0		$0	
19	DIANE (SA)	66	$490		$0		$0	
20	WILDVIEW ACRES (SA)	77	$307		$0		$0	
21	SMITH RANCH (SA)	438	$5,491		$0		$0	
22	ENGINEER CREEK (SA)	144	$1,806		$0		$0	
23	ESTER LUMP (SA)	10	$36		$0		$0	
24	NORTH STAR F.P. (SA)	6,500	$26,166		$0		$0	
25	BECKER RIDGE (SA)	108	$601		$0		$0	
26	FAIRBANKS (CITY)	30,462	$2,256,892		$1,265,807		$1,337,869	
27	NORTH POLE (CITY)	461	$43,581		$29,890		$30,951	
		TOTAL	$3,478,180	12.88%	$2,496,336	13.60%	$2,705,981	11.06%
28	HAINES BOROUGH	1,924	$26,361		$0		$26,875	
29	HAINES (CITY)	1,366	$127,288		$65,721		$68,658	
		TOTAL	$153,649	0.56%	$65,721	0.35%	$95,533	0.39%
30	JUNEAU (AW)	20,465	$1,139,507		$751,062		$1,037,572	
31	JUNEAU SA1	7,259	$443,836		$0		$0	
32	JUNEAU SA2	1,606	$63,471		$0		$0	
33	JUNEAU SA3	197	$499		$0		$0	
34	JUNEAU SA4	1,370	$15,794		$0		$0	
35	JUNEAU SA5	8,369	$116,174		$0		$0	
36	JUNEAU SA6	719	$7,618		$0		$0	
37	JUNEAU SA7	427	$2,790		$0		$0	
38	JUNEAU SA8	518	$2,379		$0		$0	
		TOTAL	$1,792,072	6.63%	$751,062	4.09%	$1,037,572	4.24%
39	KENAI BOROUGH (AW)	24,611	$308,959		$470,590		$576,418	
40	CENTRAL HOSPITAL (SA)	14,100	$25,526		$0		$0	

41	SOUTH HOSPITAL (SA)	5,300	$64,595		$0		$0	
42	NORTH KENAI FIRE (SA)	3,512	$46,219		$0		$0	
43	NORTH KENAI REC (SA)	3,995	$8,106		$0		$0	
44	BEAR CREEK FIRE (SA)	675	$33,354		$0		$0	
45	HOMER (CITY)	1,802	$153,239		$74,774		$74,774	
46	KACHEMAK (CITY)	151	$26,361		$0		$26,875	
47	KENAI (CITY)	5,364	$499,391		$246,090		$274,921	
48	SELDOVIA (CITY)	612	$59,586		$26,132		$26,132	
49	SEWARD (CITY)	2,279	$209,113		$96,533		$96,533	
50	SOLDOTNA (CITY)	2,586	$248,667		$126,703		$140,603	
	TOTAL		$1,683,121	6.23%	$1,040,825	5.67%	$1,216,259	4.97%
51	KETCHIKAN BOROUGH (AW)	11,490	$450,878		$84,555		$130,515	
52	SHORELINE (SA)	550	$3,947		$0		$0	
53	KETCHIKAN (CITY)	7,928	$801,366		$393,632		$425,344	
54	SAXMAN (CITY)	272	$24,522		$8,294		$25,000	
	TOTAL		$1,280,714	4.74%	$486,481	2.65%	$580,859	2.37%
55	KODIAK BOROUGH (AW)	7,901	$214,830		$207,791		$224,778	
56	FIRE DISTRICT (SA)	1,546	$26,442		$0		$0	
57	ROAD DISTRICT (SA)	312	$1,380		$0		$0	
58	KODIAK (CITY)	4,960	$292,018		$190,984		$212,312	
59	AKHIOK (CITY)	102	$26,361		$0		$26,875	
60	LARSEN BAY (CITY)	137	$26,361		$1,841		$26,875	
61	OLD HARBOR (CITY)	327	$26,361		$17,281		$26,875	
62	OUZINKIE (CITY)	170	$26,361		$2,284		$26,875	
63	PORT LIONS (CITY)	227	$26,361		$11,133		$26,875	
	TOTAL		$666,480	2.46%	$431,316	2.35%	$571,465	2.33%
64	MAT-SU BOROUGH (AW)	16,724	$361,640		$295,973		$365,378	
65	WASILLA F(1,8,9,10,11)	4,908	$24,317		$0		$0	
66	BUTTE FIRE (SA)	1,818	$6,743		$0		$0	
67	SUTTON FIRE (SA)	594	$10,984		$0		$0	
68	OTHER AREA (SA)	12,924	$11,573		$0		$0	
69	TALKEETNA FLOOD (SA)	223	$3,905		$0		$0	
70	GARDEN TERRACE (SA)	57	$966		$0		$0	
71	HOUSTON (CITY)	375	$40,567		$41,357		$41,357	
72	PALMER (CITY)	1,859	$164,555		$86,977		$86,977	
73	WASILLA (CITY)	1,566	$72,525		$73,937		$73,937	
	TOTAL		$697,779	2.52%	$498,246	2.71%	$567,651	2.32%
74	NORTH SLOPE BOROUGH (AW)	9,139	$302,306		$308,193		$308,193	
75	ANAKTUVUK PASS (CITY)	150	$32,798		$0		$33,437	
76	BARROW (CITY)	2,306	$187,511		$38,553		$38,553	
77	KAKTOVIK (CITY)	123	$32,798		$2,057		$33,437	
78	NUIQSUT (CITY)	152	$32,798		$0		$33,437	
79	POINT HOPE (CITY)	384	$32,798		$0		$33,437	
80	WAINWRIGHT (CITY)	341	$32,798		$0		$33,437	
	TOTAL		$653,812	2.42%	$348,803	1.90%	$513,934	2.10%
81	SITKA BOROUGH	7,650	$376,660	1.39%	$383,994	2.09%	$455,426	1.86%
	FIRST CLASS CITIES							
82	CORDOVA	2,406	$312,407	1.15%	$211,729	1.15%	$222,797	0.91%
83	CRAIG	467	$48,180	0.17%	$26,050	0.14%	$26,050	0.10%
84	DILLINGHAM	1,269	$110,135	0.40%	$60,754	0.33%	$60,754	0.24%
85	GALENA	631	$70,078	0.25%	$41,499	0.22%	$41,499	0.16%
86	HOONAH	848	$68,954	0.25%	$28,715	0.15%	$28,715	0.11%
87	HYDABURG	380	$38,001	0.14%	$14,650	0.07%	$14,650	0.05%
88	KAKE	679	$25,442	0.09%	$20,256	0.11%	$25,937	0.10%
89	KING COVE	408	$30,578	0.11%	$21,275	0.11%	$21,275	0.08%

90	KLAWOCK	323	$32,674	0.12%	$14,449	0.07%	$14,449	0.05%
91	NENANA	521	$62,946	0.23%	$40,963	0.22%	$42,317	0.17%
92	NOME	2,585	$396,686	1.46%	$283,132	1.54%	$283,132	1.15%
93	PELICAN	169	$26,361	0.09%	$9,616	0.05%	$26,875	0.10%
94	PETERSBURG	2,126	$271,078	1.00%	$169,595	0.92%	$174,007	0.71%
95	SAINT MARY'S	415	$31,879	0.11%	$22,194	0.12%	$32,500	0.13%
96	SKAGWAY	854	$57,184	0.21%	$48,537	0.26%	$50,373	0.20%
97	UNALASKA	510	$125,222	0.46%	$102,445	0.55%	$102,445	0.41%
98	VALDEZ	7,483	$314,067		$417,165		$452,709	
99	ZONE I	6,683	$94,022		$0		$0	
100	ZONE II	700	$1,108		$0		$0	
		TOTAL	$409,197	1.51%	$417,165	2.27%	$452,709	1.85%
101	WRANGELL	3,152	$353,862		$209,010		$215,551	
102	ZONE II	797	$12,408		$0		$0	
103	ZONE III	100	$1,578		$0		$0	
104	ZONE IV	2,250	$98,016		$0		$0	
		TOTAL	$465,865	1.72%	$209,010	1.13%	$215,551	0.88%
105	YAKUTAT	442	$35,941	0.13%	$0	0.00%	$0	0.00%
	SECOND CLASS CITIES							
106	AKIACHAK	354	$31,879	0.11%	$30,904	0.16%	$32,500	0.13%
107	AKIAK	165	$31,879	0.11%	$1,072	0.00%	$32,500	0.13%
108	AKOLMIUT	608	$80,553	0.29%	$82,122	0.44%	$82,122	0.33%
109	ALAKANUK	527	$31,879	0.11%	$29,265	0.15%	$32,500	0.13%
110	ALEKNAGIK	227	$30,959	0.11%	$0	0.00%	$31,562	0.12%
111	ALLAKAKET	164	$32,798	0.12%	$2,741	0.01%	$33,437	0.13%
112	AMBLER	217	$32,798	0.12%	$22,531	0.12%	$33,437	0.13%
113	ANDERSON	470	$32,798	0.12%	$31,548	0.17%	$33,437	0.13%
114	ANGOON	287	$25,442	0.09%	$18,036	0.09%	$25,937	0.10%
115	ANIAK	323	$32,798	0.12%	$24,160	0.13%	$33,437	0.13%
116	ANVIK	87	$32,798	0.12%	$0	0.00%	$33,437	0.13%
117	ATMAUTLUAK	169	$31,879	0.11%	$10,583	0.05%	$32,500	0.13%
118	BETHEL	3,409	$391,010	1.44%	$264,487	1.44%	$273,351	1.11%
119	BREVIG MISSION	120	$30,959	0.11%	$8,534	0.04%	$31,562	0.12%
120	BUCKLAND	172	$32,798	0.12%	$0	0.00%	$33,437	0.13%
121	CHEFORNAK	192	$31,879	0.11%	$1,872	0.01%	$32,500	0.13%
122	CHEVAK	447	$31,879	0.11%	$9,878	0.05%	$32,500	0.13%
123	CHUATHBALUK	118	$32,798	0.12%	$9,216	0.05%	$33,437	0.13%
124	CLARK'S POINT	98	$30,959	0.11%	$0	0.00%	$31,562	0.12%
125	DEERING	100	$32,798	0.12%	$8,626	0.04%	$33,437	0.13%
126	DELTA JUNCTION	892	$30,998	0.11%	$31,602	0.17%	$35,705	0.14%
127	DIOMEDE	135	$30,959	0.11%	$6,328	0.03%	$31,562	0.12%
128	EAGLE	145	$28,200	0.10%	$4,904	0.02%	$28,750	0.11%
129	EEK	195	$31,879	0.11%	$6,211	0.03%	$32,500	0.13%
130	EKWOK	109	$30,959	0.11%	$0	0.00%	$31,562	0.12%
131	ELIM	205	$30,959	0.11%	$11,909	0.06%	$31,562	0.12%
132	EMMONAK	545	$48,926	0.18%	$16,744	0.09%	$16,744	0.06%
133	FORT YUKON	637	$82,064	0.30%	$53,434	0.29%	$53,434	0.21%
134	FORTUNA LEDGE	200	$31,879	0.11%	$10,270	0.05%	$32,500	0.13%
135	GAMBELL	412	$30,959	0.11%	$6,241	0.03%	$31,562	0.12%
136	GOLOVIN	118	$30,959	0.11%	$0	0.00%	$31,562	0.12%
137	GOODNEWS BAY	248	$31,879	0.11%	$4,674	0.02%	$32,500	0.13%
138	GRAYLING	167	$32,798	0.12%	$2,402	0.01%	$33,437	0.13%
139	HOLY CROSS	212	$32,798	0.12%	$17,486	0.09%	$33,437	0.13%
140	HOOPER BAY	590	$31,879	0.11%	$0	0.00%	$32,500	0.13%
141	HUGHES	98	$32,798	0.12%	$1,638	0.00%	$33,437	0.13%
142	HUSLIA	216	$39,997	0.14%	$40,776	0.22%	$40,776	0.16%
143	KALTAG	240	$32,798	0.12%	$6,881	0.03%	$33,437	0.13%
144	KASAAN	38	$24,522	0.09%	$4,475	0.02%	$25,000	0.10%
145	KIANA	314	$32,798	0.12%	$17,545	0.09%	$33,437	0.13%
146	KIVALINA	208	$32,798	0.12%	$14,172	0.07%	$33,437	0.13%

147	KOBUK	60	$32,798	0.12%	$5,951	0.03%	$33,437	0.13%
148	KOTLIK	284	$31,879	0.11%	$11,476	0.06%	$32,500	0.13%
149	KOTZEBUE	2,526	$235,942	0.87%	$144,317	0.78%	$144,317	0.59%
150	KOYUK	160	$30,959	0.11%	$9,999	0.05%	$31,562	0.12%
151	KOYUKUK	124	$32,798	0.12%	$6,179	0.03%	$33,437	0.13%
152	KUPREANOF	42	$25,442	0.09%	$0	0.00%	$25,937	0.10%
153	KWETHLUK	444	$31,879	0.11%	$16,455	0.08%	$32,500	0.13%
154	LOWER KALSKAG	195	$32,798	0.12%	$12,262	0.06%	$33,437	0.13%
155	MANOKOTAK	225	$30,959	0.11%	$5,539	0.03%	$31,562	0.12%
156	MCGRATH	296	$32,798	0.12%	$21,516	0.11%	$33,437	0.13%
157	MEKORYUK	184	$31,879	0.11%	$11,538	0.06%	$32,500	0.13%
158	MOUNTAIN VILLAGE	513	$38,544	0.14%	$22,873	0.12%	$22,873	0.09%
159	NAPAKIAK	276	$31,879	0.11%	$18,826	0.10%	$32,500	0.13%
160	NAPASKIAK	210	$31,879	0.11%	$5,323	0.02%	$32,500	0.13%
161	NEWHALEN	89	$30,959	0.11%	$0	0.00%	$31,562	0.12%
162	NEW STUYAHOK	230	$30,959	0.11%	$0	0.00%	$31,562	0.12%
163	NEWTOK	124	$31,879	0.11%	$0	0.00%	$32,500	0.13%
164	NIGHTMUTE	123	$31,879	0.11%	$799	0.00%	$32,500	0.13%
165	NIKOLAI	85	$32,798	0.12%	$7,764	0.04%	$33,437	0.13%
166	NONDALTON	226	$30,959	0.11%	$0	0.00%	$31,562	0.12%
167	NOORVIK	527	$32,798	0.12%	$28,443	0.15%	$33,437	0.13%
168	NULATO	331	$32,798	0.12%	$10,439	0.05%	$33,437	0.13%
169	PILOT STATION	301	$31,879	0.11%	$12,320	0.06%	$32,500	0.13%
170	PLATINUM	59	$31,879	0.11%	$1,879	0.01%	$32,500	0.13%
171	PORT ALEXANDER	51	$25,442	0.09%	$661	0.00%	$25,937	0.10%
172	PORT HEIDEN	89	$50,789	0.18%	$51,778	0.28%	$51,778	0.21%
173	QUINHAGAK	395	$31,879	0.11%	$15,525	0.08%	$32,500	0.13%
174	RUBY	219	$32,798	0.12%	$3,662	0.01%	$33,437	0.13%
175	RUSSIAN MISSION	158	$31,879	0.11%	$2,126	0.01%	$32,500	0.13%
176	SAINT MICHAEL	206	$30,959	0.11%	$10,121	0.05%	$31,562	0.12%
177	SAINT PAUL	550	$96,942	0.35%	$85,410	0.46%	$85,410	0.34%
178	SAND POINT	544	$69,436	0.25%	$40,458	0.22%	$40,458	0.16%
179	SAVOONGA	409	$30,959	0.11%	$17,701	0.09%	$31,562	0.12%
180	SCAMMON BAY	193	$31,879	0.11%	$6,147	0.03%	$32,500	0.13%
181	SELAWIK	521	$42,364	0.15%	$17,073	0.09%	$17,073	0.06%
182	SHAGELUK	169	$32,798	0.12%	$14,897	0.08%	$33,437	0.13%
183	SHAKTOOLIK	160	$30,959	0.11%	$0	0.00%	$31,562	0.12%
184	SHELDON POINT	136	$31,879	0.11%	$0	0.00%	$32,500	0.13%
185	SHISHMAREF	326	$30,959	0.11%	$19,441	0.10%	$31,562	0.12%
186	SHUNGNAK	182	$32,798	0.12%	$9,488	0.05%	$33,437	0.13%
187	STEBBINS	298	$30,959	0.11%	$9,217	0.05%	$31,562	0.12%
188	TANANA	499	$32,798	0.12%	$25,506	0.13%	$33,437	0.13%
189	TELLER	219	$30,959	0.11%	$14,844	0.08%	$31,562	0.12%
190	TENAKEE SPRINGS	140	$25,442	0.09%	$6,131	0.03%	$25,937	0.10%
191	TOGIAK	419	$30,959	0.11%	$10,315	0.05%	$31,562	0.12%
192	TOKSOOK BAY	317	$31,879	0.11%	$16,121	0.08%	$32,500	0.13%
193	TULUKSAK	202	$31,879	0.11%	$0	0.00%	$32,500	0.13%
194	TUNUNAK	299	$31,879	0.11%	$12,780	0.06%	$32,500	0.13%
195	UNALAKLEET	630	$33,002	0.12%	$33,645	0.18%	$33,645	0.13%
196	UPPER KALSKAG	164	$32,798	0.12%	$2,741	0.01%	$33,437	0.13%
197	WALES	109	$30,959	0.11%	$0	0.00%	$31,562	0.12%
198	WHITE MOUNTAIN	98	$30,959	0.11%	$0	0.00%	$31,562	0.12%
199	WHITTIER	292	$33,313	0.12%	$33,961	0.18%	$33,961	0.13%
200	EXT FIRE AREAS	1	$65,073	0.24%	$66,341	0.36%	$66,341	0.27%
	TOTAL		$26,999,999		$18,349,049		$24,446,341	

PROPOSED REVENUE SHARING (1976 DATA)

PRINTOUT #2

REVMOD8--LOCAL EFFORT MODIFIED BY PROPERTY VALUE AND INCOME
COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25
LOCAL EFFORT=(PROPERTY TAX + (2.3*SALES TAX))*(THE AVERAGE OF THE PCI AND PROPERTY VALUE RATIOS)
PAYOUT SET TO $25 MILLION (3.585356205)

SN	LOCAL GOV'T	PROPERTY TAX	SALES TAX	PCI RATIO	PROPERTY RATIO	AVE RATIO		LOCAL EFFORT	POP.	COLA	NEW ENTITLEMENT	TOTAL (+ RHM)	PRESENT ENTITLEMENT	
1	ANCH (OUTSIDE SA)	3.33	0.000	0.917	0.27	0.596	(EST)	1.98	350	1.0000	$2,492	$2,189,200	$2,192,308	
2	CHUGIAK (SA)	3.98	0.000	0.917	2.00	1.460		5.81	4,893	1.0000	$101,960	$101,960	$90,521	
3	ANCH CITY (SA)	11.75	0.000	0.917	1.47	1.194		14.03	69,851	1.0000	$3,514,370	$3,514,370	$2,828,966	
4	GIRDWOOD(SA)	5.68	0.000	0.917	0.89	0.905		5.14	371	1.0000	$6,842	$6,842	$8,719	
5	GLENN ALPS(SA)	7.89	0.000	0.917	0.73	0.824		6.50	64	1.0000	$1,493	$1,493	$704	
6	EAGLE RIVER(SA)	4.64	0.000	0.917	1.46	1.191		5.52	6,226	1.0000	$123,367	$123,367	$115,181	
7	MULDOON(SA)	7.17	0.000	0.917	2.09	1.507		10.80	22,664	1.0000	$878,243	$878,243	$532,599	
8	RABBIT CREEK (SA)	5.55	0.000	0.917	1.96	1.438		7.98	8,196	1.0000	$234,676	$234,676	$192,606	
9	SAND LAKE(SA)	7.17	0.000	0.917	1.41	1.164		8.34	16,840	1.0000	$503,954	$503,954	$395,740	
10	ANCH SA 30	5.83	0.000	0.917	0.76	0.841	(EST)	4.90	9,309	1.0000	$163,711	$163,711	$218,761	
11	SPENARD(SA)	11.65	0.000	0.917	1.19	1.055		12.29	36,839	1.0000	$1,623,923	$1,623,923	$1,307,784	
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									ANCHORAGE TOTALS		$7,155,036	$9,341,744	$7,883,889	+
12	JUNEAU(SA1)	9.90	3.000	0.799	1.65	1.229		20.66	7,167	1.0000	$530,890	$694,175	$417,714	
13	JUNEAU(SA2)	9.30	3.000	0.799	2.71	1.757		25.00	1,514	1.0000	$135,705	$135,705	$53,747	
14	JUNEAU(SA3)	9.10	1.000	0.799	0.86	0.833		9.50	194	1.0000	$6,607	$6,607	$2,716	
15	JUNEAU(SA4)	9.10	1.000	0.799	1.16	0.984		11.21	1,318	1.0000	$53,011	$53,011	$30,973	
16	JUNEAU(SA5)	9.70	1.000	0.799	2.03	1.419		17.03	7,434	1.0000	$454,011	$454,011	$174,699	
17	JUNEAU(SA6)	9.40	1.000	0.799	1.79	1.296		15.16	667	1.0000	$36,268	$36,268	$14,341	
18	JUNEAU(SA7)	9.10	1.000	0.799	1.51	1.158		13.20	420	1.0000	$19,885	$19,885	$9,870	
19	JUNEAU(SA8)	9.50	1.000	0.799	0.99	0.894		10.55	479	1.0000	$18,133	$18,133	$10,298	
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									JUNEAU TOTALS		$1,254,514	$1,417,799	$714,358	+
20	SITKA BOROUGH	4.00	2.000	0.964	1.40	1.182		10.17	7,100	1.0375	$258,895	$359,226	$347,100	+
21	BRISTOL BAY BOR	5.50	3.000	0.951	1.30	1.128		13.99	1,147	1.2625	$57,535	$65,905	$22,127	
22	FAIRBANKS BOR	1.60	2.000	0.844	1.44	1.145		7.10	60,227	1.1500	$1,533,692	$1,617,941	$1,109,966	
23	FAIRBANKS CITY	10.00	3.000	0.743	1.96	1.352		22.86	30,462	1.1500	$2,497,324	$2,945,027	$1,270,938	
24	NORTH POLE	5.80	3.000	1.352	1.35	1.356		17.22	461	1.1500	$28,464	$46,577	$29,511	
25	KENAI BOROUGH	1.80	0.000	1.070	0.63	0.852		1.53	19,407	1.0750	$106,770	$421,745	$437,275	-
26	SELDOVIA	16.50	1.000	1.004	3.39	2.199		25.00	612	1.0750	$54,855	$64,692	$25,954	
27	HOMER	14.00	2.000	1.009	1.42	1.215		22.61	1,538	1.0750	$124,706	$137,203	$64,577	
28	KENAI CITY	16.20	3.000	1.056	2.46	1.761		25.00	5,223	1.0750	$468,157	$521,870	$230,576	
29	SEWARD	20.00	0.000	1.005	2.14	1.573		25.00	1,823	1.0750	$163,402	$187,663	$82,073	
30	SOLDOTNA	10.20	2.000	1.080	1.72	1.404		20.78	1,800	1.0750	$134,119	$174,721	$101,555	
31	KACHEMAK	4.00	0.000	1.881	2.97	2.426	(EST)	9.70	151	1.0750	$5,254	$5,254	$0	
32	KETCHIKAN BOR	4.70	1.500	1.006	1.36	1.185		9.65	11,262	1.0000	$389,964	$511,964	$204,959	
33	KETCHIKAN CITY	11.80	2.500	1.032	1.65	1.344		23.59	7,770	1.0000	$657,304	$682,204	$254,115	
34	SAXMAN	0.00	0.000	1.718	1.98	1.849	(EST)	0.00	272	1.0000	$0	$0	$0	
35	KODIAK BOR	2.00	0.000	1.024	1.61	1.317		2.63	7,901	1.0750	$74,634	$211,696	$184,259	
36	KODIAK CITY	9.10	3.000	0.927	1.33	1.131		18.10	4,960	1.0750	$321,962	$343,973	$189,968	
37	AKHIOK	0.00	0.000	2.376	2.46	2.418	(EST)	0.00	102	1.0750	$0	$0	$0	
38	LARSEN BAY	0.00	0.000	1.241	2.46	1.850	(EST)	0.00	80	1.0750	$0	$0	$430	
39	OLD HARBOR	0.00	0.000	2.261	2.46	2.360	(EST)	0.00	327	1.0750	$0	$10,508	$19,121	
40	OUZINKIE	0.00	3.000	1.939	2.46	2.200	(EST)	15.18	173	1.0750	$9,415	$9,415	$0	
41	PORT LIONS	0.00	0.000	1.126	2.46	1.793	(EST)	0.00	227	1.0750	$0	$7,589	$14,788	-
42	MAT-SU BOR	3.80	0.000	1.363	0.95	1.160		4.40	14,606	1.0375	$230,940	$318,121	$246,037	
43	PALMER	5.00	2.000	1.280	2.15	1.719		16.50	1,655	1.0375	$97,922	$124,083	$71,663	
44	HOUSTON	0.00	0.000	2.020	2.97	2.495	(EST)	0.00	375	1.0375	$0	$34,004	$36,922	-
45	WASILLA	0.00	0.000	1.373	2.97	2.172	(EST)	0.00	1,566	1.0375	$0	$47,605	$47,605	
46	NORTH SLOPE BOR	6.80	0.000	1.229	0.20	0.719		4.89	12,614	1.3375	$221,222	$292,082	$425,156	-

47	ANAKTUVIK PASS	0.00	0.000	4.850	11.88	8.367	(EST)	0.00	150	1.3375	$0	$0	$0
48	BARROW	0.00	3.000	1.303	3.96	2.932	(EST)	20.23	2,307	1.3375	$167,378	$167,378	$38,570
49	KAKTOVIK	0.00	0.000	0.868	11.88	6.376	(EST)	0.00	123	1.3375	$0	$0	$822
50	NUIQSUT	0.00	0.000	4.831	11.88	8.358	(EST)	0.00	152	1.3375	$0	$0	$0
51	POINT HOPE	0.00	3.000	2.321	11.80	7.103	(EST)	25.00	384	1.3375	$34,419	$34,419	$0
52	WAINWRIGHT	0.00	2.000	2.809	11.88	7.346	(EST)	25.00	341	1.3375	$30,565	$30,565	$0
53	AKIACHAK	0.00	0.000	5.333	11.88	8.609	(EST)	0.00	371	1.3000	$0	$0	$0
54	AKIAK	0.00	0.000	6.173	11.88	9.028	(EST)	0.00	186	1.3000	$0	$0	$0
55	AKOLMIUT	0.00	1.000	5.240	11.88	8.562	(EST)	19.69	608	1.3000	$42,931	$105,689	$82,122
56	ALAKANUK	0.00	1.000	5.360	11.88	8.622	(EST)	19.83	526	1.3000	$37,401	$45,201	$24,553
57	ALEKNAGIK	0.00	0.000	5.297	11.88	8.591	(EST)	0.00	227	1.2625	$0	$0	$0
58	ALLAKAKET	0.00	0.000	2.762	11.88	7.323	(EST)	0.00	164	1.3375	$0	$0	$0
59	AMBLER	0.00	2.000	4.744	11.88	8.314	(EST)	25.00	217	1.3375	$19,450	$34,290	$22,531
60	ANDERSON	0.00	3.000	1.096	11.88	6.490	(EST)	25.00	470	1.3375	$42,127	$52,636	$21,509
61	ANGOON	0.00	2.000	5.015	11.88	8.450	(EST)	25.00	437	1.0375	$39,170	$47,231	$22,343
62	ANIAK	0.00	0.000	5.858	11.88	8.871	(EST)	0.00	323	1.3375	$0	$8,225	$18,810
63	ANVIK	0.00	0.000	5.554	11.88	8.719	(EST)	0.00	87	1.3375	$0	$0	$0
64	ATMAUTLUAK	0.00	0.000	3.888	11.88	7.886	(EST)	0.00	114	1.3000	$0	$5,200	$8,830
65	BETHEL	0.00	3.000	1.307	4.24	2.776	(EST)	19.15	3,247	1.3000	$222,989	$325,884	$244,302
66	BREVIG MISSION	0.00	3.000	3.971	11.88	7.928	(EST)	25.00	120	1.2625	$10,756	$16,336	$8,534
67	BUCKLAND	0.00	2.000	3.949	11.88	7.917	(EST)	25.00	172	1.3375	$15,417	$20,767	$7,075
68	CHEFORNAK	0.00	0.000	3.038	11.88	7.461	(EST)	0.00	182	1.3000	$0	$0	$0
69	CHEVAK	0.00	2.000	3.141	11.88	7.513	(EST)	25.00	447	1.3000	$40.066	$40,066	$0
70	CHUATHBALUK	0.00	0.000	6.718	11.88	9.301	(EST)	0.00	119	1.3375	$0	$0	$318
71	CLARKS POINT	0.00	0.000	1.242	11.88	6.563	(EST)	0.00	98	1.2625	$0	$0	$0
72	CORDOVA	10.00	3.000	0.996	2.29	1.645		25.00	2,406	1.1500	$215,659	$319,964	$202,529
73	CRAIG	7.00	3.000	1.173	2.89	2.035		25.00	467	1.0000	$41,859	$48,264	$22,050
74	DEERING	0.00	3.000	2.195	11.88	7.040	(EST)	25.00	100	1.3375	$8,963	$14,313	$8,626
75	DELTA JUNCTION	0.00	0.000	1.215	2.12	1.668	(EST)	0.00	892	1.1500	$0	$17,572	$32,446
76	DILLINGHAM	18.50	1.000	1.271	2.87	2.071		25.00	1,176	1.2625	$105,409	$112,245	$53,604
77	DIOMEDE	0.00	0.000	2.991	11.88	7.438	(EST)	0.00	90	1.2625	$0	$0	$0
78	EAGLE	3.00	0.000	3.210	3.96	3.586		10.75	178	1.1500	$6,866	$10,937	$5,094
79	EEK	0.00	2.000	4.846	11.88	8.365	(EST)	25.00	195	1.3000	$17,478	$17,478	$0
80	EKWOK	0.00	0.000	3.121	11.88	7.503	(EST)	0.00	109	1.2625	$0	$0	$0
81	ELIM	0.00	2.000	2.815	11.88	7.350	(EST)	25.00	205	1.2625	$18,374	$23,424	$10,615
82	EMMONAK	0.00	2.000	6.578	11.88	9.231	(EST)	25.00	524	1.3000	$46,968	$51,667	$21,388
83	FORT YUKON	0.00	3.000	1.777	11.88	6.831	(EST)	25.00	637	1.3375	$57,096	$87,952	$51,730
84	FORTUNA LEDGE	0.00	0.000	3.382	11.88	7.633	(EST)	0.00	200	1.3000	$0	$9,262	$15,632
85	GALENA	0.00	2.600	1.318	11.79	6.556		25.00	631	1.3375	$56,558	$70,596	$38,090
86	GAMBELL	0.00	3.000	2.923	11.88	7.404	(EST)	25.00	412	1.2625	$36,929	$52,457	$25,671
87	GOLOVIN	0.00	0.000	3.409	11.88	7.647	(EST)	0.00	118	1.2625	$0	$5,050	$6,912
88	GOODNEWS BAY	0.00	3.000	3.573	11.88	7.729	(EST)	25.00	248	1.3000	$22,229	$23,691	$9,361
89	GRAYLING	0.00	0.000	4.740	11.88	8.312	(EST)	0.00	167	1.3375	$0	$0	$0
90	HAINES	7.73	3.000	1.362	2.23	1.798		25.00	1,366	1.0750	$122,439	$136,791	$63,544
91	HOLY CROSS	0.00	0.000	7.103	11.88	9.494	(EST)	0.00	212	1.3375	$0	$13,375	$17,486
92	HOONAH	0.00	3.000	1.742	7.59	4.667		25.00	848	1.0750	$76,009	$76,009	$28,715
93	HOOPER BAY	0.00	2.000	3.637	11.88	7.761	(EST)	25.00	590	1.3000	$52,884	$52,884	$18,791
94	HUGHES	0.00	0.000	2.749	11.88	7.317	(EST)	0.00	98	1.3375	$0	$0	$0
95	HUSLIA	0.00	0.000	3.996	11.88	7.940	(EST)	0.00	207	1.3375	$0	$36,587	$40,602
96	HYDABURG	0.00	3.000	4.032	8.98	6.508		25.00	384	1.0000	$34,419	$41,659	$14,728
97	KAKE	0.00	3.000	2.937	9.48	6.213		25.00	679	1.0375	$60,861	$62,448	$20,256
98	KALTAG	0.00	0.000	3.494	11.88	7.689	(EST)	0.00	240	1.3375	$0	$2,226	$6,881
99	KASAAN	0.00	0.000	1.222	11.88	6.553	(EST)	0.00	38	1.0000	$0	$0	$0
100	KIANA	0.00	0.000	2.838	11.88	7.361	(EST)	0.00	314	1.3375	$0	$10,405	$18,385
101	KING COVE	0.70	0.100	1.340	4.91	3.128		2.90	379	1.2625	$3,953	$17,903	$28,066
102	KIVALINA	0.00	2.000	3.695	11.88	7.789	(EST)	25.00	208	1.3375	$18,643	$26,000	$14,172
103	KLAWOCK	0.00	1.500	2.400	9.21	5.805		20.02	281	1.0000	$20,177	$22,712	$9,420
104	KOBUK	0.00	0.000	4.226	11.88	8.055	(EST)	0.00	60	1.3375	$0	$0	$0
105	KOTLIK	0.00	2.000	5.608	11.88	8.746	(EST)	25.00	284	1.3000	$25,456	$30,656	$11,476
106	KOTZEBUE	0.00	3.000	1.544	4.24	2.894	(EST)	19.97	2,431	1.3375	$174,075	$203,246	$108,832
107	KOYUK	0.00	2.000	5.486	11.88	8.685	(EST)	25.00	160	1.2625	$14,341	$20,508	$8,692
108	KOYUKUK	0.00	0.000	1.213	11.88	6.548	(EST)	0.00	124	1.3375	$0	$0	$0
109	KUPREANOF	0.00	0.000	1.102	11.88	6.493	(EST)	0.00	42	1.0375	$0	$0	$0
110	KWETHLUK	0.00	0.000	5.544	11.88	8.714	(EST)	0.00	415	1.3000	$0	$0	$0
111	LOWER KALSKAG	0.00	0.000	7.544	11.88	9.714	(EST)	0.00	195	1.3375	$0	$0	$0
112	MANOKOTAK	0.00	2.000	5.117	11.88	8.501	(EST)	25.00	225	1.2625	$20,167	$20,167	$6,107

113	MCGRATH	0.00	0.000	1.394	11.88	6.639	(EST)	0.00	236	1.3375	$0	$8,346	$18,346
114	MEKORYUK	0.00	2.000	3.616	11.88	7.750	(EST)	25.00	192	1.3000	$17,209	$22,409	$11,315
115	MOUNTAIN VILLAGE	0.00	2.000	3.364	11.88	7.624	(EST)	25.00	513	1.3000	$45,982	$58,007	$27,697
116	NAPAKIAK	0.00	2.000	2.805	11.88	7.345	(EST)	25.00	276	1.3000	$24,738	$29,574	$13,626
117	NAPASKIAK	0.00	0.000	2.282	11.88	7.083	(EST)	0.00	210	1.3000	$0	$0	$5,323
118	NENANA	10.00	2.000	1.413	4.11	2.761		25.00	493	1.3000	$44,189	$59,828	$34,546
119	NEW STUYAHOK	0.00	0.000	7.517	11.88	9.701	(EST)	0.00	230	1.2625	$0	$0	$5,517
120	NEWHALEN	0.00	0.000	2.215	11.88	7.050	(EST)	0.00	89	1.2625	$0	$0	$0
121	NEWTOK	0.00	0.000	3.384	11.88	7.634	(EST)	0.00	124	1.3000	$0	$0	$3,143
122	NIGHTMUTE	0.00	2.000	4.472	11.88	8.178	(EST)	25.00	123	1.3000	$11,024	$11,024	$0
123	NIKOLAI	0.00	0.000	5.991	11.88	8.938	(EST)	0.00	120	1.3375	$0	$0	$0
124	NOME	15.66	3.000	1.128	3.98	2.556		25.00	2,585	1.2625	$231,703	$345,858	$213,694
125	NONDALTON	0.00	0.000	3.010	11.88	7.447	(EST)	0.00	226	1.2625	$0	$3,408	$6,119
126	NOORVIK	0.00	2.000	2.990	11.88	7.437	(EST)	25.00	527	1.3375	$47,237	$51,650	$11,110
127	NULATO	0.00	0.000	2.358	11.88	7.121	(EST)	0.00	331	1.3375	$0	$0	$2,213
128	PELICAN	12.20	3.000	1.835	1.89	1.866		25.00	169	1.0750	$15,148	$21,221	$9,616
129	PETERSBURG	12.00	3.700	1.026	1.94	1.485		25.00	2,126	1.0375	$190,561	$286,265	$169,595
130	PILOT STATION	0.00	0.000	6.340	11.88	9.112	(EST)	0.00	301	1.3000	$0	$1,950	$12,320
131	PLATINUM	0.00	0.000	1.396	11.88	6.640	(EST)	0.00	65	1.3000	$0	$0	$0
132	PORT ALEXANDER	0.00	2.000	0.802	11.88	6.343	(EST)	25.00	51	1.0375	$4,571	$4,571	$397
133	PORT HEIDEN	0.00	0.000	3.197	11.88	7.541	(EST)	0.00	89	1.2625	$0	$50,373	$50,935
134	QUINHAGAK	0.00	1.000	4.022	11.88	7.953	(EST)	18.29	395	1.3000	$25,907	$31,419	$15,525
135	RUBY	0.00	0.000	1.936	11.88	6.910	(EST)	0.00	148	1.3000	$0	$0	$2,405
136	RUSSIAN MISSION	0.00	0.000	0.848	11.88	6.366	(EST)	0.00	150	1.3000	$0	$1,716	$4,446
137	SAINT MARYS	0.00	0.000	4.629	18.68	11.658		0.00	415	1.3000	$0	$21,364	$38,359
138	SAINT MICHAEL	0.00	2.000	3.071	11.88	7.478	(EST)	25.00	206	1.2625	$18,464	$23,514	$10,121
139	SAINT PAUL	0.00	3.000	1.191	11.88	6.538	(EST)	25.00	456	1.2625	$40,873	$109,616	$82,847
140	SAND POINT	0.00	3.000	0.643	4.95	2.797	(EST)	19.30	528	1.2625	$36,541	$54,658	$32,448
141	SAVOONGA	0.00	2.000	2.703	11.88	7.294	(EST)	25.00	414	1.2625	$37,108	$37,108	$12,805
142	SCAMMON BAY	0.00	2.000	5.184	11.88	8.534	(EST)	25.00	215	1.3000	$19,271	$19,271	$6,848
143	SELAWIK	0.00	3.000	3.508	14.65	9.079		25.00	521	1.3375	$46,699	$46,699	$17,073
144	SHAGELUK	0.00	0.000	4.272	11.88	8.078	(EST)	0.00	169	1.3375	$0	$0	$0
145	SHAKTOOLIK	0.00	2.000	3.765	11.88	7.825	(EST)	25.00	160	1.2625	$14,341	$41,043	$32,054
146	SHELDON POINT	0.00	0.000	7.103	11.88	9.494	(EST)	0.00	136	1.3000	$0	$0	$0
147	SHISHMAREF	0.00	1.000	3.541	11.88	7.713	(EST)	17.74	320	1.2625	$20,354	$23,838	$13,382
148	SHUNGNAK	0.00	2.000	2.955	11.88	7.419	(EST)	25.00	182	1.3375	$16,313	$21,663	$9,488
149	SKAGWAY	15.30	3.000	0.902	1.08	0.995		22.10	858	1.0750	$67,989	$87,608	$46,828
150	STEBBINS	0.00	2.000	3.675	11.88	7.780	(EST)	25.00	334	1.2625	$29,937	$34,987	$15,381
151	TANANA	0.00	1.000	1.027	11.88	6.455	(EST)	14.84	499	1.3375	$26,565	$48,734	$33,515
152	TELLER	0.00	3.000	4.084	11.88	7.984	(EST)	25.00	219	1.2625	$19,629	$29,774	$13,462
153	TENAKEE SPRINGS	0.00	0.000	4.976	11.88	8.430	(EST)	0.00	109	1.0375	$0	$1,556	$5,119
154	TOGIAK	0.00	2.000	4.173	11.88	8.029	(EST)	25.00	419	1.2625	$37,556	$37,556	$0
155	TOKSOOK BAY	0.00	2.000	7.233	11.88	9.559	(EST)	25.00	317	1.3000	$28,413	$33,613	$16,121
156	TULUSAK	0.00	0.000	3.212	11.88	7.548	(EST)	0.00	202	1.3000	$0	$0	$0
157	TUNUNAK	0.00	2.000	4.733	11.88	8.309	(EST)	25.00	291	1.3000	$26,083	$26,083	$4,539
158	UNALAKLEET	0.00	0.000	2.108	11.88	6.996	(EST)	0.00	630	1.3375	$0	$8,827	$18,939
159	UNALASKA	17.50	0.630	0.919	1.08	1.004		19.03	510	1.2625	$34,806	$112,614	$93,582
160	UPPER KALSKAG	0.00	0.000	8.148	11.88	10.016	(EST)	0.00	164	1.3375	$0	$0	$0
161	VALDEZ	5.20	0.000	0.651	0.45	0.550		2.86	8,253	1.1875	$84,708	$184,555	$447,773
162	WALES	0.00	0.000	3.387	11.88	7.636	(EST)	0.00	109	1.2625	$0	$5,940	$8,624
163	WHITE MOUNTAIN	0.00	1.000	3.712	11.88	7.798	(EST)	17.93	98	1.2625	$6,302	$6,302	$0
164	WHITTIER	0.00	3.000	0.810	2.47	1.643	(EST)	11.34	292	1.1500	$11,872	$34,584	$32,618
165	WRANGELL	9.50	2.556	1.056	2.61	1.837		25.00	3,152	1.0375	$282,526	$375,086	$202,112
166	YAKUTAT	20.00	1.500	1.612	5.12	3.368		25.00	442	1.0750	$39,618	$46,998	$19,971
167	EXT FIRE AREAS	0.00	0.000	#.###	##.##	##.###		0.00	1	1.0000	$0	$65,482	$65,482
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								TOTALS			$19,410,846	$25,000,000	$17,332,567

Prepared by:
Legislative Affairs Agency
Research Division
8 February 1978

CRA REQUESTRED RUN: HOUSE BILL NO. 843

PER CAPITA INCOME NOT INCLUDED
MINIMUM ENTITLEMENT IS $15,000 X COLA
LOCAL EFFORT LIMIT SET TO 20
CHAPTER 88 PRORATION FACTOR IS 3.079 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .98423

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
APRIL 27, 1978

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'78 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1 ANCHORAGE (AW)	2.93	0.00	180,653	$2,782,697	$2,876,165	$0	$0	$5,569,625	$8,378,557	$11,269,005
2 CITY (SA)	7.07	0.00	67,014	$2,392,154	$0	$0	$0	$2,354,431	$0	$0
3 HILLSIDE (SA)	3.49	0.00	8,937	$99,270	$0	$0	$0	$97,705	$0	$0
4 SPENARD (SA)	7.34	0.00	38,816	$1,319,883	$0	$0	$0	$1,299,069	$0	$0
5 GIRDWOOD (SA)	3.35	0.00	600	$5,117	$0	$0	$0	$5,036	$0	$0
6 GLEN ALPS (SA)	3.37	0.00	65	$544	$0	$0	$0	$535	$0	$0
7 RICH. VISTA (SA)	7.24	0.00	1,105	$68,045	$0	$0	$0	$66,972	$0	$0
8 SAND LAKE (SA)	3.97	0.00	18,915	$429,575	$0	$0	$0	$422,801	$0	$0
9 MULDOON (SA)	4.70	0.00	23,345	$936,831	$0	$0	$0	$922,057	$0	$0
10 RABBIT CREEK (SA)	3.37	0.00	6,532	$129,140	$0	$0	$0	$127,104	$0	$0
11 EAGLE RIVER (SA)	2.28	0.00	7,182	$105,172	$0	$0	$0	$103,514	$0	$0
12 CHUGIAK (SA)	1.28	0.00	5,876	$66,008	$0	$0	$0	$64,907	$0	$0
13 OCEAN VIEW (SA)	4.86	0.00	1,894	$50,647	$0	$0	$0	$49,849	$0	$0
14 OTHER SA	0.52	0.00	372	$425	$0	$0	$0	$320	$0	$0
			TOTAL	$8,385,416	$2,876,165			$11,083,993	$8,378,557	$11,269,005
15 BRISTOL BAY BOROUGH (AW)	6.15	8.20	1,311	$80,731	$8,370	$0	$0	$87,696	$32,370	$32,370
16 SOUTH NAKNEK SA	1.47	0.00	175	$734	$0	$0	$0	$722	$0	$0
			TOTAL	$81,465	$8,370			$88,419	$32,370	$32,370
17 FAIRBANKS BOROUGH (AW)	1.19	2.22	60,227	$1,032,021	$113,018	$0	$3,838	$1,130,761	$1,200,637	$1,339,160
18 BALLAINE LAKE (SA)	0.81	0.00	168	$1,952	$0	$0	$0	$1,921	$0	$0
19 DIANE (SA)	1.22	0.00	66	$741	$0	$0	$0	$730	$0	$0
20 WILDVIEW ACRES (SA)	0.82	0.00	77	$436	$0	$0	$0	$429	$0	$0
21 SMITH RANCH (SA)	1.63	0.00	438	$8,748	$0	$0	$0	$8,610	$0	$0
22 ENGINEER CREEK (SA)	1.64	0.00	144	$2,875	$0	$0	$0	$2,830	$0	$0
23 ESTER LUMP (SA)	2.04	0.00	10	$21	$0	$0	$0	$21	$0	$0
24 NORTH STAR F.P. (SA)	0.87	0.00	6,500	$36,429	$0	$0	$0	$35,854	$0	$0
25 BECKER RIDGE (SA)	2.35	0.00	108	$553	$0	$0	$0	$544	$0	$0
26 FAIRBANKS (CITY)	6.94	4.60	30,462	$1,875,849	$512,634	$0	$0	$2,350,819	$1,265,807	$1,335,869
27 NORTH POLE (CITY)	4.36	9.18	461	$25,135	$18,492	$0	$0	$42,939	$29,890	$30,951
			TOTAL	$2,984,767	$644,144			$3,575,463	$2,496,336	$2,705,981
28 HAINES BOROUGH	1.42	0.00	1,924	$20,184	$0	$0	$0	$19,866	$0	$0
29 HAINES (CITY)	7.62	5.58	1,366	$84,118	$16,528	$0	$0	$99,059	$65,721	$68,658
			TOTAL	$104,303	$16,528			$118,925	$65,721	$68,658
30 JUNEAU (AW)	8.62	0.00	20,465	$1,260,234	$209,030	$0	$0	$1,446,095	$751,062	$1,037,572
31 JUNEAU SA1	2.78	9.13	7,259	$447,009	$0	$0	$0	$439,900	$0	$0
32 JUNEAU SA2	1.21	4.12	1,606	$97,751	$0	$0	$0	$96,209	$0	$0
33 JUNEAU SA3	0.79	0.00	197	$537	$0	$0	$0	$529	$0	$0
34 JUNEAU SA4	2.88	0.00	1,370	$19,581	$0	$0	$0	$19,272	$0	$0
35 JUNEAU SA5	2.35	0.00	8,369	$168,602	$0	$0	$0	$165,943	$0	$0
36 JUNEAU SA6	1.89	0.00	719	$10,872	$0	$0	$0	$10,701	$0	$0
37 JUNEAU SA7	1.41	0.00	427	$3,703	$0	$0	$0	$3,645	$0	$0
38 JUNEAU SA8	1.30	0.00	518	$2,734	$0	$0	$0	$2,691	$0	$0

			TOTAL	$2,011,027	$209,030			$2,185,048	$751,062	$1,037,572
39	KENAI BOROUGH (AW)	0.00	0.00	24,611	$0	$314,975	$0	$0	$310,008	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$39,528	$0	$0	$0	$38,904	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$87,008	$0	$0	$0	$85,636	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$24,612	$0	$0	$0	$24,224	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$4,207	$0	$0	$0	$4,141	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$41,566	$0	$0	$0	$40,911	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$110,967	$13,754	$0	$0	$122,755	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$1,014	$0	$15,110	$0	$15,870	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$330,315	$64,451	$0	$0	$388,541	$248,090	$274,921
48	SELDOVIA (CITY)	14.48	2.58	612	$37,686	$10,013	$0	$0	$46,948	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$140,340	$24,260	$0	$0	$162,005	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$159,245	$39,135	$0	$0	$195,252	$126,703	$140,603
			TOTAL		$976,494	$466,590			$1,435,200	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	11,490	$513,923	$0	$0	$0	$505,819	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$5,428	$0	$0	$0	$5,342	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$488,206	$159,756	$0	$0	$637,744	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$10,650	$0	$14,763	$8,294	$25,000
			TOTAL		$1,007,557	$164,106			$1,163,669	$486,481	$580,859
55	KODIAK BOROUGH (AW)	1.83	0.00	7,901	$54,918	$166,949	$0	$0	$218,369	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$39,767	$0	$0	$0	$39,140	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$2,034	$0	$0	$0	$2,002	$0	$0
58	KODIAK (CITY)	8.19	6.04	4,960	$305,436	$23,026	$0	$0	$323,283	$190,984	$212,312
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$16,125	$0	$15,870	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$16,125	$0	$15,870	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$9,916	$0	$15,870	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$10,468	$0	$5,656	$0	$15,870	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$12,190	$0	$15,870	$11,133	$26,875
			TOTAL		$412,626	$200,118			$662,149	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	3.12	0.00	16,724	$208,785	$133,790	$0	$0	$337,173	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$29,444	$0	$0	$0	$28,980	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$8,084	$0	$0	$0	$7,956	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$16,361	$0	$0	$0	$16,103	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$11,843	$0	$0	$0	$11,657	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$5,460	$0	$0	$0	$5,374	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$1,064	$0	$0	$0	$1,047	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,705	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$114,477	$26,222	$0	$0	$138,481	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,771	$73,937	$73,937
			TOTAL		$395,521	$262,321			$660,252	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	9,139	$17,482	$65,510	$0	$225,200	$303,333	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$20,062	$0	$19,746	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$142,003	$0	$0	$0	$139,764	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$20,062	$0	$19,746	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$20,062	$0	$19,746	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$23,646	$0	$0	$0	$23,273	$0	$0
80	WAINWRIGHT (CITY)	0.00	33.34	341	$20,998	$0	$0	$0	$20,667	$0	$0
			TOTAL		$204,131	$65,510			$546,277	$348,803	$447,059
81	SITKA BOROUGH	2.10	3.86	7,650	$256,752	$133,982	$0	$0	$384,573	$383,994	$455,426
FIRST CLASS CITIES											
82	CORDOVA	8.51	12.04	2,406	$148,161	$119,038	$0	$0	$262,986	$211,729	$222,797
83	CRAIG	5.83	8.78	467	$28,757	$10,405	$0	$0	$38,545	$26,050	$26,050
84	DILLINGHAM	15.12	10.14	1,269	$78,145	$7,082	$0	$0	$83,283	$60,754	$60,754
85	GALENA	0.00	14.02	631	$38,856	$19,134	$0	$0	$57,076	$41,499	$41,499

86	HOONAH	0.00	8.62	848	$52,219	$0	$0	$0	$51,396	$28,715	$28,715
87	HYDABURG	0.00	15.98	380	$23,400	$7,240	$0	$0	$30,157	$14,650	$14,650
88	KAKE	0.00	1.14	679	$29,035	$1,587	$0	$0	$30,140	$20,256	$20,256
89	KING COVE	2.00	2.91	408	$25,124	$5,050	$0	$0	$29,698	$21,275	$21,275
90	KLAWOCK	0.00	3.41	323	$19,890	$6,535	$0	$0	$26,008	$14,449	$14,449
91	NENANA	9.16	6.00	521	$32,083	$20,982	$0	$0	$52,228	$40,963	$42,317
92	NOME	17.39	9.80	2,585	$159,184	$190,119	$0	$0	$343,795	$283,132	$283,132
93	PELICAN	3.20	9.91	169	$10,407	$6,073	$0	$0	$16,220	$9,616	$9,616
94	PETERSBURG	12.81	1.23	2,126	$130,919	$100,115	$0	$0	$227,391	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$14,300	$2,694	$21,844	$22,194	$32,500
96	SKAGWAY	9.40	3.40	854	$41,320	$19,618	$0	$0	$59,978	$48,537	$50,373
97	UNALASKA	9.59	21.41	510	$31,405	$85,382	$0	$0	$114,946	$102,445	$102,445
98	VALDEZ	4.43	0.00	7,483	$27,063	$119,481	$0	$109,615	$252,120	$417,165	$452,709
99	ZONE I	1.88	0.00	6,683	$159,500	$0	$0	$0	$156,985	$0	$0
100	ZONE II	0.57	0.00	700	$1,505	$0	$0	$0	$1,481	$0	$0
				TOTAL	$188,068	$119,481			$410,586	$417,165	$452,709
101	WRANGELL	5.87	9.30	3,152	$194,100	$99,458	$0	$0	$288,929	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$18,161	$0	$0	$0	$17,875	$0	$0
103	ZONE III	4.11	0.00	100	$1,630	$0	$0	$0	$1,605	$0	$0
104	ZONE IV	5.40	0.00	2,250	$138,555	$0	$0	$0	$136,370	$0	$0
				TOTAL	$352,447	$99,458			$444,780	$209,010	$215,551
105	YAKUTAT	11.60	4.56	442	$27,218	$0	$0	$0	$26,789	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$0	$11,274	$30,417	$30,904	$30,904
107	AKIAK	0.00	0.00	165	$0	$0	$19,500	$0	$19,192	$1,072	$32,500
108	AKOLMIUT	0.00	0.54	608	$4,553	$62,757	$0	$14,811	$80,827	$82,122	$82,122
109	ALAKANUK	0.00	1.31	527	$9,512	$12,480	$0	$7,273	$28,804	$29,265	$29,265
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$18,937	$0	$18,638	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$20,062	$0	$19,746	$2,741	$33,437
112	AMBLER	0.00	0.91	217	$2,731	$14,839	$2,491	$2,469	$22,176	$22,531	$33,437
113	ANDERSON	0.00	2.24	470	$14,477	$13,004	$0	$4,066	$31,051	$31,548	$31,548
114	ANGOON	0.00	2.82	287	$11,139	$8,061	$0	$0	$18,897	$18,036	$18,036
115	ANIAK	0.00	0.00	323	$0	$13,575	$6,486	$4,098	$23,779	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$20,062	$0	$19,746	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$14,300	$0	$19,192	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$209,926	$116,025	$0	$0	$320,811	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$13,357	$0	$18,638	$8,534	$31,562
120	BUCKLAND	0.00	1.99	172	$4,726	$0	$15,335	$0	$19,746	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$19,500	$0	$19,192	$1,872	$32,500
122	CHEVAK	0.00	1.86	447	$11,458	$0	$8,041	$0	$19,192	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$14,712	$0	$19,746	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$18,937	$0	$18,638	$0	$31,562
125	DEERING	0.00	3.53	100	$4,859	$5,350	$9,852	$0	$19,746	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$0	$12,822	$31,103	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$13,887	$0	$18,638	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$4,353	$4,071	$8,825	$0	$16,977	$4,904	$28,750
129	EEK	0.00	1.60	195	$4,290	$0	$15,203	$0	$19,192	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$18,937	$0	$18,638	$0	$31,562
131	ELIM	0.00	1.91	205	$5,411	$5,050	$8,476	$0	$18,638	$11,909	$31,562
132	EMMONAK	0.00	4.46	545	$33,423	$4,699	$0	$0	$37,521	$16,744	$16,744
133	FORT YUKON	0.00	8.33	637	$39,226	$30,856	$0	$0	$68,977	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$14,300	$0	$19,192	$10,270	$32,500
135	GAMBELL	0.00	2.68	412	$15,194	$0	$3,743	$0	$18,638	$5,241	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$18,937	$0	$18,638	$0	$31,562
137	GOODNEWS BAY	0.00	1.24	248	$4,248	$0	$15,251	$0	$19,192	$4,674	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$20,062	$0	$19,746	$2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$6,687	$0	$19,746	$17,486	$33,437
140	HOOPER BAY	0.00	2.52	590	$20,515	$0	$0	$0	$20,191	$0	$0
141	HUGHES	0.00	0.00	98	$0	$0	$20,062	$0	$19,746	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$40,133	$40,776	$40,776

143	KALTAG	0.00	0.00	240	$0	$2,226	$17,835	$0	$19,746	$6,881	$33,437
144	KASAAN	0.00	0.00	38	$0	$4,000	$11,000	$0	$14,763	$4,475	$25,000
145	KIANA	0.00	0.00	314	$0	$10,405	$9,656	$0	$19,746	$17,545	$33,437
146	KIVALINA	0.00	1.86	208	$5,348	$7,356	$7,357	$0	$19,746	$14,172	$33,437
147	KOBUK	0.00	0.00	60	$0	$5,350	$14,712	$0	$19,746	$5,951	$33,437
148	KOTLIK	0.00	1.94	284	$7,591	$5,200	$6,708	$0	$19,192	$11,476	$32,500
149	KOTZEBUE	0.00	11.58	2,526	$155,551	$31,137	$0	$0	$183,744	$144,317	$144,317
150	KOYUK	0.00	0.33	160	$737	$5,050	$13,149	$0	$18,638	$9,999	$31,562
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$14,712	$0	$19,746	$6,179	$33,437
152	KUPREANOF	0.00	0.00	42	$0	$0	$15,562	$0	$15,317	$0	$25,937
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$14,300	$0	$19,192	$16,455	$32,500
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$14,712	$0	$19,746	$12,262	$33,437
155	MANOKOTAK	0.00	0.90	225	$2,788	$0	$16,148	$0	$18,638	$5,539	$31,562
156	MCGRATH	0.00	0.00	296	$0	$11,816	$8,245	$1,453	$21,177	$21,516	$33,437
157	MEKORYUK	0.00	1.29	184	$3,264	$5,200	$11,035	$0	$19,192	$11,538	$32,500
158	MOUNTAIN VILLAGE	0.00	4.79	513	$31,590	$5,200	$0	$0	$36,210	$22,873	$22,873
159	NAPAKIAK	0.00	6.64	276	$16,996	$10,036	$0	$0	$26,605	$18,826	$18,826
160	NAPASKIAK	0.00	0.00	210	$0	$0	$19,500	$0	$19,192	$5,323	$32,500
161	NEWHALEN	0.00	0.00	89	$0	$0	$18,937	$0	$18,638	$0	$31,562
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$18,937	$0	$18,638	$0	$31,562
163	NEWTOK	0.00	0.00	124	$0	$0	$19,500	$0	$19,192	$0	$32,500
164	NIGHTMUTE	0.00	2.54	123	$4,296	$0	$15,203	$0	$19,192	$799	$32,500
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$12,866	$0	$19,746	$7,764	$33,437
166	NONDALTON	0.00	0.00	226	$0	$0	$18,937	$0	$18,638	$0	$31,562
167	NOORVIK	0.00	2.26	527	$16,411	$9,763	$0	$2,268	$27,994	$28,443	$28,443
168	NULATO	0.00	0.00	331	$0	$8,225	$11,836	$0	$19,746	$10,439	$33,437
169	PILOT STATION	0.00	0.25	301	$1,064	$1,950	$16,485	$0	$19,192	$12,320	$32,500
170	PLATINUM	0.00	0.00	59	$0	$0	$19,500	$0	$19,192	$1,879	$32,500
171	PORT ALEXANDER	0.00	2.52	51	$1,771	$0	$13,790	$0	$15,317	$661	$25,937
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$50,962	$51,778	$51,778
173	QUINHAGAK	0.00	1.03	395	$5,637	$5,512	$8,350	$0	$19,192	$15,525	$32,500
174	RUBY	0.00	0.00	219	$0	$0	$20,062	$0	$19,746	$3,662	$33,437
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$17,784	$0	$19,192	$2,126	$32,500
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$13,887	$0	$18,638	$10,121	$31,562
177	SAINT PAUL	0.00	5.75	550	$33,869	$68,999	$0	$0	$101,246	$85,410	$85,410
178	SAND POINT	0.00	18.57	544	$33,499	$25,691	$0	$0	$58,257	$40,458	$40,458
179	SAVOONGA	0.00	0.65	409	$3,668	$5,050	$10,219	$0	$18,638	$17,701	$31,562
180	SCAMMON BAY	0.00	1.42	193	$3,775	$0	$15,724	$0	$19,192	$6,147	$32,500
181	SELAWIK	0.00	12.52	521	$32,083	$0	$0	$0	$31,577	$17,073	$17,073
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$7,991	$0	$19,746	$14,897	$33,437
183	SHAKTOOLIK	0.00	0.90	160	$2,125	$0	$16,811	$0	$18,638	$0	$31,562
184	SHELDON POINT	0.00	0.00	136	$0	$0	$19,500	$0	$19,192	$0	$32,500
185	SHISHMAREF	0.00	2.18	326	$9,789	$8,534	$613	$503	$19,134	$19,441	$31,562
186	SHUNGNAK	0.00	2.18	182	$5,465	$5,350	$9,246	$0	$19,746	$9,488	$33,437
187	STEBBINS	0.00	1.03	298	$4,243	$0	$14,693	$0	$18,638	$9,217	$31,562
188	TANANA	0.00	1.61	499	$11,051	$22,169	$0	$0	$32,696	$25,506	$25,506
189	TELLER	0.00	1.09	219	$3,282	$10,144	$5,510	$0	$1[illegible].638	$14,844	$31,562
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$14,006	$0	$1 317	$6,131	$25,937
191	TOGIAK	0.00	2.85	419	$16,424	$0	$2,513	$0	$18,638	$10,315	$31,562
192	TOKSOOK BAY	0.00	2.16	317	$9,450	$5,200	$4,849	$0	$19,192	$16,121	$32,500
193	TULUKSAK	0.00	0.00	202	$0	$0	$19,500	$0	$19,192	$0	$32,500
194	TUNUNAK	0.00	0.52	299	$2,152	$5,200	$12,147	$0	$19,192	$12,780	$32,500
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$0	$11,135	$33,115	$33,645	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$20,062	$0	$19,746	$2,741	$33,437
197	WALES	0.00	0.89	109	$1,343	$0	$17,593	$0	$18,638	$0	$31,562
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$18,937	$0	$18,638	$0	$31,562
199	WHITTIER	0.00	5.13	292	$16,500	$22,712	$0	$0	$38,594	$33,961	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$65,294	$66,341	$66,341
	TOTAL				$19,078,540	$6,765,093	$1,156,854	$432,106	$27,000,000	$18,349,049	$24,255,934

PRESENT REVENUE SHARING (1976 DATA)

PRINTOUT #1

SN	LOCAL GOV'T	PER CAP. EXIST.	HEALTH & ROADS	MILITARY	TOTAL ENTITLEMENT	POP.	PER CAP. PROP. VALUE	COLA	PROP. TAX	SALES TAX	1974 PCI
1	ANCH (OUTSIDE SA)	$5,600	$1,955,220	$231,488	$2,192,308	350	$107,712 (EST)	1.0000	3.33	0.000	$6,886
2	CHUGIAK (SA)	$90,521	$0	$0	$90,521	4,893	$14,830	1.0000	3.98	0.000	$6,886
3	ANCH CITY (SA)	$2,828,966	$0	$0	$2,828,966	69,851	$20,192	1.0000	11.75	0.000	$6,886
4	GIRDWOOD(SA)	$8,719	$0	$0	$8,719	371	$33,228	1.0000	5.68	0.000	$6,886
5	GLENN ALPS(SA)	$704	$0	$0	$704	64	$40,552	1.0000	7.89	0.000	$6,886
6	EAGLE RIVER(SA)	$115,181	$0	$0	$115,181	6,226	$20,280	1.0000	4.64	0.000	$6,886
7	MULDOON(SA)	$532,599	$0	$0	$532,599	22,664	$14,164	1.0000	7.17	0.000	$6,886
8	RABBIT CREEK (SA)	$192,606	$0	$0	$192,606	8,136	$15,153	1.0000	5.55	0.000	$6,886
9	SAND LAKE(SA)	$395,740	$0	$0	$395,740	16,840	$21,055	1.0000	7.17	0.000	$6,886
10	ANCH SA 30	$218,761	$0	$0	$218,761	9,309	$38,808 (EST)	1.0000	5.83	0.000	$6,886
11	SPENARD(SA)	$1,307,784	$0	$0	$1,307,784	36,839	$24,892	1.0000	11.65	0.000	$6,886
12	JUNEAU(SA1)	$254,429	$163,285	$0	$417,714	7,167	$17,899	1.0000	9.90	3.000	$7,898
13	JUNEAU(SA2)	$53,747	$0	$0	$53,747	1,514	$10,940	1.0000	9.30	3.000	$7,898
14	JUNEAU(SA3)	$2,716	$0	$0	$2,716	194	$34,265	1.0000	9.10	1.000	$7,898
15	JUNEAU(SA4)	$30,973	$0	$0	$30,973	1,318	$25,427	1.0000	9.10	1.000	$7,898
16	JUNEAU(SA5)	$174,699	$0	$0	$174,699	7,434	$14,569	1.0000	9.70	1.000	$7,898
17	JUNEAU(SA6)	$14,341	$0	$0	$14,341	667	$16,572	1.0000	9.40	1.000	$7,898
18	JUNEAU(SA7)	$9,870	$0	$0	$9,870	420	$13,583	1.0000	9.10	1.000	$7,898
19	JUNEAU(SA8)	$10,298	$0	$0	$10,298	479	$30,010	1.0000	9.50	1.000	$7,898
20	SITKA BOROUGH	$246,769	$100,331	$0	$347,100	7,100	$21,209	1.0375	4.00	2.000	$6,549
21	BRISTOL BAY BOR	$13,757	$8,370	$0	$22,127	1,147	$22,774	1.2625	5.50	3.000	$6,634
22	FAIRBANKS BOR	$1,025,717	$58,063	$26,185	$1,109,966	60,227	$20,543	1.1500	1.60	2.000	$7,475
23	FAIRBANKS CITY	$823,235	$401,206	$46,490	$1,270,938	30,462	$15,143	1.1500	10.00	3.000	$8,489
24	NORTH POLE	$11,398	$18,112	$0	$29,511	461	$21,859	1.1500	5.80	3.000	$4,668
25	KENAI BOROUGH	$122,300	$314,975	$0	$437,275	19,407	$46,817	1.0750	1.80	0.000	$5,900
26	SELDOVIA	$16,118	$9,836	$0	$25,954	612	$8,751	1.0750	16.50	1.000	$6,286
27	HOMER	$52,080	$12,496	$0	$64,577	1,538	$20,890	1.0750	14.00	2.000	$6,256
28	KENAI CITY	$176,864	$53,712	$0	$230,576	5,223	$12,050	1.0750	16.20	3.000	$5,977
29	SEWARD	$57,812	$24,260	$0	$82,073	1,823	$13,878	1.0750	20.00	0.000	$6,281
30	SOLDOTNA	$60,952	$40,602	$0	$101,555	1,800	$17,193	1.0750	10.20	2.000	$5,846
31	KACHEMAK	$0	$0	$0	$0	151	$10,000 (EST)	1.0750	4.00	0.000	$3,356
32	KETCHIKAN BOR	$82,959	$122,000	$0	$204,959	11,262	$21,794	1.0000	4.70	1.500	$6,273
33	KETCHIKAN CITY	$229,215	$24,900	$0	$254,115	7,770	$17,935	1.0000	11.80	2.500	$6,118
34	SAXMAN	$0	$0	$0	$0	272	$15,000 (EST)	1.0000	0.00	0.000	$3,675
35	KODIAK BOR	$47,136	$137,062	$0	$184,259	7,901	$18,449	1.0750	2.00	0.000	$6,166
36	KODIAK CITY	$167,958	$22,010	$0	$189,968	4,960	$22,241	1.0750	9.10	3.000	$6,811
37	AKHIOK	$0	$0	$0	$0	102	$12,075 (EST)	1.0750	0.00	0.000	$2,657
38	LARSEN BAY	$430	$0	$0	$430	80	$12,075 (EST)	1.0750	0.00	0.000	$5,088
39	OLD HARBOR	$8,612	$10,508	$0	$19,121	327	$12,075 (EST)	1.0750	0.00	0.000	$2,793
40	OUZINKIE	$0	$0	$0	$0	173	$12,075 (EST)	1.0750	0.00	3.000	$3,256
41	PORT LIONS	$7,199	$7,589	$0	$14,788	227	$12,075 (EST)	1.0750	0.00	0.000	$5,606
42	MAT-SU BOR	$158,856	$87,181	$0	$246,037	14,606	$31,034	1.0375	3.80	0.000	$4,631
43	PALMER	$45,502	$26,160	$0	$71,663	1,655	$13,769	1.0375	5.00	2.000	$4,933
44	HOUSTON	$2,918	$34,004	$0	$36,922	375	$10,000 (EST)	1.0375	0.00	0.000	$3,126
45	WASILLA	$0	$47,605	$0	$47,605	1,566	$10,000 (EST)	1.0375	0.00	0.000	$4,598
46	NORTH SLOPE BOR	$354,295	$70,860	$0	$425,156	12,614	$142,241	1.3375	6.80	0.000	$5,135
47	ANAKTUVIK PASS	$0	$0	$0	$0	150	$2,500 (EST)	1.3375	0.00	0.000	$1,302
48	BARROW	$38,570	$0	$0	$38,570	2,307	$7,500 (EST)	1.3375	0.00	3.000	$3,317
49	KAKTOVIK	$822	$0	$0	$822	123	$2,500 (EST)	1.3375	0.00	0.000	$7,269
50	NUIQSUT	$0	$0	$0	$0	152	$2,500 (EST)	1.3375	0.00	0.000	$1,307
51	POINT HOPE	$0	$0	$0	$0	384	$2,500 (EST)	1.3375	0.00	3.000	$2,720
52	WAINWRIGHT	$0	$0	$0	$0	341	$2,500 (EST)	1.3375	0.00	2.000	$2,248
53	AKIACHAK	$0	$0	$0	$0	371	$2,500 (EST)	1.3000	0.00	0.000	$1,184
54	AKIAK	$0	$0	$0	$0	186	$2,500 (EST)	1.3000	0.00	0.000	$1,023
55	AKOLMIUT	$19,364	$62,757	$0	$82,122	608	$2,500 (EST)	1.3000	0.00	1.000	$1,205
56	ALAKA' JK	$16,753	$7,800	$0	$24,553	526	$2,500 (EST)	1.3000	0.00	1.000	$1,178
57	ALEK K	$0	$0	$0	$0	227	$2,500 (EST)	1.2625	0.00	0.000	$1,192

58	ALLAKAKET	$0	$0	$0	$0	164	$2,500 (EST)	1.3375	0.00	0.000	$2,280
59	AMBLER	$7,691	$14,839	$0	$22,531	217	$2,500 (EST)	1.3375	0.00	2.000	$1,331
60	ANDERSON	$11,000	$10,031	$477	$21,509	470	$2,500 (EST)	1.3375	0.00	3.000	$5,761
61	ANGOON	$14,282	$8,061	$0	$22,343	437	$2,500 (EST)	1.0375	0.00	2.000	$1,259
62	ANIAK	$10,584	$8,225	$0	$18,810	329	$2,500 (EST)	1.3375	0.00	0.000	$1,078
63	ANVIK	$0	$0	$0	$0	87	$2,500 (EST)	1.3375	0.00	0.000	$1,137
64	ATMAUTLUAK	$3,630	$5,200	$0	$8,830	114	$2,500 (EST)	1.3000	0.00	0.000	$1,624
65	BETHEL	$141,407	$102,895	$0	$244,302	3,247	$7,000 (EST)	1.3000	0.00	3.000	$4,830
66	BREVIG MISSION	$2,954	$5,580	$0	$8,534	120	$2,500 (EST)	1.2625	0.00	3.000	$1,590
67	BUCKLAND	$1,725	$5,350	$0	$7,075	172	$2,500 (EST)	1.3375	0.00	2.000	$1,599
68	CHEFORNAK	$0	$0	$0	$0	182	$2,500 (EST)	1.3000	0.00	0.000	$2,078
69	CHEVAK	$0	$0	$0	$0	447	$2,500 (EST)	1.3000	0.00	2.000	$2,010
70	CHUATHBALUK	$318	$0	$0	$318	119	$2,500 (EST)	1.3375	0.00	0.000	$940
71	CLARKS POINT	$0	$0	$0	$0	98	$2,500 (EST)	1.2625	0.00	0.000	$5,082
72	CORDOVA	$98,224	$104,305	$0	$202,529	2,406	$12,945	1.1500	10.00	3.000	$6,339
73	CRAIG	$15,645	$6,405	$0	$22,050	467	$10,253	1.0000	7.00	3.000	$5,381
74	DEERING	$3,276	$5,350	$0	$8,626	100	$2,500 (EST)	1.3375	0.00	3.000	$2,876
75	DELTA JUNCTION	$14,874	$17,572	$0	$32,446	892	$14,000 (EST)	1.1500	0.00	0.000	$5,196
76	DILLINGHAM	$46,768	$6,836	$0	$53,604	1,176	$10,349	1.2625	18.50	1.000	$4,966
77	DIOMEDE	$0	$0	$0	$0	90	$2,500 (EST)	1.2625	0.00	0.000	$2,111
78	EAGLE	$1,023	$4,071	$0	$5,094	178	$7,499	1.1500	3.00	0.000	$1,967
79	EEK	$0	$0	$0	$0	195	$2,500 (EST)	1.3000	0.00	2.000	$1,303
80	EKWOK	$0	$0	$0	$0	109	$2,500 (EST)	1.2625	0.00	0.000	$2,023
81	ELIM	$5,565	$5,050	$0	$10,615	205	$2,500 (EST)	1.2625	0.00	2.000	$2,243
82	EMMONAK	$16,689	$4,699	$0	$21,388	524	$2,500 (EST)	1.3000	0.00	2.000	$960
83	FORT YUKON	$20,874	$30,856	$0	$51,730	637	$2,500 (EST)	1.3375	0.00	3.000	$3,553
84	FORTUNA LEDGE	$6,370	$9,262	$0	$15,632	200	$2,500 (EST)	1.3000	0.00	0.000	$1,867
85	GALENA	$24,053	$14,037	$0	$38,090	631	$2,519	1.3375	0.00	2.600	$4,791
86	GAMBELL	$10,142	$15,528	$0	$25,671	412	$2,500 (EST)	1.2625	0.00	3.000	$2,160
87	GOLOVIN	$1,862	$5,050	$0	$6,912	118	$2,500 (EST)	1.2625	0.00	0.000	$1,852
88	GOODNEWS BAY	$7,898	$1,462	$0	$9,361	248	$2,500 (EST)	1.3000	0.00	3.000	$1,767
89	GRAYLING	$0	$0	$0	$0	167	$2,500 (EST)	1.3375	0.00	0.000	$1,332
90	HAINES	$49,193	$14,351	$0	$63,544	1,366	$13,230	1.0750	7.73	3.000	$4,636
91	HOLY CROSS	$4,111	$13,375	$0	$17,486	212	$2,500 (EST)	1.3375	0.00	0.000	$889
92	HOONAH	$28,715	$0	$0	$28,715	848	$3,913	1.0750	0.00	3.000	$3,624
93	HOOPER BAY	$18,791	$0	$0	$18,791	590	$2,500 (EST)	1.3000	0.00	2.000	$1,736
94	HUGHES	$0	$0	$0	$0	98	$2,500 (EST)	1.3375	0.00	0.000	$2,237
95	HUSLIA	$4,015	$36,587	$0	$40,602	207	$2,500 (EST)	1.3375	0.00	0.000	$1,580
96	HYDABURG	$7,488	$7,240	$0	$14,728	384	$3,307	1.0000	0.00	3.000	$1,566
97	KAKE	$18,668	$1,587	$0	$20,256	679	$3,131	1.0375	0.00	3.000	$2,150
98	KALTAG	$4,654	$2,226	$0	$6,881	240	$2,500 (EST)	1.3375	0.00	0.000	$1,807
99	KASAAN	$0	$0	$0	$0	38	$2,500 (EST)	1.0000	0.00	0.000	$5,164
100	KIANA	$7,979	$10,405	$0	$18,385	314	$2,500 (EST)	1.3375	0.00	0.000	$2,225
101	KING COVE	$14,116	$13,950	$0	$28,066	379	$6,044	1.2625	0.70	0.100	$4,711
102	KIVALINA	$6,815	$7,356	$0	$14,172	208	$2,500 (EST)	1.3375	0.00	2.000	$1,709
103	KLAWOCK	$6,885	$2,535	$0	$9,420	281	$3,226	1.0000	0.00	1.500	$2,631
104	KOBUK	$0	$0	$0	$0	60	$2,500 (EST)	1.3375	0.00	0.000	$1,494
105	KOTLIK	$6,276	$5,200	$0	$11,476	284	$2,500 (EST)	1.3000	0.00	2.000	$1,126
106	KOTZEBUE	$79,661	$29,170	$0	$108,832	2,431	$7,000 (EST)	1.3375	0.00	3.000	$4,089
107	KOYUK	$2,525	$6,167	$0	$8,692	160	$2,500 (EST)	1.2625	0.00	2.000	$1,151
108	KOYUKUK	$0	$0	$0	$0	124	$2,500 (EST)	1.3375	0.00	0.000	$5,206
109	KUPREANOF	$0	$0	$0	$0	42	$2,500 (EST)	1.0375	0.00	0.000	$5,726
110	KWETHLUK	$0	$0	$0	$0	415	$2,500 (EST)	1.3000	0.00	0.000	$1,139
111	LOWER KALSKAG	$0	$0	$0	$0	195	$2,500 (EST)	1.3375	0.00	0.000	$837
112	MANOKOTAK	$6,107	$0	$0	$6,107	225	$2,500 (EST)	1.2625	0.00	2.000	$1,234
113	MCGRATH	$9,699	$8,646	$0	$18,346	296	$2,500 (EST)	1.3375	0.00	0.000	$4,527
114	MEKORYUK	$6,115	$5,200	$0	$11,315	192	$2,500 (EST)	1.3000	0.00	2.000	$1,746
115	MOUNTAIN VILLAGE	$15,672	$12,025	$0	$27,697	513	$2,500 (EST)	1.3000	0.00	2.000	$1,877
116	NAPAKIAK	$8,790	$4,836	$0	$13,626	276	$2,500 (EST)	1.3000	0.00	2.000	$2,251
117	NAPASKIAK	$5,323	$0	$0	$5,323	210	$2,500 (EST)	1.3000	0.00	0.000	$2,767
118	NENANA	$18,907	$15,639	$0	$34,546	493	$7,229	1.3000	10.00	2.000	$4,469
119	NEW STUYAHOK	$5,517	$0	$0	$5,517	230	$2,500 (EST)	1.2625	0.00	0.000	$840
120	NEWHALEN	$0	$0	$0	$0	89	$2,500 (EST)	1.2625	0.00	0.000	$2,850
121	NEWTOK	$3,143	$0	$0	$3,143	124	$2,500 (EST)	1.3000	0.00	0.000	$1,866
122	NIGHTMUTE	$0	$0	$0	$0	123	$2,500 (EST)	1.3000	0.00	2.000	$1,412
123	NIKOLAI	$0	$0	$0	$0	120	$2,500 (EST)	1.3375	0.00	0.000	$1,054

124	NOME	$99,539	$114,155	$0	$213,694	2,585	$7,436		1.2625	15.00	3.000	$3,391
125	NONDALTON	$2,710	$3,408	$0	$6,119	226	$2,500	(EST)	1.2625	0.00	0.000	$2,098
126	NOORVIK	$6,696	$4,413	$0	$11,110	527	$2,500	(EST)	1.3375	0.00	2.000	$2,112
127	NULATO	$2,213	$0	$0	$2,213	331	$2,500	(EST)	1.3375	0.00	0.000	$2,677
128	PELICAN	$3,543	$6,073	$0	$9,616	169	$15,658		1.0750	12.20	3.000	$3,440
129	PETERSBURG	$73,891	$95,704	$0	$169,595	2,126	$15,281		1.0375	12.00	3.700	$6,149
130	PILOT STATION	$10,370	$1,950	$0	$12,320	301	$2,500	(EST)	1.3000	0.00	0.000	$996
131	PLATINUM	$0	$0	$0	$0	65	$2,500	(EST)	1.3000	0.00	0.000	$4,521
132	PORT ALEXANDER	$397	$0	$0	$397	51	$2,500	(EST)	1.0375	0.00	2.000	$7,867
133	PORT HEIDEN	$561	$50,373	$0	$50,935	89	$2,500	(EST)	1.2625	0.00	0.000	$1,975
134	QUINHAGAK	$10,013	$5,512	$0	$15,525	395	$2,500	(EST)	1.3000	0.00	1.000	$1,570
135	RUBY	$2,405	$0	$0	$2,405	148	$2,500	(EST)	1.3000	0.00	0.000	$3,261
136	RUSSIAN MISSION	$2,730	$1,716	$0	$4,446	150	$2,500	(EST)	1.3000	0.00	0.000	$7,439
137	SAINT MARYS	$16,994	$21,364	$0	$38,359	415	$1,590		1.3000	0.00	0.000	$1,364
138	SAINT MICHAEL	$5,071	$5,050	$0	$10,121	206	$2,500	(EST)	1.2625	0.00	2.000	$2,056
139	SAINT PAUL	$14,104	$68,743	$0	$82,847	456	$2,500	(EST)	1.2625	0.00	3.000	$5,298
140	SAND POINT	$14,331	$18,116	$0	$32,448	528	$6,000	(EST)	1.2625	0.00	3.000	$9,820
141	SAVOONGA	$12,805	$0	$0	$12,805	414	$2,500	(EST)	1.2625	0.00	2.000	$2,336
142	SCAMMON BAY	$6,848	$0	$0	$6,848	215	$2,500	(EST)	1.3000	0.00	2.000	$1,218
143	SELAWIK	$17,073	$0	$0	$17,073	521	$2,028		1.3375	0.00	3.000	$1,800
144	SHAGELUK	$0	$0	$0	$0	169	$2,500	(EST)	1.3375	0.00	0.000	$1,478
145	SHAKTOOLIK	$5,353	$26,701	$0	$32,054	160	$2,500	(EST)	1.2625	0.00	2.000	$1,677
146	SHELDON POINT	$0	$0	$0	$0	136	$2,500	(EST)	1.3000	0.00	0.000	$889
147	SHISHMAREF	$9,898	$3,484	$0	$13,382	320	$2,500	(EST)	1.2625	0.00	1.000	$1,783
148	SHUNGNAK	$4,138	$5,350	$0	$9,488	182	$2,500	(EST)	1.3375	0.00	2.000	$2,137
149	SKAGWAY	$27,209	$19,618	$0	$46,828	858	$27,297		1.0750	15.30	3.000	$6,996
150	STEBBINS	$10,331	$5,050	$0	$15,381	334	$2,500	(EST)	1.2625	0.00	2.000	$1,718
151	TANANA	$11,346	$22,169	$0	$33,515	499	$2,500	(EST)	1.3375	0.00	1.000	$6,148
152	TELLER	$3,317	$10,144	$0	$13,462	219	$2,500	(EST)	1.2625	0.00	3.000	$1,546
153	TENAKEE SPRINGS	$3,562	$1,556	$0	$5,119	109	$2,500	(EST)	1.0375	0.00	0.000	$1,269
154	TOGIAK	$0	$0	$0	$0	419	$2,500	(EST)	1.2625	0.00	2.000	$1,513
155	TOKSOOK BAY	$10,921	$5,200	$0	$16,121	317	$2,500	(EST)	1.3000	0.00	2.000	$873
156	TULUSAK	$0	$0	$0	$0	202	$2,500	(EST)	1.3000	0.00	0.000	$1,966
157	TUNUNAK	$4,539	$0	$0	$4,539	291	$2,500	(EST)	1.3000	0.00	2.000	$1,334
158	UNALAKLEET	$10,111	$8,827	$0	$18,939	630	$2,500	(EST)	1.3375	0.00	0.000	$2,995
159	UNALASKA	$15,774	$77,807	$0	$93,582	510	$27,262		1.2625	17.50	0.630	$6,870
160	UPPER KALSKAG	$0	$0	$0	$0	164	$2,500	(EST)	1.3375	0.00	0.000	$775
161	VALDEZ	$347,916	$99,856	$0	$447,773	8,253	$66,023		1.1875	5.20	0.000	$9,700
162	WALES	$2,684	$5,940	$0	$8,624	109	$2,500	(EST)	1.2625	0.00	0.000	$1,864
163	WHITE MOUNTAIN	$0	$0	$0	$0	98	$2,500	(EST)	1.2625	0.00	1.000	$1,701
164	WHITTIER	$9,906	$22,712	$0	$32,618	292	$12,000	(EST)	1.1500	0.00	3.000	$7,787
165	WRANGELL	$103,551	$92,560	$0	$202,112	3,152	$11,344		1.0375	9.50	2.556	$5,979
166	YAKUTAT	$12,591	$7,379	$0	$19,971	442	$5,797		1.0750	20.00	1.500	$3,917
167	EXT FIRE AREAS	$0	$65,482	$0	$65,482	1	$1		1.0000	0.00	0.000	$1
TOTALS		$11,743,413	$5,284,506	$304,647	$17,332,567							

Prepared by:
Legislative Affairs Agency
Research Division
8 February 1978

HB
843

CRA

HB843

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

14 June 1978

Mr. Jim Rolle, Executive Director
Alaska Municipal League
204 N. Franklin Street
Juneau, Alaska 99801

Dear Jim,

Attached is a copy of a proposed committee substitute for SSHB 843, which I believe addresses most of the concerns expressed by the various municipalities at our workshop May 8th. I have included changes in the following areas.

1. The tax levy for school support is included in the local effort computation.

2. The formula is simplified somewhat by computing taxing rate from the total tax revenues of the municipality.

3. Special taxes such as the Anchorage hotel/motel tax and the Bristol Bay Borough fish tax are included in the local effort formula.

4. Some conditions are placed on the distribuiton of the minimum grant entitlements to small communities. The purpose of these conditions is to encourage those cities to function at least on a basic level as local governments.

This CS will not be considered by the CRA Committee this session, but I do feel we have laid groundwork this year which will hasten action next year if the bill is reintroduced. I am sending you a copy of this draft in the event the Municipal League wishes to work on the bill during the interim. I certainly appreciate your cooperation during our committee hearings on this bill, and if I can provide any further information from our files, please do not hesitate to call my office.

Yours sincerely,

Lisa Rudd

LR/vb

CCRA
HB843

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

14 June 1978

Commissioner Lee McAnerney
Department of Community and Regional Affairs
Pouch B , Room 213, Community Bldg.
Juneau, Alaska 99811

Dear Commissioner McAnerney,

Attached is a copy of a proposed committee substitute for SSHB 843, equalization of the tax resources of municipalities. The CS will not be considered by the CRA Committee this session, but I do feel we have laid groundwork this year which will hasten action next year if the bill is reintroduced.

The committee substitute addresses most of the concerns expressed by the various municipalities at out workshop on May 8th. I have included changes in the following areas:

1. The tax levy for school support is included in the local effort computation.

2. The formula is simplified somewhat by computing taxing rate from the total tax revenues of the municipality.

3. Special taxes such as the Anchorage hotel/motel tax and the Bristol Bay Borough fish tax are included in the local effort formula.

4. Some conditions are placed on the distribution of the minimum grant entitlements to small communities. The purpose of these conditions is to encourage those cities to function at least on a basic level as local governments.

I am sending you a copy of this draft in the event the Department wishes to work on the bill during the interim. I certainly appreciate the assistance provided by your staff during the committee's work on this bill. If we can provide any further information from our files, please let me know.

Yours sincerely,

Lisa Rudd

LR/vb

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

15 June 1978

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

Hon. Terry Gardiner
Pouch V
Juneau, Alaska 99811

Dear Terry,

Attached is a copy of a proposed committee substitute for SSHB 843, equalization of the tax resources of municipalities. This CS will not be considered by the CRA Committee this session, but I do feel we have laid the groundwork this year which will hasten action next year if you should decide to reintroudce the bill.

The committee substitute addresses most of the concerns expressed by the various municipalities at our workshop May 8th. I believe the changes proposed in the CS are necessary for acceptance of the bill by most municipalities. I have included changes in the following areas:

1. The tax levy for school support is included in the local effort computation.

2. The formula is simplified somewhat by computing taxing rate from the total tax revenues of the municipality.

3. Special taxes such as the Anchorage hotel/motel tax are included in the local effort formula.

4. Some conditions are placed on the distribution of the minimum grant entitlements to small communities. The purpose of these conditions is to encourage those cities to function at least on a basic level as local governments.

I certainly appreciate all your help and cooperation during our committtee hearings on this bill, and I hope these changes meet with your approval.

Yours sincerely,

Lisa Rudd

LR/vb

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

16 June 1978

Mr. Phil Smith, Executive Director
Rural Alaska Community Action Program, Inc.
P.O. Box 3-3908
Anchorage, Alaska 99501

Dear Phil,

I appreciate your sending me a copy of RurAL CAP Resolution #78-15, urging passage of SSHB 843, particularly the $25,000 minimum grant section.

I have serious reservations about the philosophical basis of the revenue sharing program proposed in HB 843. However, I have worked on the bill and come up with a committee substitute that, more acceptable to the municipalities than the original bill. If someone should reintroduce the bill next year, I hope they will use my proposed CS.

I have always supported the concept of a minimum grant to municipalities to assist with basic administrative services. As you may recall, the $25,000 minimum grant is also included in HB 70 which we passed out of committee last year. But the fact that HB 70 is still in House Finance Committee seems to indicate there is no determination on the part of the Legislature to do anything about revenue sharing this session.

Yours sincerely,

Lisa Rudd

LR/vb

Rural Alaska
Community Action Program, Inc.

May 26, 1978

Representative Lisa Rudd, Chairman
House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Lisa:

For your information, I am including RurAL CAP Resolution #78-15, relating to the necessity of passage of HB.843. It is my understanding that members of your committee are not inclined to take affirmative action on this bill during the present legislative session. Therefore, I draw your attention to the second "Resolved" in which we urge a basic appropriation of $25,000 to every second-class city and/or IRA or traditional council in Alaska for the purposes of establishing basic village and municipal management capabilities.

I recognize that the fiscal impact of this recommendation is somewhat significant; however, the loss of funds and governmental quality that results from a lack of adequate management funding in the villages is difficult to measure. I would certainly appreciate your consideration of this concern and would be happy to speak with you about it at greater length should you so desire.

Sincerely,

Phil Smith
Executive Director

PJS/shl
cc: Steve Cowper, Chairman, House Finance Committee
John Sackett, Chairman, Senate Finance Committee

Rural Alaska
Community Action Program, Inc.

RESOLUTION #78-15

ENTITLED: IN SUPPORT OF AFFIRMATIVE ACTION ON HB.843

WHEREAS, revenues for the State's Revenue Sharing Program provide the bulk of most revenues available to Alaska's small municipalities; and

WHEREAS, in spite of this, most small communities lack the resources to hire and retain professional municipal management personnel, thereby risking the loss of potential funding for needed municipal functions; and

WHEREAS, HB.843 would rectify inequities in the present Revenue Sharing Program and provide funding for the management of municipal governments in rural Alaska; and

WHEREAS, the delegates to the Citizens' Participation Conference endorsed HB.843 and assigned its passage a High Priority, requesting only that the "base grant" for municipalities be increased to $50,000 and that roads "not ordinarily used for motor vehicles" be included as an amendment to AS 29.89.010(a); and

WHEREAS, the fiscal implications of HB.843 appear to be eroding legislative support for its passage;

now, therefore, be it

RESOLVED, that the Rural Alaska Community Action Program does hereby re-endorse HB.843 and urges its swift passage by the Legislature; however,

be it further

RESOLVED, that, in the event HB.843 cannot pass as presently written, or with the inclusion of the amendatory suggestions of the CPC, a program of direct support of $25,000 to every second class city and/or IRA or traditional council in Alaska be provided to encourage quality management of village municipal affairs.

Dated this 3rd day of May, 1978, in Anchorage, Alaska.

Signed: Gordon Jackson
Gordon Jackson, President
RurAL CAP Board of Directors

Signed: Philip J. Smith
Philip J. Smith
Executive Director

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

2 June 1978

Hon. John A. Carlson
Fairbanks North Star Borough
P.O. Box 1267
Fairbanks, Alaska 99701

Dear Mayor Carlson,

I sincerely appreciate your participation in the revenue sharing workshop here May 8th. I felt the roundtable discussion was very valuable, and some of the ideas discussed will be incorporated into a committee substitute bill.

The idea which seemed to generate the most positive discussion was that of including in the formula the portion of the local tax levy which is dedicated to school support. I have enclosed for your purusal a copy of a computer print-out showing the effect of including school support. This is one of your suggestions which will be included in a committee substitute of the bill.

I do not expect action on HB 843 this year. A bill of this magnitude and financial impact cannot get proper treatment during the remainder of this session. However, the concept and the committee substitute can be reintroduced next session, and I plan to have it in workable form in that event.

It has been a pleasure for me to work with the municipalities on this and other community and regional affairs issues throughout the last two years. The participation and information that has been provided by local officials on much of the legislation before the committee supports my belief in strong and capable local government. Best wishes for continued success.

Yours sincerely,

Lisa Rudd

LR/vb
Enc: Print-out/HB 843

Three persons sent HB 843 Letter + print out on 2 June 78 · VBA

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

DATE: 5/8/78

TIME: 9:00 a.m.

BILLS TO BE CONSIDERED: SSHB 843
Revenue Sharing
Workshop

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WISH TO TESTIFY:
Carl Hille	Box 570 KENAI	283-4000	KEN PEN BORO ASSN	
John A Lindsay	541 - 5th Ave - Bldg	452-4751	Fbks North Star Borough	
Don Smith	402 West 3rd Anchorage	276-4321	Municipality of Anchorage	
James Wardale	Box 1267	452-4761	Fbks North Star Boro	
Lee Sharp	155 So Seward St	586-3300	C & B of Juneau	
Larry Crawford	City Hall Anch	264-4420	ANCH.	
Mitchell D Crane	City Hall Anch	264-4433	Anch	
Harry Williams	Po Box 1242 Kodiak	486-5736	Kodiak Island Borough	
Don Gilman	Box 850, Soldotna	262-4441	Kenai Pen Boro	
Bruce Hanson	Po Box B Juneau	465-4200	C & K H	
Roy Barton	Box 850 Soldotna	262-4441	Kenai Pen Boro	—
Gordon W Ryan MANAGER	Box 191 Dillingham	842-5211	City of Dillingham	✓
Perry Lovett, MANAGER Jerry Smith	Box 1210 Cordova 99574	424-3239	City of Cordova	
Tim Van Alstyne ASST. MANAGER	P.O. Box 2300 99901	225-3111	City of Ketchikan	
John Williams	LAO	465-4914		
Steve Teibruch	Budget & Mgmt	465-2210		
MARK LEWIS ASST. MANAGER	Box 307 Valdez 99686	835-4313	City of Valdez	— 2
Chuck Adams MANAGER	Box 329 Petersburg 99833	772-4511	City of Petersburg	— ?
Marion Miller			AML	no
David Moffat PA TO MITCH	Box 1306, Petersburg 99833	772-4511	City of Petersburg	—
Jack C Hendricks	— Legislative Affairs	—		
Glenn M Gray	1220 Glacier	6-2017	Mun of Anchorage	no

Municipality of Anchorage 5/28

HB 843: AN ACT PROVIDING FOR EQUALIZATION OF THE TAX RESOURCES OF MUNICIPALITIES, CONTINUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE.

Under HB 843, Sections 43.18.010-43.18.050 of the present statutes are repealed. These sections provide the authority for current state-shared revenues. In lieu of this, new Chapters 88 and 89 have been added to Section 29 of the statutes. Chapter 88 deals with a new source of revenue called an "Equalization Entitlement". Chapter 89 provides for the continuation of a portion of the state-shared revenues formerly authorized in Section 43.

A review of HB 843 reveals it to be ambiguous in certain cases as well as presenting a redistribution of income approach to state revenue sharing. On the basis of the information made available to us, it appears to be detrimental to the Municipality of Anchorage. The Municipality of Anchorage has severe reservations concerning HB 843.

HB 843 presents a redistribution of income approach to the concept of state-shared revenues. The title of the new item of revenue "Equalization Entitlement" provides an insight in itself. The stated purpose of the bill is "to assure that no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state." (Sec. 29.88.005). One of the criticisms of the present law is that it does not include "ability to pay" considerations. A community with a larger than the state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. It is further stated that the same criticisms can be raised with respect to per capita income differentials from which taxes are paid. The net effect of the formula is to favor economically disadvantaged communities.

1. A municipality will be better off if it is high or low in the various components of the equalization entitlement formula as follows:

Population	High
General Govt. Property Tax Mill Rate	High
Sales Tax % Rate	High
Local Per Capita Income*	Low
Local Per Capita Property Value*	Low

* Compared to state averages

2. Anchorage has both a higher than average per capita income and per capita property value. This is confirmed by the Printout which shows Anchorage to have unfavorable income and property value factors in the computation formula compared with most other jurisdictions within the state.

3. HB 843 would greatly reduce the degree of local automony. Communities would be faced with a new restriction as to use of the state revenues. Under current state statutes, state-shared revenues may be expended for any public purpose for which the local government has power to expend public funds, except for a few limitations regarding health facilities revenues. Sec. 29.88.030 of HB 843 contains additional requirements regarding the use of funds for specific service areas and tax zones. Although the new provisions are fairly consistent with the way Anchorage has been allocating past state-shared revenues, we would no longer have the flexibility to do otherwise if the circumstances so warrant.

4. Another possible problem with the proposed formula contained in HB 843 is that it would tie a municipality's position in the revenue sharing pool to statewide variables such as statewide assessed value that are largely beyond its control. For example, a major resource development project that might alter variables such as statewide per capita income and assessed value could affect the revenue sharing entitlements of local governments without regard to changes in need for those municipalities. Under HB 843, it is difficult for a municipality to project what its revenue sharing entitlement might be two or three years in the future.

5. In a rapidly growing area such as Anchorage, the local per capita income and property value would likely increase at a greater rate than the state average thereby creating an adverse effect in the equalization formula.

6. After first having become reasonably satisfied with the validity of the revenue sharing data elements, the "new" version printouts and formula modification were analyzed to determine the effect on Anchorage. Two of Anchorage's concerns with the original version of HB 843 appear to have been rectified.

- The sales tax portion of the proposed revenue sharing formula has been changed to eliminate the disproportionate weight given to a sales tax in the original formula. The effect of the change is to cause the proposed revenue sharing allocation system to be neutral with respect to each municipality's taxing philosophy. However, Section 29.88.045, subpart 2 (b)V, of the bill appears to exclude hotel-motel tax.

- Revenues from Anchorage's 5% hotel and motel tax have been recognized as a sales tax in the new printouts. It is interesting to note that Anchorage's hotel and motel tax receipts are almost equal to all of Juneau's sales tax receipts and are almost half of the city of Fairbanks'

sales tax receipts. However, the effect of this has been reduced by the above change in the sales tax portion of the proposed revenue sharing formula.

The following matrix provides a comparison of the effect on Anchorage of HB 843:

	1977 Actual (a)	Original HB 843	Substitute HB 843
Amount Shown on State Printout	$8.4 million	$9.2 million (b)	$9.6 million (c)
Amount if Funded at 1977 Level	$8.4 million	$6.8 million	$6.6 million
Anchorage's % of State Total	46%	37%	36%

(a) $18.3 million total state payout
(b) $25.0 million total state payout
(c) $27.0 million total state payout

The second line of the above matrix shows Anchorage's funding if the total state funding were not increased. Under HB 843, Anchorage's share of state-shared revenues will diminish from 46% of the state total to only 36%. For comparative purposes, it should be noted that a 46% share of a $27.0 million state payout would equal $12.4 million.

We find it difficult to support the philosophical approach behind HB 843. There is no simple correlation between tax base, personal income and what state revenue sharing should be. Tax base is only indicative of the size of the physical plant (building, dwellings, etc.) within a given community. Tax base does not necessarily relate to service needs or demands. Urban densities, congested traffic, large numbers of unemployed and crime rates are more closely connected to the need for service. Service demands criteria are important factors to consider before making any judgments on tax base and its relationship to state revenue sharing.

The assumpption behind HB 843 as the biil is presently drafted appears to be that some municipalities are not receiving a fair share of revenue sharing funds, and, conversely, that other local governments are receiving a dis proportionate amount of available dollars to which they are not equitably entitled. Although the first portion of this assumption may be correct, Anchorage objects to the implication that the Municipality is receiving more under the present revenue sharing program than it should equitably receive. Our calculations indicate that, at present, Anchorage receives approximately 46% of state revenue sharing funds. Wtih approximately 50% of the state's population, the present program is, if anything, slightly inequitable on a per capita basis for Anchorage taxpayers. Under the proposal advanced in HB 843, the percentage of revenue sharing funds for Anchorage would decline to only 36%. Although there may be merit in providing increased assistance to municipalities with a relatively small tax base resource, it seems difficult to jusitfy taking funds from Anchorage that will, in essence, need to be replaced by Anchorage taxpayers. It is well known that the

existing revenue sharing program has been under funded in recent years. If a need is felt to provide increased assistance to some municipalities, a strong statement from the Legislature calling for 100% funding of the present program would be an appropriate beginning. If funding at a higher level can be provided by the state (i.e., the $27.0 million level proposed in the substitute HB 843), then the state revenue sharing rates contained in the existing law should be increased to partially compensate for the increase in the consumer price index since they were originally established. This would help local governments in maintaining a status quo in the services they are able to render through state shared revenues rather than lose ground due to inflation.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 843/Senate Bill No. 502
Title "An Act providing for equalization of the tax resources of municipalities"
Requested by House Community & Regional Affairs/Senate Community & Regional Affairs Date 2/28/78

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Municipal Revenue Sharing

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			Ø	Ø	Ø	Ø
TOTAL			Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND			Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions

1. The Department would not estimate the local per capita assessed valuations for second class cities in the unorganized borough not currently collecting a property tax.

2. In fiscal year 1978 approximately $18,340,000 will be distributed under the existing program. Section nine of the bill would require for only the next 3 years a minimum annual appropriation of at least $18,340,000. It should be noted, that the FY'79 budget request for grants under the existing program is over $20,400,000.

IV. DATE 3/13/78 PREPARED BY Bruce Aronson Bruce Aronson
AGENCY Community & Regional Affairs
PHONE 465-4707

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

33-001 (Rev. 10/76)

HB 843 Revenue Sharing

Comparison of gains under Local Effort ceiling:

LE 25	LE 30
Anchorage	BB Boro
Kodiak Boro	Fbks Boro (Fbks City)
Sitka	Haines Boro
Second Class Cities	Juneau
	Kenai
	Ketchikan
	Mat-Su
	North Slope
	Valdez
	First Class Cities
	Wrangell
	Yakutat

1. Boroughs gain overall because of school levy.
2. Cities lose overall because boroughs gain.
3. Most boroughs gain under LE of 30 because their local effort is higher. Generally it is the cities within the boroughs which gain because their LE is higher.

With LE of 30

Anchorage Areawide gains $2.4 million
Fbks Boro AW gains $200,000
Juneau AW gains $300,000
Ketchikan AW gains $100,000
Kodiak AW gains $ 70,000
Matanuska-Susitna AW $ 200,000
North Slope AW gains $ 2,000
Sitka gains $ 24,000
1st Class cities lose.

WORKSHOP ON SSHB 843

MUNICIPAL REVENUE SHARING

Governor's Conference Room
Monday, May 8, 1978
9:00 a.m. to 3:00 p.m.

Representative Lisa Rudd, Chair of the House Community and Regional Affairs Committee presiding.

Representative Rudd opened the meeting stating the purpose of this work session was to provide an opportunity for an in-depth look at this revenue sharing proposal and to discuss any problem areas which may be identified.

The morning session was devoted to review of the proposed legislation. The bill's sponsor, Representative Terry Gardiner, summarized the provisions of the bill and addressed the concepts of local effort and equalization. John Williams, Legislative Research, reviewed the elements of the formula. Representative Rudd outlined four concerns which she had with the proposed program and asked the municipal representatives to address those concerns during the workshop discussions:

1. The complexity of the proposed formula;

2. The validity of the local effort concept as a basis for revenue sharing program;

3. The question of whether equalization is a legitimate concern of the state;

4. The question of whether it is a legitimate state concern to assure the provision of certain services on the local level.

During the afternoon session municipal representatives gave their comments on the concepts and specifics of the proposed legislation. The following is a summary of the major points of the discussions:

1. The formula is too complicated and includes too many variables. Mr. Shar, of Juneau suggested a simplification of the formula. The same product (millage equivalent) can result from taking the sum of the total municipal revenues, subtracting any revenues specifically excluded, and dividing that remainder by what 1 mil would bring from 100% of full and true value.

The main objection still remains, however; that each municipality's entitlement is dependent upon several statewide variables over which it has no control. It was suggested that entitlements could be computed with two year old data rather than current data, thereby making it easier for a municipality to figure its expected entitlement. The drawback to this approach is that entitlements will not reflect the most recent changes which, if an industrial development project is involved, can be major.

2. Locally generated school tax support should be included. Most communities tax themselves for additional school support over and above what is received from the school foundation program and the school constuction program. Petersburg, for example, devotes its entire 5% sales tax to school support. Anchorage claims 42% or about 6 mils goes to education. This was felt to be a legitimate indicator of local effort. At least one municipality, however, suggested that education should be left out of the program of state aid for municipal operations since such motherhood issues have a tendency to take over.

3. The formula seems to be a compulsion to keep taxes high rather than an incentive to reduce taxes. It is a built in uncertainty for assemblies and councils about future revenues and their effect on revenue sharing entitlements. John Williams pointed out that there are two mitigating factors: 1) The local effort factor ceiling of 25. No municipality will get revenue sharing credit for taxation above this figure; and 2) The willingness of local taxpayers to pay taxes. This last is considered the major determining factor. Any reduction in tax rate translates into more of a loss in direct revenues than in revenue sharing dollars. Bruce Aronsen, of the Department of Community and Regional Affairs, stated the ratio was about 12 to 1 ($12 local revenues to $1 revenue sharing).

Ketchikan pointed out that the present revenue sharing program bears no relation to taxation. The money just comes, so to speak. With HB 843, municipalities really have to consider the effects of their taxing policies.

It was also discussed that the present revenue sharing program has at best helped maintain the tax level while allowing increases of municipal services. More likely, it has just slowed the tax increase.

4. Anchorage maintains there is no direct correlation between tax base and service needs. In a growing community there are more service needs, crime, transportation, etc. Anchorage, for example, is a crossroads and service center for much of Alaska, therefore it services more than just its population. A sales tax does address this to a degree, and Anchorage would request that their hotel-motel sales tax be counted in the local effort formula. SSHB 843 specifically excludes taxes which do not generally burden the entire citizenry. Another example of such special tax is the raw fish tax of the Bristol Bay Borough.

5. Single purpose service districts. Fairbanks questioned the appropriateness of treating service districts as separate political units, as this may have a tendency to encourage a separatist attitude on the part of the service districts. Boroughs would rather consider service areas as an integral part of the whole. SSHB 843 specifies that funds allocated on a service area basis or by differential tax zones must be spent in those areas. Mr. Nordale also pointed out that they have several single purpose service districts, providing only road maintenance. These districts can receive double payment under Chapter 89 (RHM) and under Chapter 88 (formula).. This can lead to a situation where a service area can be receiving as much as twice as much money as they actually need.

If this is actually a problem, a solution may be to allow for petition to the DC&RA to use the funds elsewhere. The municipalities may prefer to delete the provision in HB 843 which requires the use of revenue sharing funds in the service areas.

6. Include per capita debt as a measure of local effort. Theoretically, municipal debt is considered in this formula since it is reflected in the tax rate. If local effort for education is included, all possibilities for local debt will be included since much of a municipality's bonded debt is for school construction. Dillingham pointed out that a city must first have a tax base before it can incur bonded debt. Several Alaskan municipalities are precluded from bonding by virtue of having no tax base.

7. Is it a legitimate state interest to see that a certain level of local services is maintained? Mr. Nordale pointed out that it does seem to be state policy to emphasize such services as police and fire protection since those categories receive the greatest intitlement in the revenue sharing program and have historically received the most attention

and amendment. Mr. Sharp pointed out that if it is a legitimate state responsibility to assure certain local services, then it is also incumbant upon the state to see that those services are actually being provided at some quality level. The present revenue sharing program does not address this aspect. The municipalities generally agreed that revenue sharing is not usually a major determinent in what services are to be provided, although the Fairbanks Borough maintains that the availability of revenue sharing dollars does help sell certain programs at the local level such as their air pollution control program.

8. Is equalization a legitimate concern of the state? Mr. Lovett of Cordova said he sees the bill as an attempt to equalize the quality of life in Alaskan communitites. A municipality of a certain size must provide the full specturm of basic services for its residents regardless of the cost. For example, Cordova devotes more than 20% of its budget to police protection. A population of a few hundred more could use the same size police department but would also have a larger tax base to fund it. A community the size of Cordova must forgo many of the amenities because it must concentrate all its resources on providing the basics. He was pleased to see that the Legislature had recognized this need and was addressing it through the revenue sharing program.

Mr. Sharp of Juneau noted that court cases in California, New Jersey and Texas have established the concept of equalization in the area of education by recognizing a person's right to equal protection in the quality of education. The courts have found that it is not appropriate to finance education strictly on the basis of local property tax revenues because of the disparities in property tax base. He said he expected the equalization concept to be extended into the area of local government services in the near future and was pleased to see the Alaska Legislature taking the lead in recognizing this idea.

Mayor Sullivan from Anchorage suggested that if the state felt it appropriate to give more assistance to the poorer communities, it could be done through maintaining the existing revenue sharing program, but with an additional appropriation and distribution to help so-called "disadvantaged" communities.

The main concern of the Municipality of Anchorage was that their percent of the total program would be reduced under HB 843. Under present law, Anchorage is entitled to 45.66%; SSHB 843 would only provide them with 35.77%.

45.66%; SSHB 843 would only provide them with 35.77%. Anchorage felt that other municipalities were being upgraded at the expense of Anchorage.

Representative Gardiner pointed out that the result will be the same whether HB 843 is used or the present program plus an additional distribution program as Mayor Sullivan suggested. It should not be viewed in terms of taking away from anyone. In actual fact, Anchorage will gain between $1 and $2 million dollars under the proposed program.

These persons sent HB843 Letter + print out on 2 June 78. VBa

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

DATE: 5/8/78

TIME: 9:00 a.m.

BILLS TO BE CONSIDERED: SSHB 843 Revenue Sharing Version P

NAME	ADDRESS	PHONE	REPRESENTING	DO YOU WISH TO TESTIFY:
Earl F Hills	Box 570 KENAI	283-4000	KEN PEN BORO ASSN	
John A Coulson	541 - 5th Ave - Dillingham	842-4761	City North Star Borough	
Ross Smith	402 West 3rd Soldotna	262-4325	Mobil Oil Anchorage	
James D Hardcastle	Box 1267	452-4761	Alaska North Slope Borough	
Lee Sharp	155 So Second St	586-3500	C & B of Juneau	
Tony Crawford	City Hall Anch	264-4420	ANCH.	
Waterhouse Crane	City Hall Anch	264-4433	Anch	
Harry Pelican	P.O. Box 1246 Kodiak	486-3736	Kodiak Island Borough	
Don Gilman	Box 850, Soldotna	262-4441	Kenai Pen Boro	
Bruce Aronson	Juneau	463-4X7	C + K H	
Roy Barton Manager	Box 850 Soldotna	262-4441	Kenai Pen Boro	
Gordon W Ryan	Box 191 Dillingham 99576	842-5211	City of Dillingham	✓
Perry Lovett, Manager Lovett	Box 1210 Cordova 99574	424-3239	City of Cordova	
Tim Van Alstine Asst. Manager	PO Box 7300 99701	225-3111	City of Ketchikan	
John Williams	LRA	465-4914		
Steve Tomkovich	Budget & Mgmt	465-3210		
MARK Asst. Manager	Box 407 Unalaska 99685	581-1283	City of Unalaska	2
Chuck Harris Manager	Box 329 Petersburg 99833	772-4511	City of Petersburg	?
[illegible]			[illegible]	yes
David Moffat Manager	Box 1306, Petersburg 99833	772 4511	City of Petersburg	yes
Jack Chenoweth	Legislative Affairs			
[illegible]	1220 Glacier	6-2017	Mun of Anchorage	n/c

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

April 17, 1978

MEMORANDUM

SUBJECT: SSHB 843, Revenue Sharing

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we estimate the amounts of tax reduction that could occur in municipalities across the state should SSHB 843 become law with the $27 million appropriation as specified in Section 11 of the bill. We have attached a series of notes to accompany the printout of our analysis.

There are three aspects of the analysis which need clarification. They are (1) the assumptions relating to changes in population, property value, services supplied by municipalities, etc; (2) the response of communities to receiving more money from local government assistance; and (3) the manner in which we were forced to treat 1978 actual revenue sharing entitlements. These three considerations are discussed below.

General Assumptions

For purposes of the analysis, we have utilized the basic data previously developed to estimate payments under SSHB 343 in 1978 and have maintained that basic data base through 1979. The effect is that no population increases are considered from 1978 to 1979, services are maintained at their 1978 levels, and property values and income remain constant. The only consideration that changes in our model is the amount and distribution mechanism of revenue sharing entitlements. In 1978, present law is used to calculate revenue sharing entitlements. In 1979, it is assumed that the funding level and allocation mechanism of SSHB 843 is in effect. The only consideration that the model does not utilize is the "hold harmless provision", as provided for in Section 10 of the bill. The significant effect of this omission is to show a net loss of revenue sharing entitlements in 1979 for the Fairbanks North Star Borough, Kenai Peninsula Borough, North Slope Borough, Sitka Borough, Wasilla, Valdez, Akolmiut, Delta Junction, Huslia, Port Heiden, and Unalakleet, which would not actually be required, since Section 10 of the bill prevents any municipality from receiving less during the next three years than their 1978 entitlement.

Local Government Responses

Municipalities that receive additional money from the state revenue sharing program would respond in a variety of ways. Many would increase the quality of government services or add additional services. Some may reduce taxes. For the purposes of our analysis, we have assumed that all boroughs and first class cities (except Saint Mary's, which has no taxes) apply the incremental increase in revenue sharing entitlements to tax reduction so as to maintain a level of operating capital in 1979 that is equal to (or slightly in excess of) their 1978 operating capital. Hence, all boroughs and first class cities except the five mentioned above will reduce taxes to some degree. The Fairbanks North Star Borough, Kenai Peninsula Borough, North Slope Borough, Sitka Borough, and Valdez increase their taxing rate to maintain a constant level of operating capital. All second class cities (except Wasilla) are assumed to absorb the additional revenues and to increase their level of governmental services. Five second class cities (Wasilla, Akolmiut, Delta Junction, Huslia, Port Heiden, and Unalakleet) will receive a lesser entitlement in 1979 than 1978 because we have not considered the hold harmless provision of SSHB 843.

1978 Entitlements

Presently, we are unable to distribute 1978 entitlements over the subunits of boroughs and cities with multiple tax zones. We can only lump-sum each entitlement. The lump-sum amounts are entered on the first line of each borough and city with multiple listings. This treatment of the 1978 entitlements causes the need for clarification of particular aspects of the printout. Since the program is adjusting 1979 tax rates in such a way so as to hold the revenues available to each municipality equal for 1978 and 1979, anomalous results appear on the printout. Namely, since the intent is to maintain a constant dollar amount from one year to the next, the program necessarily reduces area-wide taxes at a lesser rate than would actually be allowed, since the 1978 operating budget contains the entire borough revenue sharing entitlement, and the 1979 entitlement is distributed across the service areas. In the case of Anchorage, the tax reduction area-wide is actually a tax increase, since the area-wide entitlement in 1979 is about $2.5 million less than the total entitlement of $8.4 million in 1978. The total Anchorage entitlement in 1979 is about $1.6 million greater than in 1978, which demonstrates that Anchorage could have a net tax reduction for all service areas. The .54 mil increase shown for Anchorage area-wide should be compared to the tax decrease in each service area to generally understand the amount of tax reduction that could be realized by each service area.

Please let us know if we may be of further assistance.

JW:dh
Attachments

NOTES TO "MUNICIPAL TAX PROJECTION TO 1979 WITH PAYOUT AT $27 MILLION"

The purpose of the printout is to demonstrate the degree of tax reduction that could commence in each municipality should HB 843 become law. Several assumptions are made in determining the tax reductions, most importantly that every borough and first class city (except Saint Mary's) take advantage of the opportunity to reduce taxes, and that none of the second class cities (except Wasilla) change their tax policy.[1] Other assumptions follow.

(1) Boroughs and first class cities adjust their tax policy to maintain constant 1978 dollars in their "operating budget". Operating budget is defined as revenues from property and sales taxes plus their revenue sharing entitlement. An operating budget for 1978 is determined, and tax policy is modified to maintain at least the same operating revenues in 1979.

(2) Population is held constant and no change in present services (either quality or quantity) is assumed. Property values are not changed, nor is the relative revenue generating capacity of each municipality's sales tax.

(3) The 1978 taxing rate is determined by converting each municipality's sales tax to the property tax mil rate equivalent (at full and true value) that would generate the same amount of revenue as is received by each municipality from their 1978 sales tax. The sales tax "mil equivalent" is then added to the property tax mil rate (adjusted to the rate on full and true value) and the sum expressed as the total mil equivalent of taxes for each municipality. The calculated tax reduction that could commence in 1979 is expressed as the total mil equivalent of taxes for each municipality. The calculated tax reduction that could commence in 1979 is expressed as mil equivalents of tax that could be excised from the 1978 taxing rate, either as a reduction in sales or property tax or both.

(4) 1978 revenue sharing entitlements are credited to area-wide use in those municipality's with several listings. It is not possible at this time to distribute each entitlement over the service areas or tax zones for which each portion of the entitlement should be credited. For example, Anchorage (area-wide) was credited with the full $8,378,557 of entitlement in 1978. However, 1979 entitlements are distributed across service areas (except road, health, and military entitlements). Hence, in 1979, area-wide Anchorage receives $5,896,502 (approximately $2.5 million less than in 1978). This treatment of the 1978 entitlements causes an apparent tax increase to be required in Anchorage (area-wide).

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[1] Wasilla has not been singled out intentionally. The city was mistakenly considered a first class city. However, it is interesting to note the minimum amount of local tax effort that would be required in Wasilla to maintain constant revenues.

(5) Section 10 of SSHB 843 is not considered in the analysis. Section 10 guarantees that every municipality shall, until 1981, receive no less than their entitlement in 1978. Hence, those municipalities which would receive less in 1979 than in 1978 show an increase in taxes necessary to maintain a constant operating budget. Communities affected by the hold harmless clause are the Fairbanks North Star Borough, Kenai Peninsula Borough, North Slope Borough, Sitka Borough, Wasilla, Valdez, Akolmiut, Delta Junction, Huslia, Port Heiden, and Unalakleet.

Following is a description of the numbered columns appearing on the printout.

Column 1: Lists the adjusted property tax rate of each municipality. Adjustment is made by deducting any portion of property taxes used for education, and adjusting the remainder to the equivalent tax rate on the full and true assessed value of property in that municipality. The numbers are expressed as a mil rate.

Column 2: Lists the equivalent property tax rate necessary to generate the same amount of revenue as actually received by each municipality from its sales tax. The numbers are mil rate equivalents.

Column 3: Sums the two previous columns. The numbers in this column are used in the analysis as the local taxing rate against which 1979 tax reductions are calculated.

Column 4: The dollar amounts shown are the sum of revenues which each municipality should receive from sales and property taxes plus their 1978 revenue sharing entitlement.

Column 5: Lists the 1978 actual revenue sharing entitlement. For municipalities with multiple listings, the entitlement is credited entirely to the first, or area-wide, listing.

Column 6: The column lists the calculated taxing rate which each municipality could assess to maintain a constant money supply from the total of sales and property taxes plus the 1979 revenue sharing entitlement. The numbers represent the sum of property tax mil rates and sales taxes expressed as a mil rate equivalent.

Column 7: Lists the difference between the 1979 taxing rate and the 1978 taxing rate. Except for previously mentioned exceptions, municipalites will generally be able to reduce taxes. The tax reductions shown in the column are mil rates on the full and true property value. Actual reductions would generally be greater than the number shown since the assessment roles of municipalities are generally less than the full and true value (because of exempted property and slight differences between assessed and market value).

Column 8: Lists the projected revenue sharing entitlement that each municipality would receive based upon the aforementioned assumptions. Each unit of local effort is worth $3.60 per capita in 1979. It is assumed that $27 million is appropriated to the revenue sharing program.

Column 9: The model was designed to maintain constant dollars for municipal operations. Hence, the 1979 operating budget is equal to the revenues from the adjusted sales and property taxes and the 1979 revenue sharing entitlement. The dollar amounts in this column equal or slightly exceed the 1978 operating budget in Column 4.

NOTES TO MARCH 25, 1978 REVENUE SHARING PRINTOUTS

The "new" version printouts are based on a modification of the formula that appears in HB 843 and SB 502. The sales tax portion of the formula is changed. Instead of multiplying the sales tax per cent rate by 2.3, the new version compares the sales tax revenues of each municipality to the revenue generated by 1 mil of property tax in each municipality. The quotient is expressed as a mil rate equivalent. The effect of the change is to cause the proposed revenue sharing allocation system to be neutral with respect to each municipality's taxing philosophy.

REVENUE SHARING DATA--1977

PER CAPITA EXISTING: The dollar amounts in this column correspond to the entitlements received this year by each municipality for all service categories except road maintenance, health facilities and hospitals, and military entitlements. The categories in this column would be repealed by HB 843. Entitlements are lumped into the first listing for each municipality with several listings.

R,H,M: The dollar amounts in the column correspond to the 1978 entitlements that will be received for road maintenance, health facilities and hospitals, and military support. These categories of the present revenue sharing law are saved by HB 843.

TOTAL ENTITLEMENT: The column sums the entitlements that will be received this year (each entitlement has been adjusted for the cost of living allowance).

POP: The certified population numbers used by the Department of Community and Regional Affairs (CRA) for the revenue sharing program.

PER CAPITA PROP. VALUE: The column lists the full and true property value of each municipality or subdivision thereof divided by the population of the municipality or subdivision thereof. Municipalities without property assessments are estimated (EST). The estimated value for second class cities in the unorganized borough is determined by averaging the per capita property values for communities in the unorganized borough with populations of 750 or less.

1976 PCI: The dollar amounts listed in the column correspond to the per capita income figures as determined by adjusting the 1974 Bureau of Census income estimates by 1976 data supplied by the National Planning Data Corp.

PROP. TAX: The numbers in the column correspond to the adjusted property tax mil rate of each municipality or subdivision thereof. Property tax rates appropriated to educational purposes are excised from the base figure before the mil rate is adjusted to the equivalent mil rate on the full and true value of property as determined by the state assessor.

SALES TAX: The numbers correspond to the sales tax per cent rate in each municipality. Sales tax appropriated to education is not inclu . The per cent rate shown is used in the original version of HB 843, buc is not used in the new formula.

S. TAX REVENUE: Sales tax revenues are obtained from the municipal audits filed with the Dept. of CRA. When 1977 audits were not available, the sales tax revenue number taken from the 1976 audits was inflated to represent the expected increase in sales tax revenues in 1977. When no audit was available, each community known to have a sales tax ordinance was credited with an estimated sales tax revenue amount obtained by a similar community with the same sales tax rate in effect.

COLA: Cost of living allowance.

'NEW' PROPOSED REVENUE SHARING (1977 DATA)

PROPERTY TAX: The adjusted property tax mil rate.

S.T. EQUIV: The column lists the sales tax equivalent expressed as a mil rate. The number is determined by dividing the actual sales tax revenues of each municipality (less any portion appropriated to educational purposes) by the revenue generated by 1 mil of property tax on the full and true value of property in that municipality.

PCI RATIO: The numbers are the quotients determined by dividing the state average per capita income ($8,001) by the per capita income of each municipality or when available, the per capita income of a subdivision of a municipality. A quotient greater than 1 indicates that the per capita income is lower than the state average.

PROPERTY RATIO: The numbers are the quotients determined by dividing the state average per capita property value ($42,871.8) by the full and true per cpaita property value of each municipality or subdivision thereof. As with the PCI ratio, a number greater than 1 indicates that the municipality has a per capita property value lower than the state average.

AVE. RATIO: The numbers in the column are the average of the two previous columns.

LOCAL EFFORT. The numbers are the result of adding the property tax mil rate to the sales tax mil rate equivalent and multiplying the sum by the average ratio. The product of the local effort number and the proration factor (3.3516427) is the dollar amount per capita that each municipality would receive under the formula portion of HB 843. The local effort factor is not allowed to exceed 25, as specified for in HB 843.

POP.: Population.

PER CAPITA ENTITLEMENT: The dollar amounts are determined by multiplying the local effort factor times the population times the proration factor of 3.3516427. (The proration factor represents the upward proration of each entitlement necessary to pay out a total of $25 million.)

TOTAL (+ RHM): The column adds the entitlement in the previous column to the entitlement for road maintenance, health facilities and hospitals, and military support.

PRESENT ENTITLEMENT: The dollar amount that will be received by each municipality in 1978.

This printout does not consider Sec. 9 of HB 843 which specifies that each municipality will, for the next three years, receive no less than their 1978 entitlement. The next printout does consider Sec. 9. The entitlements shown on the next printout for municipalities which receive more under the formula than their 1978 entitlement are 96.9% of the entitlements shown on this printout due to the Sec. 9 add ons.

'NEW' VERSION HOUSE BILL NO. 843 (1977 DATA)

PROPERTY TAX: The adjusted property tax mil rate.

S.T. EQUIV: The calculated mil rate equivalent of each municipality's sales tax.

POP: Population.

CHAPTER 88 ENTITLEMENT: The dollar amounts represent the entitlements calculated for Chapter 88 of HB 843, which is the formula entitlement.

CHAPTER 89 ENTITLEMENT: The dollar amounts represent the entitlements calculated for Chapter 89 of HB 843, which is the entitlement for road maintenance, health facilities, and military support.

SECTION 9 ADD ON: The dollar amounts listed in the column correspond to the difference between the 1978 entitlement and the entitlement under HB 843 for every community which receives less under the proposed legislation than they did in 1978.

HB 843 ENTITLEMENT: This column sums the three previous columns and multiplies the sum by .96861730, which is the downward proration factor necessary to pay out $25 million after the Sec. 9 add ons have been considered.

PRESENT ENTITLEMENT: The actual 1978 entitlement which will be received by each municipality.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B — JUNEAU 99811

March 14, 1978

The Honorable Terry Gardiner, Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

Re: HB 843 "An Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date."

This bill (as well as SB 502) would dramatically alter the method by which the State of Alaska distributes financial assistance to municipalities. Currently, under AS 43.18, the State distributes in excess of $18 million dollars annually to municipalities and volunteer fire departments in the unorganized borough utilizing a categorial approach. For example, if a city has a police department, and meets the minimum requirements, the State pays the city $12 per person served by the police department. No consideration is given to the relative ability of the city taxpayers to support the police department, nor the rate of municipal taxation.

The existing revenue sharing formula (AS 43.18) encourages municipalities to provide a wide variety of services, even though the quality of such services may be minimal, and no local tax effort is required. Additionally, the present revenue sharing program favors the more sophisticated municipalities (due to the categorial approach) as well as favoring municipalities having greater populations in a relatively small area. The new concept of distributing State generated wealth utilizing a formula based on relative taxable wealth, relative ability to pay, tax rates, and population makes sense to us and is definitely a step forward in assisting the development of local government in Alaska. Briefly, the concept may be described as helping those municipalites willing to help themselves.

This approach would seem to be equitable in that residents have determined locally the best balance between sales and property taxes to produce sufficient municipal revenues.

The Division of Research, Legislative Affairs Agency has prepared an analysis of the impact of this bill (at various funding levels) on all municipalities.

The Department wholeheartedly supports the concept of HB 843. Also, the proposed amendments would in our opinion, improve the intent of the act providing for equalization of the tax resources of municipalities.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

cc: Mike Harper
Jessie Dodson
Fran Ulmer

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

March 8, 1978

MEMORANDUM

SUBJECT: Revenue Sharing (W.O. #14/R)

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we determine the additional revenues the Municipality of Anchorage would be entitled under HB 843 should they implement a 1% sales tax and the actual tax revenues th would receive. The attached printout was run using the same information and programming that we utilized in developing the printout entitled "HOUSE BILL 843 $25 MILLION" with the exception of crediting Anchorage with a 1% sales tax and adjusting the proration accordingly. The additional revenues for Anchorage total $959,003.

We also estimated the amount of revenue that a 1% municipal sales tax would generate in Anchorage. We utilized Department of Revenue data from gross business receipts and attempted to isolate generally taxed retail business (the codes included were the same codes we used in comparing sales tax to property tax revenue generation). Our estimate suggests that a 1% sales tax on retail transactions in Anchorage would generate at least $12.6 million in revenue.

Comparing the increase in tax revenues attributable to a 1% sales tax to the increase in Anchorage's revenue sharing entitlement under HB 843 because of the 1% sales tax suggests that for each additional revenue sharing dollar Anchorage would receive, the municipality would generate more than $13 in direct tax revenues.

Please let us know if we may be of further assistance.

Attachment
JW:dh

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210

CORDOVA, ALASKA 99574

"The Friendly City"

Reply to:

MAR 16 1978

March 14, 1978

Representative Hugh Malone
Pouch V
Juneau, Alaska 99811

Dear Representative ~~Malone~~ Hugh,

The Cordova City Council at the regular meeting of March 13, 1978 voted unanimously to support House Bill 843. The City of Cordova presently has one of the highest tax rates in the state with a 22 mill property tax plus 4% sales tax The additional revenue generated by House Bill 843 would be a significant step in the reduction of local taxes.

We appreciate and encourage your efforts to reduce the local tax burden.

Very truly yours,

Perry D. Lovett
City Manager

cc Pete Loveseth
Jim Role

to CFRA

copy

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

February 17, 1978

MEMORANDUM

SUBJECT: HB 843 (W.O. #7/R)

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we prepare an analysis of HB 843, an Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date. The following analysis consists of: (1) a discussion of present revenue sharing law; (2) an overview of the general implications of the bill; (3) the financial distribution scheme as provided for in the bill; (4) a discussion of the allocation formula; and (5) an attachment demonstrating the comparative revenue distribution under current law and HB 843.

PRESENT REVENUE SHARING

HB 843 would amend the current state aid to local governments program, as provided for in AS 43.18.010-090. The current law provides for the legislature to annually appropriate an amount to be distributed to local governments according to a series of local services which are eligible under the program. Approximately 75% of the revenues are distributed on a per capita basis; the remainder are allocated according to miles of road maintained and the number of health facilities and hospitals (either on a per facility basis or a per bed basis). Services in support of military installations are apportioned on a per capita

basis but according to a different schedule than utilized for civilian populations. The Department of Community and Regional Affairs (CRA) determines whether a municipality qualifies under the provisions specified for each eligible service category. When eligibility has been certified, the municipality then receives a statutorily set amount per capita (or medical facility or mile of road maintained) specified for each service category. For example, a municipality receives $12 per capita for police protection, $7.50 per capita for fire protection, and $2 per capita for land use planning. Should the liability of the program exceed the legislatively appropriated amount, all municipal entitlements are prorated so that the total liability equals the available money.

The legislative intent for the program was restated via the passage of HB 89 in 1977 (120 SLA 1977 becomes effective July 1, 1978) to read "(t)he intent of §§ 10-100 of this chapter in authorizing state aid for....municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year" (sec. 4, HB 89).

Using the criteria established by the legislative intent, there would appear to be two considerations regarding the present revenue sharing law which indicate that it cannot fully accomplish the intent. (1) The present distribution system does not consider the local tax rate in distributing revenues. Those communities which have a relatively high tax rate receive payments at the same rate as communities which supply minimal or no services from local taxes. Instead, present law directs the Dept. of CRA to determine whether specific services which

are being supplied by the municipalities qualify them for categorical entitlements, regardless of differences in tax rates utilized in funding those service categories.[1] (2) Additionally, present law does not include "ability to pay" considerations. A community with a larger than state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. The same criticism can be raised with respect to per capita income differentials from which taxes are paid. A circular argument can be developed which demonstrates that poorer communities must set taxing rates at higher levels to generate the same revenues per capita as wealthier municipalities, which in turn requires a greater proportion of the disposable income of the poorer municipality residents to pay the additional tax burden vis-a-vis wealthier communities. The alternative for the poorer community is to forgo local services, which causes concomitant financial loss if the forgone services were eligible for revenue sharing dollars. The actual result is often substandard services.

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[1] The eligible services list has expanded since inception and presently includes services related to health and welfare, transportation, recreation, and economic development (a bill before the legislature this year would add cultural activities). Since the eligible services list has greatly expanded, it would appear timely to consider allowing any public service specifically authorized by a municipality to be considered as eligible for revenue sharing dollars. A method for accomplishing this would be to look directly at the local tax rate in determining the distribution of the revenue sharing appropriation, since the tax rate will reflect the level and number of services provided by municipal tax revenues.

OVERVIEW OF HB 843

HB 843 repeals essentially all provisions of the present revenue sharing law which allocate monies on a per capita basis (police, fire, parks and recreation, land use planning, transportation, and air and water pollution control). Present law which allocates monies for health facilities, hospitals, road maintenance, fire districts outside of municipalities, and support of military installations is saved.

The repealed portion is replaced with a per capita allocation system based upon population, taxing rate, and a factor which compares each local government to the state average using per capita property value and per capita income as indicators. Our analysis indicates that any appropriation to the program in excess of $23 million will increase the entitlement for all local governments with local tax ordinances in effect except the North Slope Borough and the City of Valdez. Several second class cities and one first class city with no local taxes would receive less. Section 9 of the bill provides for all local governments to be held harmless for three years after passage, such that no municipality will receive less during that three year period than they did in 1978, regardless of their entitlement as calculated by the specified formula.

FINANCIAL DISTRIBUTION SCHEME

HB 843 provides that revenue sharing dollars shall be utilized by municipalities in the taxing jurisdiction for which the amount of entitlement is determined. Boroughs with area-wide taxes for general government services except education shall receive revenue sharing

allocations to be used for area-wide purposes. For boroughs with differential taxing rates in service areas, revenue sharing entitlements based upon the service area tax rates must be utilized only in those service areas. First or second class cities with city-wide taxes would receive an allocation based upon the city-wide tax rate to be used city-wide (except for education). Cities with differential taxing zones would receive allocations according to the tax rate applied in each differential tax zone.

This system of distribution would appear to have a neutral effect with respect to the unification of existing governments. We do not find any circumstance where a subsequent unification agreement would cause a decrease in the revenue sharing entitlement for identical services. The bill contains a hold harmless clause for entitlements under the non per capita portion should a subsequently unified local government be entitled to less than the preceding multiple local governments.

ALLOCATION FORMULA

HB 843 specifies a formula to be used in determining entitlements for per capita revenue sharing distributions. The formula utilizes three considerations: (1) population; (2) tax rate; and (3) the relative "ability to pay" of each local government or subunit thereof.

The formula is:

$$\text{Entitlement} = \underbrace{P}_{A} \times \underbrace{\left[\underbrace{(PT + 2.3ST)}_{B} \times \underbrace{\left(\frac{SPCPV/LPCPV + SPCI/LPCI}{2}\right)}_{C}\right]}_{D}$$

where P = population
PT = property tax mil rate
ST = sales tax per cent rate
SPCPV = state average per capita property value
LPCPV = local per capita property value
SPCI = state average per capita income
LPCI = local per capita income

We will discuss the formula according to the portions indicated by the braces.

Part A

The population is determined in the same fashion as provided for in present law. Any reasonable population estimate is accepted by the Dept. of CRA.

Part B

Part B indicates the portion of the formula which determines the local tax rate. Property tax mil rates and sales tax per cent rates are converted to mil equivalents. The 2.3 conversion factor multiplied by

the sales tax rate was determined by comparing the revenue that could be generated by applying a one mil property tax to the total full and true assessed property value in the state and a one per cent sales tax to the total retail business in the state. That comparison demonstrates that a one per cent sales tax would generate 2.3 times more revenue than a one mil property tax.

Part C

The portion of the formula set out by brace C averages two ratios that compare the "economic base" of each local government to the state average. The ratios are mathematically designed to create a number larger than one for communities lower than the state average for the two indicators, and a number smaller than one for communities above the state average. The average of the two ratios is then multiplied times the computed tax rate so as to adjust upward the local tax effort of economically disadvantaged communities and downward economically advantaged communities.

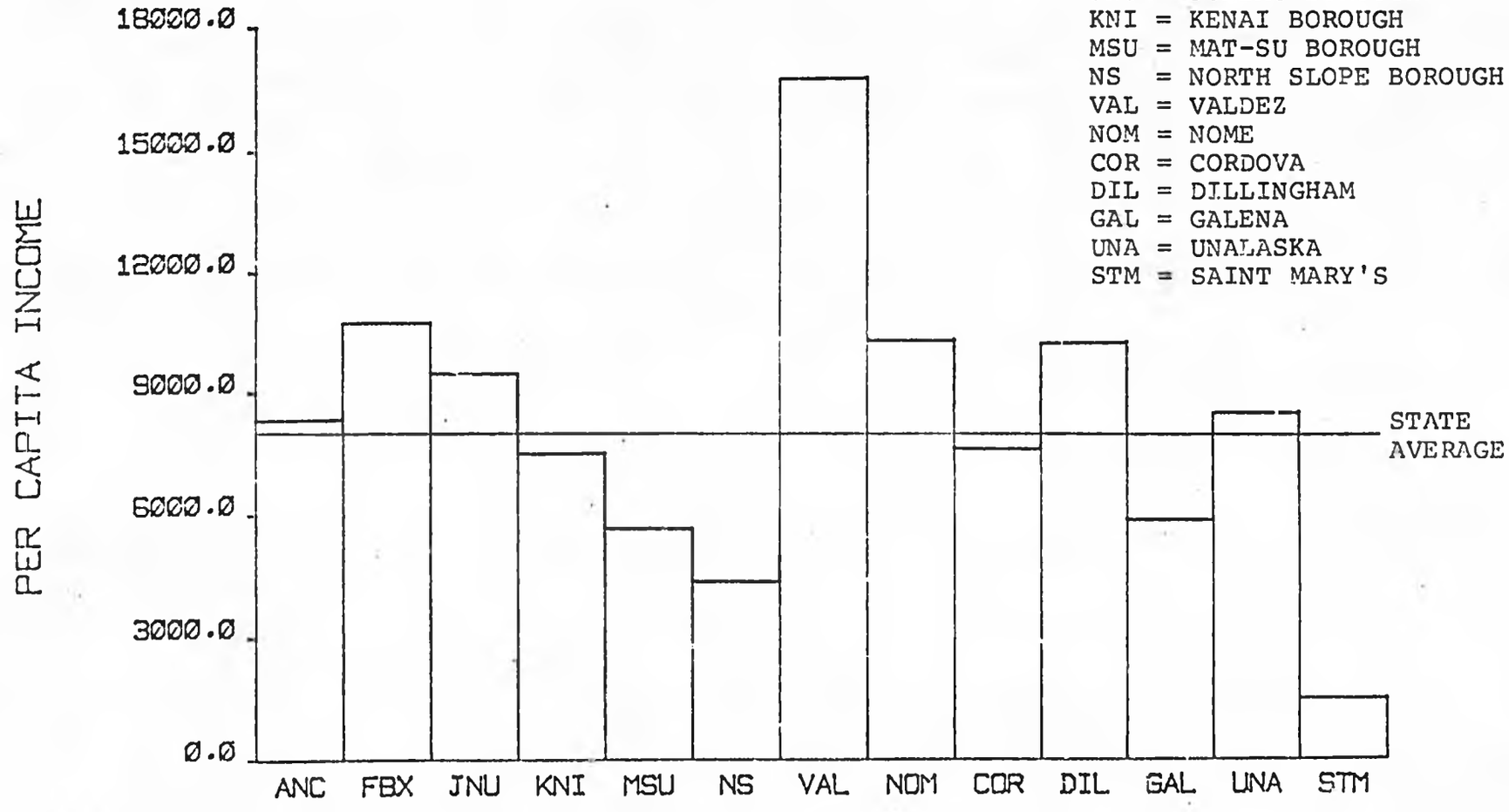
Part D

The portion set out by brace D is called the local effort factor, and is not allowed to exceed 25. The ceiling has the effect of setting a limit on the amount of support given to each municipality under the revenue sharing program. This, in combination with the required publishing of revenue sharing entitlements, would appear consistent with the legislative intent of the program, which is to diminish local tax burdens.

The bill further provides for adjustments in both sales tax and property tax rates based on optional exemptions allowed under Alaska law. As an example, a municipality utilizing the $10,000 residential property tax exemption would be required to declare the revenues forgone by the exemption, and a comparative portion of the tax would be excised from the tax rate base before computing that municipality's entitlement. Mandatory exemptions, such as agricultural lands and senior citizens housing would not affect the tax rate, since the forgone revenues are reimbursed by the state.

JW:dh

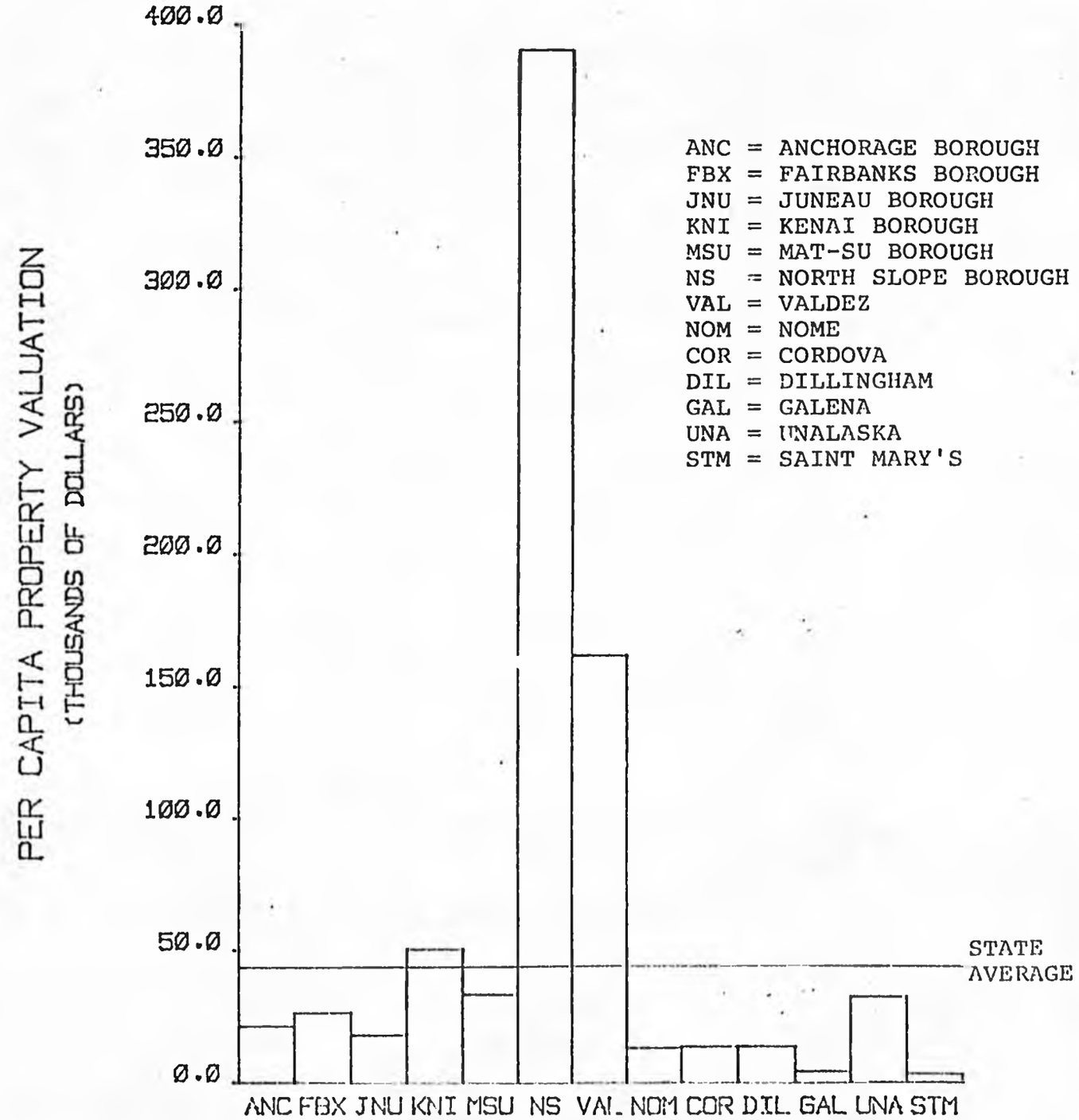
PER CAPITA INCOME
1976



ANC = ANCHORAGE BOROUGH
FBX = FAIRBANKS BOROUGH
JNU = JUNEAU BOROUGH
KNI = KENAI BOROUGH
MSU = MAT-SU BOROUGH
NS = NORTH SLOPE BOROUGH
VAL = VALDEZ
NOM = NOME
COR = CORDOVA
DIL = DILLINGHAM
GAL = GALENA
UNA = UNALASKA
STM = SAINT MARY'S

prepared by
Legislative Affairs
Agency
see attached memorandum

PER CAPITA PROPERTY VALUATION
1977



prepared by
Legislative Affairs
Agency
see attached memorandum

HB 843

The bill would eliminate the current revenue sharing distributions which are based on dollar amounts per capita for specific services provided by the municipality (e.g., police, fire, hospitals) and would substitutea payment formula based on local tax effort and a community's ability to pay taxes (and thus fund local services). The intent of the proposed legislation is to help those municipalities willing to help themselves.

Sponsors of HB 843 point out that although the intent of the present state revenue sharing program is to assist municipalities in reducing local taxes, this has not happened since the present payment formula bears no relation to either local tax effort or local tax base. The present formula is based on the types of services provided by the local government but does not take into account the community's ability to pay for those services. As a result, local government services are often provided on a very minimal level just for the purposes of gaining revenue sharing monies. The present program thereby tends to favor the more sophisticated municipalities which provide more local services. It also favors the more populated areas since entitlements are based on population figures as well.

The formula proposed in HB 843 would eliminate the emphasis on local government services and would emphasize instead the local tax effort; that is, the property and sales taxes levied by the municipality. The formula also takes into account the municipality's ability to generate revenues from taxes relative to other municipalities in the state by computing the local taxable wealth relative to the state overall. Thus, a community is not penalized by the formula for having less taxable wealth than another.

The framers of HB 843 have retained the portions of the present revenue sharing program which allocate funds on a non-per capita basis (road maintenance, hospitals, health facilities and military support) and have included a 3 year grandfather clause so that no municipality will

Background Material
House C&RA Committee files
Re: HB 843

PRESENT REVENUE SHARING FUNDING

Local Government Hi-lites

Police Protection	12.00 each person
Fire Protection	7.50 each person
Air/Water Pollution	2.00 each person
Land Use Planning	2.00 each person
Parks and Recreation	5.00 each person
Transportation Facilities	5.00 each person
Road Maintenance	
a. Public Roads	1500.00 each mile
b. Ice Roads	900.00 each mile
Health Service	2.00 each person
Health Facilities	1000.00 each bed
	4000.00 each facility
Hospitals	1000.00 each bed
	25000.00 each hospital
	75000.00 each hospital
Construction Aid (Hospitals)	2500.00 each bed

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

March 8, 1978

M E M O R A N D U M

SUBJECT: Revenue Sharing (W.O. #14/R)

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we determine the additional revenues the Municipality of Anchorage would be entitled under HB 843 should they implement a 1% sales tax and the actual tax revenues they would receive. The attached printout was run using the same information and programming that we utilized in developing the printout entitled "HOUSE BILL 843 $25 MILLION" with the exception of crediting Anchorage with a 1% sales tax and adjusting the proration accordingly. The additional revenues for Anchorage total $959,003.

We also estimated the amount of revenue that a 1% municipal sales tax would generate in Anchorage. We utilized Department of Revenue data from gross business receipts and attempted to isolate generally taxed retail business (the codes included were the same codes we used in comparing sales tax to property tax revenue generation). Our estimate suggests that a 1% sales tax on retail transactions in Anchorage would generate at least $12.6 million in revenue.

Comparing the increase in tax revenues attributable to a 1% sales tax to the increase in Anchorage's revenue sharing entitlement under HB 843 because of the 1% sales tax suggests that for each additional revenue sharing dollar Anchorage would receive, the municipality would generate more than $13 in direct tax revenues.

Please let us know if we may be of further assistance.

Attachment
JW:dh

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1978

The Honorable Lisa Rudd
Chairman
Community and Regional Affairs
Committee
House
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

In my November 5, 1977, speech to the Alaska Municipal League, I suggested that the State look for means by which to reward localities which make good faith efforts to tax themselves. In that talk, I sketched a plan whereby shared revenue would vary inversely to a municipality's per capita property values. This suggestion was made in recognition of the disparity of wealth among the communities in our State. I feel the proposed formula is a useful step toward implementation of the concepts contained in that speech.

I have been briefed on legislative proposals (SB 502, HB 843) to redesign the Municipal Revenue Sharing Program. Under these proposals, a municipality's entitlement would be determined by a formula to include as key elements both population and local effort. The latter would, as I understand it, incorporate local property and sales tax rates adjusted by a factor to account for local differences in property tax base and income.

I commend the Legislature for the careful study and deliberation which has gone into preparation of the proposals. I also support the philosophy of State and local government relationships and responsibilities which is expressed in the proposals. I would like to briefly mention several reasons for my support.

First, I believe that the most responsive government is that which is closest to the people it serves. Under the present categorical approach to Revenue Sharing, the State exerts considerable influence on the direction and type of local

services to be provided. I believe the proposed formula approach will give localities more desirable flexibility to determine service priorities at the local level.

Second, I have been an advocate for some time for the formation of local governments in the unorganized borough. At the November 10, 1977, Convention of the Alaska Federation of Natives, I expressed the view that a major obstacle to local government formation was an inadequate tax base which made it difficult for many rural areas to adequately meet the costs of local government services. I indicated then that Revenue Sharing adjusted for variations in per capita property values would help alleviate these problems. I believe the proposed legislation provides a useful tool for encouraging action in this regard.

My staff and that of the Department of Community and Regional Affairs have studied the legislation and have suggested refinements which we feel would facilitate administration of a formula based program. My position on funding of the proposal will have to await review of the fiscal impact of this legislation and the action the Legislature takes in the budget act itself.

Sincerely,

Jay S. Hammond
Governor

STATE OF ALASKA
THE LEGISLATURE

POUCH Y · STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

February 8, 1978

MEMORANDUM

SUBJECT: Revenue Sharing Proposal W.O. #4879

TO: The Honorable Lisa Rudd

FROM: John Williams
Research Analyst

As per your conversation of January 30 with Gregg Erickson, we are submitting the following discussion proposal for modifying the state aid to local governments (revenue sharing) program. This memorandum describes the legislative intent with respect to the present revenue sharing program, why the present law does not seem to fit with the legislative intent, the considerations which are incorporated in the enclosed proposal, how the proposal would work (along with a break-down of revenue sharing payments by community), and some comments on the ramifications of possible modifications to the proposal.

It is our hope that the following material may provide a useful starting point for further discussion.

BACKGROUND

The statement of purpose contained in Alaska's revenue sharing statute, (enacted in 1970) reads: "The intent of this chapter in authorizing state aid for municipal purposes is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of state aid received by a local government for a given fiscal year." (AS 43.18.030(a)).

In 1977 the legislature passed HB 89 (introduced by Representative Cotten) which affected revenue sharing in two ways. First, the bill expanded state support to local school programs by assuming the bonded

indebtedness of local governments for school construction. Second, it modified the legislative intent of the state aid to local governments program. The new language, which takes effect July 1, 1978, states: "The intent of secs. 10 - 100 of this chapter in authorizing state aid for educational purposes and municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year." Other sections of the bill require municipalities which levy either sales taxes or property taxes to inform the residents of the amount of revenue sharing dollars received by the municipality and the property tax mil rate equivalent or sales tax per cent rate equivalent represented by that transfer.

The new language broadens the intent of the state aid to local governments program from an intended reduction in property taxes to an intended reduction in local property and sales taxes. These taxes are the only two which can be levied by the municipal government uniformly on the residents of that municipality. Hence, the intent as stated by the language which takes effect in July of this year is to reduce taxation by municipalities upon their residents, proportional to the amount of state revenues received.

The present mechanism for distributing revenue sharing money takes no direct account of levels of local taxation. Instead, a schedule of typical local government services have been established and revenue sharing monies are paid on a dollar amount per capita for the specified

services. It is conceivable that there is a reasonable public purpose in allowing only specific services provided by a local government to be eligible for state "matching" funds, especially if the services are directly related to the health and welfare of the citizens. However, the present allowable services for revenue sharing purposes includes a mix of health and welfare services and commercial or economic services. Since the eligible services have been expanded to include a broad cross-section of local services, why prohibit any local service from receiving state "matching" funds?

Present redistribution via revenue sharing does not consider local tax effort other than as implied by specific services provided by the local government. For example, communities with no property tax (or sales tax) receive revenue sharing dollars for services at the same rate as a community supplying the same service with a 20 mil property tax rate. Obviously the former community cannot reduce the tax burden for its citizens any more by receiving revenue sharing dollars. Additionally, the system does not attempt to relate local taxation efforts to the 'wealth' or 'ability to pay' of the local populace. For example, a 'wealthy' government may be assessing a property tax at a 20 mil rate and generating $400 per capita; whereas a less wealthy community may generate $200 per capita with the same 20 mil rate. Insofar as per capita property value estimates the wealth of the people residing within a local government boundary, the 20 mil property tax assessment rate on the poorer community removes a greater proportion of the disposable income of the residents while generating half the revenue of the wealthier community.

Wealth or ability to pay is not represented strictly by per capita property valuation. Several factors must be considered to relate a particular tax rate to the economic impact on the citizenry as measured by the ability to pay the tax burden.

FACTORS CONSIDERED IN PROPOSED FORMULA

There are two prime considerations in the proposal presented herein: (1) local tax effort; and (2) ability to pay taxes (and thus fund local services). These two factors are weighted equally in the proposal.

Local Tax Burden

The two primary mechanisms for local governments to extract tax revenues from the general public on are sales and property taxes. The local tax burden portion of the proposed formula considers sales taxes and property taxes according to their relative burden on the average citizen of the state. This was determined by comparing the 1976 revenue that could be generated by a 1% sales tax on the total retail business in the state and the revenue that could be generated by a 1 mil property tax on the total estimated property in the state (only a small proportion of the property value had to be estimated). This calculation results in 2.34 times more revenue being generated by a 1% sales tax than a 1 mil property tax. To express the local tax rate in a uniform manner, sales

tax percentages can thus be converted to mil rate equivalents by multiplying the sales tax rate by 2.3. The mil rate equivalent can then be added to the property tax rate, with the sum representing the local tax effort. (For example, a community with a 5 mil property tax and a 2% sales tax would have a local tax burden of 9.6 mil equivalents.)

Because of the school foundation program, we have excised all levies or portions of levies which are appropriated to schools. The foundation program pays all or nearly all school costs. Thus, "wealthier" communities which decide to fund their local school districts at greater than the state determined minimum requirements have made a decision to increase their local tax burden for one of many local services necessary. By removing school levies, we have placed tax burdens for all other local services on an equal footing. For the purposes of constructing our computer model, this required determining the proper diminishment of local tax efforts by gleaning school appropriations from the local government audits for all communities which do not separately report tax levies for schools. Should this proposal become law, a requirement of reporting tax assessments for educational purposes would obviate the need for this task.

This determination of a local tax burden is a dramatic change from the present revenue sharing formula which bases its distribution on specific services rendered by the local government (we will discuss

at a later time those revenue sharing monies which are not allocated on a per capita basis, such as road maintenance, health facilities, and hospitals). This proposal looks at the taxes levied to determine the quantity of services which each local government is attempting to supply. The decision to allocate those revenues over any mix of an infinite number of public purposes is left solely to the local government and not encouraged or discouraged by the state revenue sharing program via its system of rewarding some services and ignoring others on an arbitrary dollars per capita basis.

Ability to Pay

The "ability to pay" portion of the proposal could also be called the "ability to generate revenue" in that it measures two indicators of the relative ability of a local government to tax its citizenry compared to the state average.

Since the two taxation methods which generally fall on the local populace are sales taxes and property taxes, the "ability to pay" portion of the proposal measures the per capita income (PCI) and per capita property value (PCPV) of the local government and compares the local values to the state-wide average. Each factor is determined in the same way--viz. by determining the ratio of the state-wide PCPV to the local PCPV and the ratio of the state-wide

PCI to the local PCI. These two ratios are then averaged to determine the local ability to pay (or ability to generate revenue).

As an example, the 1976 state-wide PCPV was $29,712 and the state-wide PCI was $7,918 (estimate). A community with a PCPV of $10,000 and a PCI of $5,000 would have ratios of 2.97 and 1.58 respectively. By averaging these two ratios, the local ability to pay factor is 2.28, which indicates that their ability to raise revenues compared to the state-wide average is 1/2.23 (43.8%) at equal taxation rates.

In the case of a non-unified borough with incorporated cities, the taxing entity (city or borough) is attributed the taxes assessed by the municipality for the population upon which the taxes are levied. As examples, taxes levied by boroughs for areawide purposes would use the PCI, PCPV, and population numbers borough-wide; borough taxes levied only within a particular service area would be modified by PCI and PCPV for the population within that service area; and a city levying city-wide taxes would use the population, PCI and PCPV for the city. Revenue sharing monies appropriated by the proposal would be required to be utilized in the area to which the taxation is applied. This data management could be achieved by requiring local governments to submit their taxation data according to the service area in which the tax applies and the population for that area. The state assessor can assign full and true PCPV's and

can obtain data from census estimates on the PCI for the most recent year available. (Our present computer model uses 1976 data except for PCI which is 1974 data. We have recently received 1976 PCI data which will be used when we complete our 1977 data base.)

Approximately 13% of the Alaskan population live in communities where no property assessment is made. For this proposal to be implemented, the state assessor would complete property value estimates in key communities within each region of the state for purposes of determining (estimating) the property valuation in non-assessed communities. We would recommend that this could be accomplished by requiring a property value estimation for one community within each of the 1961 election districts where assessments are not completed, since that apportioning of the state best represents the socio-economic and cultural divisions of the state. The 1961 election districts are presently utilized for revenue sharing purposes, the school foundation program, state per diem determinations, etc.

HOW THE PROPOSAL OPERATES

The revenue sharing proposal we are presenting would apportion payments via two mechanisms: (1) utilizing the methodology developed in the last section; and (2) by retention of that portion of the present law which apportions revenues on a non-per capita basis (road maintenance, hospitals, etc.).

New Per Capita Methodology

The per capita apportionment utilized in this formula involves three components--population, taxation effort, and ability to pay. Population estimates would be submitted by the local governments and certified by the Department of Community and Regional Affairs (no change from present law). Taxation effort would be determined by the addition of property tax rates plus 2.3 times the sales tax rate, with the sum expressed in mil equivalents. Ability to pay is determined by averaging the PCPV and PCI ratios. The formula would appear as LE X P, where LE equals the local effort and 'P' is the population. LE is equal to T X R, where T is equal to the local tax burden and 'R' is the average of the PCI and PCPV ratios.[1] To discourage increased local taxes for the purpose of receiving more revenue sharing dollars, a ceiling should be placed on the LE factor. Our present model places that ceiling at 25.

1 The entire equation would be:

Entitlement =

$$[\text{Population X } ((\text{PT} + 2.3\text{ST}) \text{ X } (\frac{\text{St PCI/Loc PCI} + \text{St PCPV/Loc PCPV}}{2}))]$$

+

Non per-capita entitlement;

Where PT = property tax, ST = sales tax, PCI = per capita income, and PCPV = per capita property value.

Non-Per Capita Distribution

The second part of the allocation involves the same methods utilized by present law for items not conditioned on a per capita basis. This would include road maintenance (allocated on a per mile of road maintained basis), hospitals (allocated on a per bed or per facility basis), health facilities (allocated on a per facility basis) and military support. Military payments are in fact made on a per capita basis, but utilize a different formula than applied to civilian populations. Since there is no local taxation of military personnel, there is no basis upon which to allocate monies for support of military facilities. We suggest maintaining this portion of present law along with the items not claimed on a per capita basis. Four local governments claim revenue sharing dollars based on services supplied to military installations.

The non-per capita allocation is modified by the 'COLA' factor as provided for in present law. Our computer model does not modify the revenues apportioned on a per capita basis (contrary to present law). There are arguments that can be made for applying or not applying the COLA factor. We have chosen to apply it to the non-per capita portion of the allocation formula, since that portion tends to represent costs related to construction and maintenance more so than do the factors in the per capita portion. There is no black and white distinction, however, and the model can be easily run with or without the COLA applied to either or both portions of the formula.

As with present law, after the local entitlements have been determined for all governments involved, the payments are prorated to allocate the total appropriation to the aid to local governments program. The administration has proposed a funding level slightly in excess of $20 million for the program in the FY 79 budget. Our present model is set to pay out $25 million.

Any scheme which distributes revenue sharing monies on a basis different than presently used will result in some communities getting less and others getting more than under the present method. Hence, it would seem that any major revision in the revenue sharing program would require an increase in the appropriation so as to hold harmless nearly all local governments. (Of those communities which collect taxes, three would receive less under this proposal. King Cove would have received less in 1977 because their local non-school taxation was near zero. The North Slope Borough and Valdez would receive less because of extremely high oil and gas property values. We are attaching a graph which demonstrates the divergence of these two local governments from the state average per capita property value, and which concomitantly demonstrates their local ability to generate revenue.)

ADDITIONAL COMMENTS

Twenty-eight communities (of the approximately 170 local governments) either do not levy or have not reported sales or property taxes and as a result receive no money under the per capita portion of the proposal.

It would seem unnecessarily harsh to diminish their state assistance without first giving these communities time to consider their taxation policy. A number of means could be used to accomplish this. For example, they could be held harmless for one year, and thus receive an amount no less than they received in FY 1978.

Other factors which would cause inequities in the formula relate to various exemptions allowed under state law. Any exemption provided for in some but not all local governments will change the effective tax rate by a factor proportionate to whatever tax would otherwise apply to the exempted material. As examples, some communities have exempted food and drugs from local sales taxes. To use the stated sales tax rate for that local government without correcting the rate for the revenues foregone by the exemption would allow that local government to utilize a higher tax base for revenue sharing purposes than actually imposed upon the citizenry. With some check of previous tax records and a degree of estimation, corrections could be made to the tax rate to reflect the tax burden foregone by the exemption. Similar cases occur with an optional $10,000 residential property tax exemption (AS 29.53.025(a)), household furniture exemptions to $500 (AS 29.53.025(b)(1)), and other exemptions as allowed in AS 29.53.025(c),(d), and (f).

Mandatory municipal tax exemptions, such as agricultural lands, and senior citizen housing, do not affect the equitability of the formula since the state reimburses to the affected municipality the revenues foregone by the exemption.

A somewhat more complicated exemption is applied to commercial fishing vessels (AS 29.53.125(b)(1)). Local governments may tax commercial fishing vessels, but at a rate not to exceed $5 for any vessel under 5 net tons or $15 per vessel for vessels larger than 5 net tons. This 'partial' exemption would significantly inflate the true property tax burden for communities such as Kodiak, where the major commercial investment in the city is fishing boats, with many of the newer shrimp and crab vessels having market values well in excess of $1 million. This particular exemption would appear to be the result of a legislative subsidy to the Alaska commercial fishing industry. We bring it to your attention, but have no comments on how you may want to address the matter, if at all.

Attachment

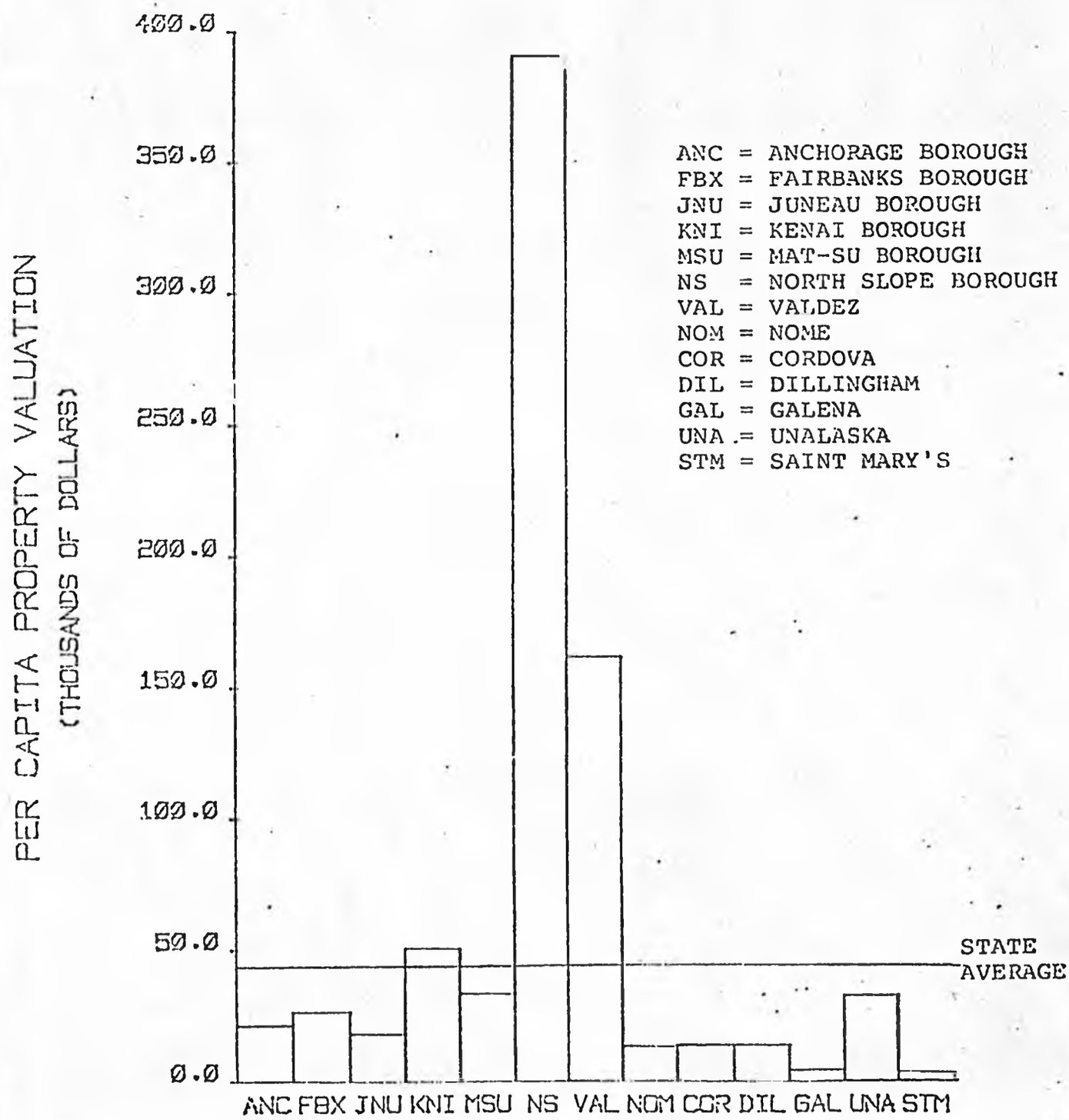
JW:dh

ATTACHMENTS

We are submitting two computer printouts, the first showing the data base we used for our analysis, and the second demonstrating how the revenues would be distributed by the proposed formula. The present data base utilizes 1976 data. The significant difference between the present 1976 data base and a 1977 data base which we intend to complete shortly is the additional valuation of the trans-Alaska pipeline which results in a sizeable increase in the total property in the state. Presently, the pipeline is equal to just under half of the total property value in the state. To demonstrate the local effects of the incremental value of the pipeline when comparing 1976 to 1977 data, the 1976 PCPV for Valdez and the North Slope Borough were $66,000 and $142,000 respectively; whereas their 1977 PCPV were $162,000 and $390,000. The state-wide average PCPV was $29,700 in 1976 and $42,900 in 1977.

We are also attaching a computer graphic demonstrating the distribution of "wealth" as estimated by per capita property value using 1977 data.

PER CAPITA PROPERTY VALUATION
1977



prepared by
Legislative Affairs
Agency
see attached memorandum

Notes to printout 1 submitted with memo of February 8, 1978.

(1) *LOCAL GOV'T:* Local governments are presented with boroughs and communities therein listed first. The breakdown of each borough is consistent with their revenue sharing application ("SA" means service area).

(2) *PER CAP. EXIST.:* The column lists the total entitlements distributed on a per capita basis (police, fire, parks and rec., air and water pollution, land use planning, transportation, and health services).

(3) *HEALTH & ROADS:* The column lists entitlements distributed on a non-per capita basis. This includes road maintenance (distributed on a mile basis), health facilities, hospitals, and construction aid (distributed on a per facility basis, i.e., hospitals). For boroughs which submitted their applications according to service areas, we have lumped the non-per capita entitlements in the first listed service area.

(4) *MILITARY:* Those local governments which supply services related to the support of military installations receive entitlements according to the services supplied and the military population. As with the health and roads category, the military entitlements are lumped into the first service area listed if a local government has multiple listings.

(5) *TOTAL ENTITLEMENT:* The column totals the three prior columns and represents the total entitlement each community is qualified to receive. The cost of living allowance factor (column 8) is factored into the three columns which break down the total entitlement. The actual monies received by a local government will be less than that listed, since the entitlements are pro-rated according to the money appropriated to the local government assistance program.

(6) *POP.:* The column lists the population base accepted by C.R.A. for the purpose of determining revenue sharing entitlements.

(7) *PER CAP. PROP. VALUE:* The column lists the "full and true" per capita property value as determined by the state assessor. For those local governments where no property assessment has been made, we have estimated *(EST.)* the per capita property value by looking to similar communities where assessments have been made. About 13% of the state population lives in those communities where a property value assessment has not been made. Two Anchorage Borough service areas have been designated as "estimated" because of inconsistencies between the state assessor's report of "full and true" property values for some service areas and the population for those service areas as reported by the Anchorage Borough. The per capita property value figures listed for these two service areas are more than likely inaccurate, but we are not capable of correcting the data without further clarification from the Department.

(8) *COLA:* The column lists the cost of living allowance multiplier used by the C.R.A. in determining entitlements.

(9) *PROPERTY TAX:* The column lists the property tax assessment for each service area or local government, less the levies designated for schools. If a levy was not specifically dedicated by a local government to schools, we obtained income and expenditure figures from the local government audits and calculated an apportionment to schools, which was then deducted from the local government property tax base.

(10) *SALES TAX:* As with property tax, the column lists the sales tax rate for each local government or service area, unless the tax was dedicated to schools. When a school dedication was not declared, we obtained information from the local government audits and diminished the sales tax base according to the portion of sales tax receipts appropriated to schools.

(11) *1974 PCI:* This column lists the Bureau of Census per capita income figures for 1974.

COMPARISON OF REVENUE SHARING OPTIONS

ESTIMATED PAYOUTS IN 1977

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
APRIL 7, 1978

	LOCAL GOVERNMENT	POP	HB 843	PER CENT	EXIST.LAW	PER CENT	HB 70	PER CENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS								
1	ANCHORAGE (AW)	180,653	$5,121,008		$8,378,557		$11,269,005	
2	CITY (SA)	67,014	$1,953,352		$0		$0	
3	HILLSIDE (SA)	8,937	$96,690		$0		$0	
4	SPENARD (SA)	38,816	$1,108,634		$0		$0	
5	GIRDWOOD (SA)	600	$5,310		$0		$0	
6	GLEN ALPS (SA)	65	$572		$0		$0	
7	RICH. VISTA (SA)	1,105	$89,852		$0		$0	
8	SAND LAKE (SA)	18,915	$335,254		$0		$0	
9	MULDOON (SA)	23,345	$665,522		$0		$0	
10	RABBIT CREEK (SA)	6,532	$99,799		$0		$0	
11	EAGLE RIVER (SA)	7,182	$82,159		$0		$0	
12	CHUGIAK (SA)	5,876	$47,138		$0		$0	
13	OCEAN VIEW (SA)	1,894	$39,976		$0		$0	
14	OTHER SA	372	$478		$0		$0	
	TOTAL		$9,645,751	35.72%	$8,378,557	45.66%	$11,269,005	46.09%
15	BRISTOL BAY BOROUGH (AW)	1,311	$95,964		$32,370		$32,370	
16	SOUTH NAKNEK SA	175	$798		$0		$0	
	TOTAL		$96,762	0.35%	$32,370	0.17%	$32,370	0.13%
17	FAIRBANKS BOROUGH (AW)	60,227	$1,141,607		$1,200,637		$1,339,160	
18	BALLAINE LAKE (SA)	168	$1,198		$0		$0	
19	DIANE (SA)	66	$490		$0		$0	
20	WILDVIEW ACRES (SA)	77	$307		$0		$0	
21	SMITH RANCH (SA)	438	$5,491		$0		$0	
22	ENGINEER CREEK (SA)	144	$1,806		$0		$0	
23	ESTER LUMP (SA)	10	$36		$0		$0	
24	NORTH STAR F.P. (SA)	6,500	$26,166		$0		$0	
25	BECKER RIDGE (SA)	108	$601		$0		$0	
26	FAIRBANKS (CITY)	30,462	$2,256,892		$1,265,807		$1,335,869	
27	NORTH POLE (CITY)	461	$43,581		$29,890		$30,951	
	TOTAL		$3,478,180	12.88%	$2,496,336	13.60%	$2,705,981	11.06%
28	HAINES BOROUGH	1,924	$26,361		$0		$26,875	
29	HAINES (CITY)	1,366	$127,288		$65,721		$68,658	
	TOTAL		$153,649	0.56%	$65,721	0.35%	$95,533	0.39%
30	JUNEAU (AW)	20,465	$1,139,507		$751,062		$1,037,572	
31	JUNEAU SA1	7,259	$443,836		$0		$0	
32	JUNEAU SA2	1,606	$63,471		$0		$0	
33	JUNEAU SA3	197	$499		$0		$0	
34	JUNEAU SA4	1,370	$15,794		$0		$0	
35	JUNEAU SA5	8,369	$116,174		$0		$0	
36	JUNEAU SA6	719	$7,618		$0		$0	
37	JUNEAU SA7	427	$2,790		$0		$0	
38	JUNEAU SA8	518	$2,379		$0		$0	
	TOTAL		$1,792,072	6.63%	$751,062	4.09%	$1,037,572	4.24%
39	KENAI BOROUGH (AW)	24,611	$308,959		$470,590		$576,418	
40	CENTRAL HOSPITAL (SA)	14,100	$25,[illegible]36		$0		$0	

41	SOUTH HOSPITAL (SA)	5,300	$64,595		$0		$0	
42	NORTH KENAI FIRE (SA)	3,512	$46,219		$0		$0	
43	NORTH KENAI REC (SA)	3,995	$8,106		$0		$0	
44	BEAR CREEK FIRE (SA)	675	$33,354		$0		$0	
45	HOMER (CITY)	1,802	$153,239		$74,774		$74,774	
46	KACHEMAK (CITY)	151	$26,361		$0		$26,875	
47	KENAI (CITY)	5,364	$499,391		$246,090		$274,921	
48	SELDOVIA (CITY)	612	$59,586		$26,132		$26,132	
49	SEWARD (CITY)	2,279	$209,113		$96,533		$96,533	
50	SOLDOTNA (CITY)	2,586	$248,667		$126,703		$140,603	
	TOTAL		$1,683,121	6.23%	$1,040,825	5.67%	$1,216,259	4.97%
51	KETCHIKAN BOROUGH (AW)	11,490	$450,878		$84,555		$130,515	
52	SHORELINE (SA)	550	$3,947		$0		$0	
53	KETCHIKAN (CITY)	7,928	$801,366		$393,632		$425,344	
54	SAXMAN (CITY)	272	$24,522		$8,294		$25,000	
	TOTAL		$1,280,714	4.74%	$486,481	2.65%	$580,859	2.37%
55	KODIAK BOROUGH (AW)	7,901	$214,830		$207,791		$224,778	
56	FIRE DISTRICT (SA)	1,546	$26,442		$0		$0	
57	ROAD DISTRICT (SA)	312	$1,380		$0		$0	
58	KODIAK (CITY)	4,960	$292,018		$190,984		$212,312	
59	AKHIOK (CITY)	102	$26,361		$0		$26,875	
60	LARSEN BAY (CITY)	137	$26,361		$1,841		$26,875	
61	OLD HARBOR (CITY)	327	$26,361		$17,281		$26,875	
62	OUZINKIE (CITY)	170	$26,361		$2,284		$26,875	
63	PORT LIONS (CITY)	227	$26,361		$11,133		$26,875	
	TOTAL		$666,480	2.46%	$431,316	2.35%	$571,465	2.33%
64	MAT-SU BOROUGH (AW)	16,724	$361,640		$295,973		$365,378	
65	WASILLA F(1,8,9,10,11)	4,908	$24,317		$0		$0	
66	BUTTE FIRE (SA)	1,818	$6,743		$0		$0	
67	SUTTON FIRE (SA)	594	$10,984		$0		$0	
68	OTHER AREA (SA)	12,924	$11,573		$0		$0	
69	TALKEETNA FLOOD (SA)	223	$3,905		$0		$0	
70	GARDEN TERRACE (SA)	57	$966		$0		$0	
71	HOUSTON (CITY)	375	$40,567		$41,357		$41,357	
72	PALMER (CITY)	1,859	$164,555		$86,977		$86,977	
73	WASILLA (CITY)	1,566	$72,525		$73,937		$73,937	
	TOTAL		$697,779	2.58%	$498,246	2.71%	$567,651	2.32%
74	NORTH SLOPE BOROUGH (AW)	9,139	$302,306		$308,193		$308,193	
75	ANAKTUVUK PASS (CITY)	150	$32,798		$0		$33,437	
76	BARROW (CITY)	2,306	$187,511		$38,553		$38,553	
77	KAKTOVIK (CITY)	123	$32,798		$2,057		$33,437	
78	NUIQSUT (CITY)	152	$32,798		$0		$33,437	
79	POINT HOPE (CITY)	384	$32,798		$0		$33,437	
80	WAINWRIGHT (CITY)	341	$32,798		$0		$33,437	
	TOTAL		$653,812	2.42%	$348,803	1.90%	$513,934	2.10%
81	SITKA BOROUGH	7,650	$376,660	1.39%	$383,994	2.09%	$455,426	1.86%
	FIRST CLASS CITIES							
82	CORDOVA	2,406	$312,407	1.15%	$211,729	1.15%	$222,797	0.91%
83	CRAIG	467	$48,180	0.17%	$26,050	0.14%	$26,050	0.10%
84	DILLINGHAM	1,269	$110,135	0.40%	$60,754	0.33%	$60,754	0.24%
85	GALENA	631	$70,078	0.25%	$41,499	0.22%	$41,499	0.16%
86	HOONAH	848	$68,954	0.25%	$28,715	0.15%	$28,715	0.11%
87	HYDABURG	380	$38,001	0.14%	$14,650	0.07%	$14,650	0.05%
88	KAKE	679	$25,442	0.09%	$20,256	0.11%	$25,937	0.10%
89	KING COVE	408	$30,578	0.11%	$21,275	0.11%	$21,275	0.08%

90	KLAWOCK	323	$32,674	0.12%	$14,449	0.07%	$14,449	0.05%
91	NENANA	521	$62,946	0.23%	$40,963	0.22%	$42,317	0.17%
92	NOME	2,585	$396,686	1.46%	$283,132	1.54%	$283,132	1.15%
93	PELICAN	169	$26,361	0.09%	$9,616	0.05%	$26,875	0.10%
94	PETERSBURG	2,126	$271,078	1.00%	$169,595	0.92%	$174,007	0.71%
95	SAINT MARY'S	415	$31,879	0.11%	$22,194	0.12%	$32,500	0.13%
96	SKAGWAY	854	$57,184	0.21%	$48,537	0.26%	$50,373	0.20%
97	UNALASKA	510	$125,222	0.46%	$102,445	0.55%	$102,445	0.41%
98	VALDEZ	7,483	$314,067		$417,165		$452,709	
99	ZONE I	6,683	$94,022		$0		$0	
100	ZONE II	700	$1,108		$0		$0	
			---		---		---	
		TOTAL	$409,197	1.51%	$417,165	2.27%	$452,709	1.85%
101	WRANGELL	3,152	$353,862		$209,010		$215,551	
102	ZONE II	797	$12,408		$0		$0	
103	ZONE III	100	$1,578		$0		$0	
104	ZONE IV	2,250	$98,016		$0		$0	
			---		---		---	
		TOTAL	$465,865	1.72%	$209,010	1.13%	$215,551	0.88%
105	YAKUTAT	442	$35,941	0.13%	$0	0.00%	$0	0.00%
	SECOND CLASS CITIES							
106	AKIACHAK	354	$31,879	0.11%	$30,904	0.16%	$32,500	0.13%
107	AKIAK	165	$31,879	0.11%	$1,072	0.00%	$32,500	0.13%
108	AKOLMIUT	608	$80,553	0.29%	$82,122	0.44%	$82,122	0.33%
109	ALAKANUK	527	$31,879	0.11%	$29,265	0.15%	$32,500	0.13%
110	ALEKNAGIK	227	$30,959	0.11%	$0	0.00%	$31,562	0.12%
111	ALLAKAKET	164	$32,798	0.12%	$2,741	0.01%	$33,437	0.13%
112	AMBLER	217	$32,798	0.12%	$22,531	0.12%	$33,437	0.13%
113	ANDERSON	470	$32,798	0.12%	$31,548	0.17%	$33,437	0.13%
114	ANGOON	287	$25,442	0.09%	$18,036	0.09%	$25,937	0.10%
115	ANIAK	323	$32,798	0.12%	$24,160	0.13%	$33,437	0.13%
116	ANVIK	87	$32,798	0.12%	$0	0.00%	$33,437	0.13%
117	ATMAUTLUAK	169	$31,879	0.11%	$10,583	0.05%	$32,500	0.13%
118	BETHEL	3,409	$391,010	1.44%	$264,487	1.44%	$273,351	1.11%
119	BREVIG MISSION	120	$30,959	0.11%	$8,534	0.04%	$31,562	0.12%
120	BUCKLAND	172	$32,798	0.12%	$0	0.00%	$33,437	0.13%
121	CHEFORNAK	192	$31,879	0.11%	$1,872	0.01%	$32,500	0.13%
122	CHEVAK	447	$31,879	0.11%	$9,878	0.05%	$32,500	0.13%
123	CHUATHBALUK	118	$32,798	0.12%	$9,216	0.05%	$33,437	0.13%
124	CLARK'S POINT	98	$30,959	0.11%	$0	0.00%	$31,562	0.12%
125	DEERING	100	$32,798	0.12%	$8,626	0.04%	$33,437	0.13%
126	DELTA JUNCTION	892	$30,998	0.11%	$31,602	0.17%	$35,705	0.14%
127	DIOMEDE	135	$30,959	0.11%	$6,328	0.03%	$31,562	0.12%
128	EAGLE	145	$28,200	0.10%	$4,904	0.02%	$28,750	0.11%
129	EEK	195	$31,879	0.11%	$6,211	0.03%	$32,500	0.13%
130	EKWOK	109	$30,959	0.11%	$0	0.00%	$31,562	0.12%
131	ELIM	205	$30,959	0.11%	$11,909	0.06%	$31,562	0.12%
132	EMMONAK	545	$48,926	0.18%	$16,744	0.09%	$16,744	0.06%
133	FORT YUKON	637	$82,064	0.30%	$53,434	0.29%	$53,434	0.21%
134	FORTUNA LEDGE	200	$31,879	0.11%	$10,270	0.05%	$32,500	0.13%
135	GAMBELL	412	$30,959	0.11%	$6,241	0.03%	$31,562	0.12%
136	GOLOVIN	118	$30,959	0.11%	$0	0.00%	$31,562	0.12%
137	GOODNEWS BAY	248	$31,879	0.11%	$4,674	0.02%	$32,500	0.13%
138	GRAYLING	167	$32,798	0.12%	$2,402	0.01%	$33 437	0.13%
139	HOLY CROSS	212	$32,798	0.12%	$17,486	0.09%	$33,437	0.13%
140	HOOPER BAY	590	$31,879	0.11%	$0	0.00%	$32,500	0.13%
141	HUGHES	98	$32,798	0.12%	$1,638	0.00%	$33,437	0.13%
142	HUSLIA	216	$39,997	0.14%	$40,776	0.22%	$40,776	0.16%
143	KALTAG	240	$32,798	0.12%	$6,881	0.03%	$33,437	0.13%
144	KASAAN	38	$24,522	0.09%	$4,475	0.02%	$25,000	0.10%
145	KIANA	314	$32,798	0.12%	$17,545	0.09%	$33,437	0.13%
146	KIVALINA	208	$32,798	0.12%	$14,172	0.07%	$33,437	0.13%

147	KOBUK	60	$32,798	0.12%	$5,951	0.03%	$33,437	0.13%
148	KOTLIK	284	$31,879	0.11%	$11,476	0.06%	$32,500	0.13%
149	KOTZEBUE	2,526	$235,942	0.87%	$144,317	0.78%	$144,317	0.59%
150	KOYUK	160	$30,959	0.11%	$9,999	0.05%	$31,562	0.12%
151	KOYUKUK	124	$32,798	0.12%	$6,179	0.03%	$33,437	0.13%
152	KUPREANOF	42	$25,442	0.09%	$0	0.00%	$25,937	0.10%
153	KWETHLUK	444	$31,879	0.11%	$16,455	0.08%	$32,500	0.13%
154	LOWER KALSKAG	195	$32,798	0.12%	$12,262	0.06%	$33,437	0.13%
155	MANOKOTAK	225	$30,959	0.11%	$5,539	0.03%	$31,562	0.12%
156	MCGRATH	296	$32,798	0.12%	$21,516	0.11%	$33,437	0.13%
157	MEKORYUK	184	$31,879	0.11%	$11,538	0.06%	$32,500	0.13%
158	MOUNTAIN VILLAGE	513	$38,544	0.14%	$22,873	0.12%	$22,873	0.09%
159	NAPAKIAK	276	$31,879	0.11%	$18,826	0.10%	$32,500	0.13%
160	NAPASKIAK	210	$31,879	0.11%	$5,323	0.02%	$32,500	0.13%
161	NEWHALEN	89	$30,959	0.11%	$0	0.00%	$31,562	0.12%
162	NEW STUYAHOK	230	$30,959	0.11%	$0	0.00%	$31,562	0.12%
163	NEWTOK	124	$31,879	0.11%	$0	0.00%	$32,500	0.13%
164	NIGHTMUTE	123	$31,879	0.11%	$799	0.00%	$32,500	0.13%
165	NIKOLAI	85	$32,798	0.12%	$7,764	0.04%	$33,437	0.13%
166	NONDALTON	226	$30,959	0.11%	$0	0.00%	$31,562	0.12%
167	NOORVIK	527	$32,798	0.12%	$28,443	0.15%	$33,437	0.13%
168	NULATO	331	$32,798	0.12%	$10,439	0.05%	$33,437	0.13%
169	PILOT STATION	301	$31,879	0.11%	$12,320	0.06%	$32,500	0.13%
170	PLATINUM	59	$31,879	0.11%	$1,879	0.01%	$32,500	0.13%
171	PORT ALEXANDER	51	$25,442	0.09%	$661	0.00%	$25,937	0.10%
172	PORT HEIDEN	89	$50,789	0.18%	$51,778	0.28%	$51,778	0.21%
173	QUINHAGAK	395	$31,879	0.11%	$15,525	0.08%	$32,500	0.13%
174	RUBY	219	$32,798	0.12%	$3,662	0.01%	$33,437	0.13%
175	RUSSIAN MISSION	158	$31,879	0.11%	$2,126	0.01%	$32,500	0.13%
176	SAINT MICHAEL	206	$30,959	0.11%	$10,121	0.05%	$31,562	0.12%
177	SAINT PAUL	550	$96,942	0.35%	$85,410	0.46%	$85,410	0.34%
178	SAND POINT	544	$69,436	0.25%	$40,458	0.22%	$40,458	0.16%
179	SAVOONGA	409	$30,959	0.11%	$17,701	0.09%	$31,562	0.12%
180	SCAMMON BAY	193	$31,879	0.11%	$6,147	0.03%	$32,500	0.13%
181	SELAWIK	521	$42,364	0.15%	$17,073	0.09%	$17,073	0.06%
182	SHAGELUK	169	$32,798	0.12%	$14,897	0.08%	$33,437	0.13%
183	SHAKTOOLIK	160	$30,959	0.11%	$0	0.00%	$31,562	0.12%
184	SHELDON POINT	136	$31,879	0.11%	$0	0.00%	$32,500	0.13%
185	SHISHMAREF	326	$30,959	0.11%	$19,441	0.10%	$31,562	0.12%
186	SHUNGNAK	182	$32,798	0.12%	$9,488	0.05%	$33,437	0.13%
187	STEBBINS	298	$30,959	0.11%	$9,217	0.05%	$31,562	0.12%
188	TANANA	499	$32,798	0.12%	$25,506	0.13%	$33,437	0.13%
189	TELLER	219	$30,959	0.11%	$14,844	0.08%	$31,562	0.12%
190	TENAKEE SPRINGS	140	$25,442	0.09%	$6,131	0.03%	$25,937	0.10%
191	TOGIAK	419	$30,959	0.11%	$10,315	0.05%	$31,562	0.12%
192	TOKSOOK BAY	317	$31,879	0.11%	$16,121	0.08%	$32,500	0.13%
193	TULUKSAK	202	$31,879	0.11%	$0	0.00%	$32,500	0.13%
194	TUNUNAK	299	$31,879	0.11%	$12,780	0.06%	$32,500	0.13%
195	UNALAKLEET	630	$33,002	0.12%	$33,645	0.18%	$33,645	0.13%
196	UPPER KALSKAG	164	$32,798	0.12%	$2,741	0.01%	$33,437	0.13%
197	WALES	109	$30,959	0.11%	$0	0.00%	$31,562	0.12%
198	WHITE MOUNTAIN	98	$30,959	0.11%	$0	0.00%	$31,562	0.12%
199	WHITTIER	292	$33,313	0.12%	$33,931	0.18%	$33,961	0.13%
200	EXT FIRE AREAS	1	$65,073	0.24%	$66,341	0.36%	$66,341	0.27%
	TOTAL		$26,999,999		$18,349,049		$24,446,341	

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 843

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
APRIL 3, 1978

LOCAL EFFORT LIMIT SET TO 25
BEFORE PRORATION, CHAPTER 88 PLUS MINIMUM ENTITLEMENTS TOTAL $20 MILLION (3.41818)
PRORATION FACTOR FOR SECTION 9 IS .9809001

	LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 9 ADD ON	HB843 ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1	ANCHORAGE (AW)	2.93	0.00	180,653	$2,416,866	$2,876,165	$0	$0	$5,191,934	$8,378,557
2	CITY (SA)	7.07	0.00	67,014	$2,052,802	$0	$0	$0	$2,013,594	$0
3	HILLSIDE (SA)	3.49	0.00	8,937	$101,613	$0	$0	$0	$99,672	$0
4	SPENARD (SA)	7.34	0.00	38,816	$1,165,078	$0	$0	$0	$1,142,825	$0
5	GIRDWOOD (SA)	3.35	0.00	600	$5,581	$0	$0	$0	$5,474	$0
6	GLEN ALPS (SA)	3.37	0.00	65	$601	$0	$0	$0	$589	$0
7	RICH. VISTA (SA)	7.24	0.00	1,105	$94,427	$0	$0	$0	$92,623	$0
8	SAND LAKE (SA)	3.97	0.00	18,915	$352,323	$0	$0	$0	$345,593	$0
9	MULDOON (SA)	4.70	0.00	23,345	$699,406	$0	$0	$0	$686,047	$0
10	RABBIT CREEK (SA)	3.37	0.00	6,532	$104,880	$0	$0	$0	$102,877	$0
11	EAGLE RIVER (SA)	2.28	0.00	7,182	$86,342	$0	$0	$0	$84,693	$0
12	CHUGIAK (SA)	1.28	0.00	5,876	$49,538	$0	$0	$0	$48,592	$0
13	OCEAN VIEW (SA)	4.86	0.00	1,894	$42,011	$0	$0	$0	$41,208	$0
14	OTHER SA	0.52	0.00	372	$502	$0	$0	$0	$492	$0
				TOTAL	$7,171,975	$2,876,165			$9,856,222	$8,378,557
15	BRISTOL BAY BOROUGH (AW)	6.15	8.20	1,311	$92,222	$8,370	$0	$0	$98,671	$32,370
16	SOUTH NAKNEK SA	1.47	0.00	175	$838	$0	$0	$0	$822	$0
				TOTAL	$93,060	$8,370			$99,493	$32,370
17	FAIRBANKS BOROUGH (AW)	1.19	2.22	60,227	$836,529	$113,018	$0	$213,153	$1,140,494	$1,200,637
18	BALLAINE LAKE (SA)	0.81	0.00	168	$1,259	$0	$0	$0	$1,234	$0
19	DIANE (SA)	1.22	0.00	66	$515	$0	$0	$0	$505	$0
20	WILDVIEW ACRES (SA)	0.82	0.00	77	$322	$0	$0	$0	$316	$0
21	SMITH RANCH (SA)	1.63	0.00	438	$5,771	$0	$0	$0	$5,660	$0
22	ENGINEER CREEK (SA)	1.64	0.00	144	$1,898	$0	$0	$0	$1,862	$0
23	ESTER LUMP (SA)	2.04	0.00	10	$38	$0	$0	$0	$37	$0
24	NORTH STAR F.P. (SA)	0.87	0.00	6,500	$27,498	$0	$0	$0	$26,973	$0
25	BECKER RIDGE (SA)	2.35	0.00	108	$632	$0	$0	$0	$620	$0
26	FAIRBANKS (CITY)	6.94	4.60	30,462	$1,843,352	$512,634	$0	$0	$2,310,987	$1,265,807
27	NORTH POLE (CITY)	4.36	9.18	461	$26,738	$18,492	$0	$0	$44,366	$29,890
				TOTAL	$2,744,556	$644,144			$3,533,060	$2,496,336
28	HAINES BOROUGH	1.42	0.00	1,924	$16,858	$0	$10,016	$0	$26,361	$0
29	HAINES (CITY)	7.62	5.58	1,366	$116,730	$16,528	$0	$0	$130,713	$65,721
				TOTAL	$133,589	$16,528			$157,075	$65,721
30	JUNEAU (AW)	8.62	0.00	20,465	$982,046	$209,030	$0	$0	$1,168,327	$751,062
31	JUNEAU SA1	2.78	9.13	7,259	$466,433	$0	$0	$0	$457,524	$0
32	JUNEAU SA2	1.21	4.12	1,606	$66,702	$0	$0	$0	$65,428	$0
33	JUNEAU SA3	0.79	0.00	197	$524	$0	$0	$0	$514	$0
34	JUNEAU SA4	2.88	0.00	1,370	$16,593	$0	$0	$0	$16,282	$0
35	JUNEAU SA5	2.35	0.00	8,369	$122,089	$0	$0	$0	$119,757	$0
36	JUNEAU SA6	1.89	0.00	719	$8,006	$0	$0	$0	$7,853	$0
37	JUNEAU SA7	1.41	0.00	427	$2,932	$0	$0	$0	$2,876	$0
38	JUNEAU SA8	1.30	0.00	518	$2,500	$0	$0	$0	$2,452	$0
				TOTAL	$1,667,835	$209,030			$1,841,017	$751,062

39	KENAI BOROUGH (AW)	0.00	0.00	24,611	$0	$314,975	$0	$0	$308,959	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$26,825	$0	$0	$0	$26,313	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$67,884	$0	$0	$0	$66,587	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$48,572	$0	$0	$0	$47,644	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$8,519	$0	$0	$0	$8,356	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$35,052	$0	$0	$0	$34,383	$0
45	HOMER (CITY)	11.26	5.74	1,802	$146,862	$13,754	$0	$0	$157,549	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$1,408	$0	$14,823	$0	$15,922	$0
47	KENAI (CITY)	14.58	7.95	5,364	$458,377	$64,451	$0	$0	$512,843	$246,090
48	SELDOVIA (CITY)	14.48	2.58	612	$52,298	$10,013	$0	$0	$61,121	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$194,750	$24,260	$0	$0	$214,828	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$220,985	$39,135	$0	$0	$255,152	$126,703
				TOTAL	$1,261,538	$466,590			$1,709,662	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	11,490	$473,833	$0	$0	$0	$464,783	$84,555
52	SHORELINE (SA)	1.00	0.00	550	$4,148	$0	$0	$0	$4,069	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$677,483	$159,756	$0	$0	$821,248	$393,632
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$20,650	$0	$24,522	$8,294
				TOTAL	$1,155,465	$164,106			$1,314,623	$486,481
55	KODIAK BOROUGH (AW)	1.83	0.00	7,901	$53,669	$166,949	$0	$0	$216,405	$207,791
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$27,788	$0	$0	$0	$27,257	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$1,451	$0	$0	$0	$1,423	$0
58	KODIAK (CITY)	8.19	6.04	4,960	$283,149	$23,026	$0	$0	$300,328	$190,984
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$10,965	$0	$10,755	$0
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$14,727	$0	$14,446	$1,841
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$20,666	$0	$26,361	$17,281
62	OUZINKIE (CITY)	0.00	368.44	170	$14,527	$0	$3,747	$0	$17,925	$2,284
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$20,468	$0	$23,936	$11,133
				TOTAL	$380,585	$200,118			$638,840	$431,316
64	MAT-SU BOROUGH (AW)	3.12	0.00	16,724	$242,135	$133,790	$0	$0	$368,745	$295,973
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$25,555	$0	$0	$0	$25,067	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$7,087	$0	$0	$0	$6,951	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$11,544	$0	$0	$0	$11,323	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$12,162	$0	$0	$0	$11,930	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$4,104	$0	$0	$0	$4,025	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$1,015	$0	$0	$0	$995	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,567	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$145,901	$26,222	$0	$0	$168,837	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,525	$73,937
				TOTAL	$449,506	$262,321			$710,971	$498,246
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	9,139	$171,908	$65,510	$0	$70,774	$302,306	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$20,062	$0	$19,679	$0
76	BARROW (CITY)	0.00	52.37	2,306	$197,058	$0	$0	$0	$193,294	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$16,451	$0	$16,137	$2,057
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$20,330	$0	$19,941	$0
79	POINT HOPE (CITY)	0.00	17.18	384	$32,814	$0	$622	$0	$32,798	$0
80	WAINWRIGHT (CITY)	0.00	33.34	341	$29,139	$0	$4,297	$0	$32,798	$0
				TOTAL	$430,921	$65,510			$616,956	$348,803
81	SITKA BOROUGH	2.10	3.86	7,650	$218,891	$133,982	$0	$31,119	$376,660	$383,994
	FIRST CLASS CITIES									
82	CORDOVA	8.51	12.04	2,406	$205,603	$119,038	$0	$0	$318,441	$211,729
83	CRAIG	5.83	8.78	467	$39,907	$10,405	$0	$0	$49,351	$26,050
84	DILLINGHAM	15.12	10.14	1,269	$108,441	$7,082	$0	$0	$113,317	$60,754
85	GALENA	0.00	14.02	631	$53,921	$19,134	$0	$0	$71,660	$41,499
86	HOONAH	0.00	8.62	848	$72,465	$0	$0	$0	$71,081	$28,715
87	HYDABURG	0.00	15.98	380	$32,472	$7,240	$0	$0	$38,954	$14,650

88	KAKE	0.00	1.14	679	$20,066	$1,587	$4,283	$0	$25,442	$20,256
89	KING COVE	2.00	2.91	408	$26,929	$5,050	$0	$0	$31,369	$21,275
90	KLAWOCK	0.00	3.41	323	$27,601	$6,535	$0	$0	$33,484	$14,449
91	NENANA	9.16	6.09	521	$44,521	$20,982	$0	$0	$64,252	$40,963
92	NOME	17.39	9.80	2,585	$220,899	$190,119	$0	$0	$403,169	$283,132
93	PELICAN	3.20	9.91	169	$14,441	$6,073	$0	$0	$20,123	$9,616
94	PETERSBURG	12.81	1.23	2,126	$181,676	$100,115	$0	$0	$276,409	$169,595
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$27,300	$0	$31,879	$22,194
96	SKAGWAY	9.40	3.40	854	$39,872	$19,618	$0	$0	$58,354	$48,537
97	UNALASKA	9.59	21.41	510	$43,581	$85,382	$0	$0	$126,501	$102,445
98	VALDEZ	4.43	0.00	7,483	$42,065	$119,481	$0	$155,644	$311,133	$417,165
99	ZONE I	1.88	0.00	6,683	$98,809	$0	$0	$0	$96,921	$0
100	ZONE II	0.57	0.00	700	$1,164	$0	$0	$0	$1,142	$0
				TOTAL	$142,038	$119,481			$409,197	$417,165
101	WRANGELL	5.87	9.30	3,152	$269,352	$99,458	$0	$0	$361,767	$209,010
102	ZONE II	2.02	0.00	797	$13,040	$0	$0	$0	$12,790	$0
103	ZONE III	4.11	0.00	100	$1,658	$0	$0	$0	$1,626	$0
104	ZONE IV	5.40	0.00	2,250	$103,006	$0	$0	$0	$101,039	$0
				TOTAL	$387,057	$99,458			$477,224	$209,010
105	YAKUTAT	11.60	4.56	442	$37,770	$0	$0	$0	$37,049	$0
	SECOND CLASS CITIES									
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$0	$11,274	$30,314	$30,904
107	AKIAK	0.00	0.00	165	$0	$0	$21,450	$0	$21,040	$1,072
108	AKOLMIUT	0.00	0.54	608	$4,269	$62,757	$0	$15,095	$80,553	$82,122
109	ALAKANUK	0.00	1.31	527	$12,601	$12,480	$7,418	$0	$31,879	$29,265
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$28,658	$0	$28,111	$0
111	ALLAKAKET	0.00	0.00	164	$0	$0	$21,935	$0	$21,516	$2,741
112	AMBLER	0.00	0.91	217	$2,625	$14,839	$11,558	$0	$28,489	$22,531
113	ANDERSON	0.00	2.24	470	$10,075	$13,004	$10,357	$0	$32,798	$31,548
114	ANGOON	0.00	2.82	287	$12,741	$8,061	$5,134	$0	$25,442	$18,036
115	ANIAK	0.00	0.00	323	$0	$13,575	$19,861	$0	$32,798	$24,160
116	ANVIK	0.00	0.00	87	$0	$0	$13,375	$0	$13,119	$0
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$16,770	$0	$21,550	$10,583
118	BETHEL	0.00	12.61	3,409	$291,314	$116,025	$0	$0	$399,559	$264,487
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$9,569	$0	$14,860	$8,534
120	BUCKLAND	0.00	1.99	172	$4,221	$0	$18,783	$0	$22,565	$0
121	CHEFORNAK	0.00	0.00	192	$0	$0	$24,960	$0	$24,483	$1,872
122	CHEVAK	0.00	1.86	447	$11,528	$0	$20,971	$0	$31,879	$9,878
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$10,432	$0	$15,481	$9,216
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$12,625	$0	$12,383	$0
125	DEERING	0.00	3.53	100	$3,610	$5,350	$4,414	$0	$13,119	$8,626
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$9,970	$2,852	$30,998	$31,602
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$11,993	$0	$16,718	$6,328
128	EAGLE	2.21	0.00	145	$4,061	$4,071	$8,542	$0	$16,356	$4,904
129	EEK	0.00	1.60	195	$3,905	$0	$21,444	$0	$24,865	$6,211
130	EKWOK	0.00	0.00	109	$0	$0	$13,761	$0	$13,498	$0
131	ELIM	0.00	1.91	205	$4,307	$5,050	$16,523	$0	$25,386	$11,909
132	EMMONAK	0.00	4.46	545	$46,572	$4,699	$0	$0	$50,292	$16,744
133	FORT YUKON	0.00	8.33	637	$54,434	$30,856	$0	$0	$83,661	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$20,800	$0	$25,503	$10,270
135	GAMBELL	0.00	2.68	412	$12,234	$0	$19,328	$0	$30,959	$6,241
136	GOLOVIN	0.00	0.00	118	$0	$0	$14,897	$0	$14,612	$0
137	GOODNEWS BAY	0.00	1.24	248	$3,466	$0	$28,773	$0	$31,624	$4,674
138	GRAYLING	0.00	0.00	167	$0	$0	$22,336	$0	$21,909	$2,402
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$14,980	$0	$27,813	$17,486
140	HOOPER BAY	0.00	2.52	590	$22,097	$0	$10,402	$0	$31,879	$0
141	HUGHES	0.00	0.00	98	$0	$0	$13,375	$0	$13,119	$1,638
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$39,997	$40,776
143	KALTAG	0.00	0.00	240	$0	$2,226	$29,873	$0	$31,486	$6,881
144	KASAAN	0.00	0.00	38	$0	$4,000	$6,000	$0	$9,809	$4,475

145	KIANA	0.00	0.00	314	$0	$10,405	$23,031	$0	$32,798	$17,545
146	KIVALINA	0.00	1.86	208	$4,659	$7,356	$15,803	$0	$27,288	$14,172
147	KOBUK	0.00	0.00	60	$0	$5,350	$8,025	$0	$13,119	$5,951
148	KOTLIK	0.00	1.94	284	$10,326	$5,200	$16,973	$0	$31,879	$11,475
149	KOTZEBUE	0.00	11.58	2,526	$215,858	$31,137	$0	$0	$242,277	$144,317
150	KOYUK	0.00	0.33	160	$755	$5,050	$14,394	$0	$19,814	$9,999
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$11,235	$0	$16,268	$6,179
152	KUPREANOF	0.00	0.00	42	$0	$0	$10,375	$0	$10,176	$0
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$27,300	$0	$31,879	$16,455
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$20,731	$0	$25,583	$12,262
155	MANOKOTAK	0.00	0.90	225	$2,639	$0	$25,766	$0	$27,863	$5,539
156	MCGRATH	0.00	0.00	296	$0	$11,816	$21,620	$0	$32,798	$21,516
157	MEKORYUK	0.00	1.29	184	$2,673	$5,200	$16,046	$0	$23,463	$11,538
158	MOUNTAIN VILLAGE	0.00	4.79	513	$35,146	$5,200	$0	$0	$39,575	$22,873
159	NAPAKIAK	0.00	6.64	276	$19,159	$10,036	$3,304	$0	$31,879	$18,826
160	NAPASKIAK	0.00	0.00	210	$0	$0	$27,300	$0	$26,778	$5,323
161	NEWHALEN	0.00	0.00	89	$0	$0	$12,625	$0	$12,383	$0
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$29,037	$0	$28,482	$0
163	NEWTOK	0.00	0.00	124	$0	$0	$16,120	$0	$15,812	$0
164	NIGHTMUTE	0.00	2.54	123	$3,788	$0	$12,201	$0	$15,684	$799
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$6,179	$0	$13,119	$7,764
166	NONDALTON	0.00	0.00	226	$0	$0	$28,532	$0	$27,987	$0
167	NOORVIK	0.00	2.26	527	$13,309	$9,763	$10,364	$0	$32,798	$28,443
168	NULATO	0.00	0.00	331	$0	$8,225	$25,211	$0	$32,798	$10,439
169	PILOT STATION	0.00	0.25	301	$1,559	$1,950	$28,990	$0	$31,879	$12,320
170	PLATINUM	0.00	0.00	59	$0	$0	$13,000	$0	$12,751	$1,879
171	PORT ALEXANDER	0.00	2.52	51	$1,162	$0	$9,212	$0	$10,176	$661
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$50,789	$51,778
173	QUINHAGAK	0.00	1.03	395	$4,784	$5,512	$22,203	$0	$31,879	$15,525
174	RUBY	0.00	0.00	219	$0	$0	$29,291	$0	$28,731	$3,662
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$18,824	$0	$20,147	$2,126
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$20,957	$0	$25,510	$10,121
177	SAINT PAUL	0.00	5.75	550	$30,751	$68,999	$0	$0	$97,845	$85,410
178	SAND POINT	0.00	18.57	544	$46,487	$25,691	$0	$0	$70,800	$40,458
179	SAVOONGA	0.00	0.65	409	$2,884	$5,050	$23,627	$0	$30,959	$17,701
180	SCAMMON BAY	0.00	1.42	193	$4,906	$0	$20,183	$0	$24,610	$6,147
181	SELAWIK	0.00	12.52	521	$44,521	$0	$0	$0	$43,671	$17,073
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$10,532	$0	$22,172	$14,897
183	SHAKTOOLIK	0.00	0.96	160	$1,864	$0	$18,335	$0	$19,814	$0
184	SHELDON POINT	0.00	0.00	136	$0	$0	$17,680	$0	$17,342	$0
185	SHISHMAREF	0.00	2.18	326	$8,400	$8,534	$14,627	$0	$30,959	$19,441
186	SHUNGNAK	0.00	2.18	182	$4,416	$5,350	$14,576	$0	$23,877	$9,488
187	STEBBINS	0.00	1.03	298	$3,690	$0	$27,871	$0	$30,959	$9,217
188	TANANA	0.00	1.61	499	$7,593	$22,169	$3,675	$0	$32,798	$25,506
189	TELLER	0.00	1.09	219	$2,969	$10,144	$14,534	$0	$27,120	$14,844
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$12,968	$0	$14,247	$6,131
191	TOGIAK	0.00	2.85	419	$14,362	$0	$17,200	$0	$30,959	$10,315
192	TOKSOOK BAY	0.00	2.16	317	$10,236	$5,200	$17,063	$0	$31,879	$16,121
193	TULUKSAK	0.00	0.00	202	$0	$0	$26,260	$0	$25,758	$0
194	TUNUNAK	0.00	0.52	299	$1,938	$5,200	$25,361	$0	$31,879	$12,780
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$9,052	$2,083	$33,002	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$21,935	$0	$21,516	$2,741
197	WALES	0.00	0.89	109	$1,135	$0	$12,626	$0	$13,498	$0
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$12,625	$0	$12,383	$0
199	WHITTIER	0.00	5.13	292	$10,681	$22,712	$0	$568	$33,313	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$65,073	$66,341
	TOTAL				$18,423,932	$6,765,093	$1,576,087	$521,147	$26,765,095	$18,349,049

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 843

ANCHORAGE SALES TAX INCLUDED
TAXES FOR EDUCATION INCLUDED
LOCAL EFFORT LIMIT SET TO 25
CHAPTER 88 PRORATION FACTOR IS 2.12 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .987712925

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
JUNE 1, 1978

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'77 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1 ANCHORAGE (AW)	9.65	0.24	180,653	$5,064,769	$2,876,165	$0	$0	$7,843,364	$8,378,557	$11,269,005
2 CITY (SA)	7.07	0.00	67,014	$1,273,174	$0	$0	$0	$1,257,531	$0	$0
3 HILLSIDE (SA)	3.49	0.00	8,937	$63,022	$0	$0	$0	$62,247	$0	$0
4 SPENARD (SA)	7.34	0.00	38,816	$722,596	$0	$0	$0	$713,718	$0	$0
5 GIRDWOOD (SA)	3.35	0.00	600	$3,461	$0	$0	$0	$3,418	$0	$0
6 GLEN ALPS (SA)	3.37	0.00	65	$372	$0	$0	$0	$368	$0	$0
7 RICH. VISTA (SA)	7.24	0.00	1,105	$58,565	$0	$0	$0	$57,845	$0	$0
8 SAND LAKE (SA)	3.97	0.00	18,915	$218,515	$0	$0	$0	$215,830	$0	$0
9 MULDOON (SA)	4.70	0.00	23,345	$433,780	$0	$0	$0	$428,450	$0	$0
10 RABBIT CREEK (SA)	3.37	0.00	6,532	$65,048	$0	$0	$0	$64,249	$0	$0
11 EAGLE RIVER (SA)	2.28	0.00	7,182	$53,551	$0	$0	$0	$52,893	$0	$0
12 CHUGIAK (SA)	1.28	0.00	5,876	$30,724	$0	$0	$0	$30,346	$0	$0
13 OCEAN VIEW (SA)	4.86	0.00	1,894	$26,055	$0	$0	$0	$25,735	$0	$0
14 OTHER SA	0.52	0.00	372	$311	$0	$0	$0	$307	$0	$0
			TOTAL	$8,013,951	$2,876,165			$10,756,308	$8,378,557	$11,269,005
15 BRISTOL BAY BOROUGH (AW)	12.31	8.20	1,311	$69,483	$8,370	$0	$0	$76,896	$32,370	$32,370
16 SOUTH NAKNEK SA	1.47	0.00	175	$520	$0	$0	$0	$513	$0	$0
			TOTAL	$70,003	$8,370			$77,410	$32,370	$32,370
17 FAIRBANKS BOROUGH (AW)	4.36	4.24	60,227	$1,304,037	$113,018	$0	$0	$1,399,644	$1,200,637	$1,339,160
18 BALLAINE LAKE (SA)	0.81	0.00	168	$780	$0	$0	$0	$771	$0	$0
19 DIANE (SA)	1.22	0.00	66	$319	$0	$0	$0	$315	$0	$0
20 WILDVIEW ACRES (SA)	0.82	0.00	77	$200	$0	$0	$0	$197	$0	$0
21 SMITH RANCH (SA)	1.63	0.00	438	$3,579	$0	$0	$0	$3,535	$0	$0
22 ENGINEER CREEK (SA)	1.64	0.00	144	$1,177	$0	$0	$0	$1,162	$0	$0
23 ESTER LUMP (SA)	2.04	0.00	10	$23	$0	$0	$0	$23	$0	$0
24 NORTH STAR F.P. (SA)	0.87	0.00	6,500	$17,054	$0	$0	$0	$16,845	$0	$0
25 BECKER RIDGE (SA)	2.35	0.00	108	$392	$0	$0	$0	$387	$0	$0
26 FAIRBANKS (CITY)	6.94	13.81	30,462	$1,614,486	$512,634	$0	$0	$2,100,984	$1,265,807	$1,335,869
27 NORTH POLE (CITY)	4.36	9.18	461	$16,583	$18,492	$0	$0	$34,644	$29,890	$30,951
			TOTAL	$2,958,635	$644,144			$3,558,513	$2,496,336	$2,705,981
28 HAINES BOROUGH	3.65	2.37	1,924	$44,366	$0	$0	$0	$43,821	$0	$0
29 HAINES (CITY)	7.62	5.58	1,366	$72,398	$16,528	$0	$0	$87,833	$65,721	$68,658
			TOTAL	$116,764	$16,528			$131,655	$65,721	$68,658
30 JUNEAU (AW)	16.02	3.15	20,465	$1,084,645	$209,030	$0	$0	$1,277,779	$751,062	$1,037,572
31 JUNEAU SA1	2.78	9.13	7,259	$289,288	$0	$0	$0	$285,733	$0	$0
32 JUNEAU SA2	1.21	4.12	1,606	$41,370	$0	$0	$0	$40,861	$0	$0
33 JUNEAU SA3	0.79	0.00	197	$325	$0	$0	$0	$321	$0	$0
34 JUNEAU SA4	2.88	0.00	1,370	$10,294	$0	$0	$0	$10,168	$0	$0
35 JUNEAU SA5	2.35	0.00	8,369	$75,721	$0	$0	$0	$74,790	$0	$0
36 JUNEAU SA6	1.89	0.00	719	$4,965	$0	$0	$0	$4,904	$0	$0
37 JUNEAU SA7	1.41	0.00	427	$1,818	$0	$0	$0	$1,796	$0	$0
38 JUNEAU SA8	1.30	0.00	518	$1,550	$0	$0	$0	$1,531	$0	$0

			TOTAL	$1,509,979	$209,030			$1,697,888	$751,068	$1,037,572
39	KENAI BOROUGH (AW)	4.83	1.81	24,611	$332,539	$314,975	$0	$0	$639,558	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$16,637	$0	$0	$0	$16,433	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$42,102	$0	$0	$0	$41,585	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$30,125	$0	$0	$0	$29,755	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$5,283	$0	$0	$0	$5,219	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$21,740	$0	$0	$0	$21,472	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$91,086	$13,754	$0	$0	$103,552	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$873	$0	$26,001	$0	$26,544	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$284,292	$64,451	$0	$0	$344,458	$246,090	$274,921
48	SELDOVIA (CITY)	14.48	2.58	612	$32,436	$10,013	$0	$0	$41,928	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$120,787	$24,260	$0	$0	$143,265	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$137,058	$39,135	$0	$0	$174,028	$126,703	$140,603
				TOTAL	$1,114,962	$466,590			$1,587,802	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	6.39	3.43	11,490	$361,807	$0	$0	$0	$357,361	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$2,572	$0	$0	$0	$2,541	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$420,184	$159,756	$0	$0	$572,814	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$20,650	$0	$24,692	$8,294	$25,000
				TOTAL	$784,564	$164,106			$957,409	$486,481	$580,859
55	KODIAK BOROUGH (AW)	6.64	0.00	7,901	$120,323	$166,949	$0	$0	$283,743	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$17,234	$0	$0	$0	$17,022	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$899	$0	$0	$0	$888	$0	$0
58	KODIAK (CITY)	8.13	6.04	4,960	$175,613	$23,026	$0	$0	$196,198	$190,984	$212,312
59	ARHTUR (CITY)	0.00	0.00	102	$0	$0	$26,875	$0	$26,544	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$26,875	$0	$26,544	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$20,666	$0	$26,544	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$9,010	$0	$17,865	$0	$26,544	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$22,940	$0	$26,544	$11,133	$26,875
				TOTAL	$323,081	$200,118			$630,578	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	9.27	0.00	16,724	$445,576	$133,790	$0	$0	$572,248	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$15,850	$0	$0	$0	$15,655	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$4,395	$0	$0	$0	$4,341	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$7,159	$0	$0	$0	$7,071	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$7,543	$0	$0	$0	$7,450	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$2,545	$0	$0	$0	$2,514	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$629	$0	$0	$0	$621	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,849	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$90,490	$26,222	$0	$0	$115,279	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$73,028	$73,937	$73,937
				TOTAL	$574,190	$262,321			$839,061	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	7.57	0.11	9,139	$144,669	$65,510	$0	$98,013	$304,406	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$33,437	$0	$33,026	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$122,218	$0	$0	$0	$120,716	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$33,437	$0	$33,026	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$33,437	$0	$33,026	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$20,352	$0	$13,085	$0	$33,026	$0	$33,437
80	WAINWRIGHT (CITY)	0.00	33.34	341	$18,073	$0	$15,364	$0	$33,026	$0	$33,437
				TOTAL	$305,312	$65,510			$590,256	$348,803	$513,934
81	SITKA BOROUGH	4.00	7.73	7,650	$266,971	$133,982	$0	$0	$396,027	$383,994	$455,426
FIRST CLASS CITIES											
82	CORDOVA	13.68	15.88	2,406	$127,518	$119,038	$0	$0	$243,527	$211,729	$222,797
83	CRAIG	7.73	10.67	467	$24,751	$10,405	$0	$0	$34,724	$26,050	$26,050
84	DILLINGHAM	15.11	12.67	1,269	$67,257	$7,082	$0	$0	$73,426	$60,754	$60,754
85	GALENA	0.00	16.65	631	$33,443	$19,134	$0	$0	$51,931	$41,499	$41,499

86	HOONAH	0.00	8.62	848	$44,944	$0	$0	$0	$44,331	$28,715	$28,715
87	HYDABURG	0.00	15.98	380	$20,140	$7,240	$0	$0	$27,043	$14,650	$14,650
88	KAKE	0.00	4.02	679	$35,987	$1,587	$0	$0	$37,112	$20,256	$20,256
89	KING COVE	4.00	10.94	408	$21,624	$5,050	$0	$0	$26,346	$21,275	$21,275
90	KLAWOCK	0.00	6.46	323	$17,119	$6,535	$0	$0	$23,363	$14,449	$14,449
91	NENANA	9.16	5.87	521	$27,613	$20,982	$0	$0	$47,997	$40,963	$42,317
92	NOME	19.86	12.46	2,585	$137,005	$190,119	$0	$0	$323,105	$283,132	$283,132
93	PELICAN	3.76	8.71	169	$8,541	$6,073	$12,259	$0	$26,544	$9,616	$26,875
94	PETERSBURG	12.81	18.16	2,126	$112,678	$100,115	$0	$0	$210,179	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$27,300	$0	$32,100	$22,194	$32,500
96	SKAGWAY	10.65	5.31	854	$30,836	$19,618	$0	$0	$49,835	$48,537	$50,373
97	UNALASKA	17.50	28.05	510	$27,030	$85,382	$0	$0	$111,031	$102,445	$102,445
98	VALDEZ	6.09	0.00	7,483	$35,852	$119,481	$0	$199,826	$350,796	$417,165	$452,709
99	ZONE I	1.88	0.00	6,683	$61,282	$0	$0	$0	$60,529	$0	$0
100	ZONE II	0.57	0.00	700	$722	$0	$0	$0	$713	$0	$0
				TOTAL	$97,857	$119,481			$412,039	$417,165	$452,709
101	WRANGELL	5.87	13.48	3,152	$167,056	$99,458	$0	$0	$263,240	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$8,087	$0	$0	$0	$7,988	$0	$0
103	ZONE III	4.11	0.00	100	$1,028	$0	$0	$0	$1,015	$0	$0
104	ZONE IV	5.40	0.00	2,250	$63,886	$0	$0	$0	$63,101	$0	$0
				TOTAL	$240,058	$99,458			$335,345	$209,010	$215,551
105	YAKUTAT	11.59	4.92	442	$23,426	$0	$0	$0	$23,138	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$12,870	$0	$32,100	$30,904	$32,500
107	AKIAK	0.00	0.00	165	$0	$0	$32,500	$0	$32,100	$1,072	$32,500
108	AKOLMIUT	0.00	0.78	608	$4,801	$62,757	$0	$14,563	$81,113	$82,122	$82,122
109	ALAKANUK	0.00	1.88	527	$13,316	$12,480	$6,703	$0	$32,100	$29,265	$32,500
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$31,562	$0	$31,174	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$33,437	$0	$33,026	$2,741	$33,437
112	AMBLER	0.00	1.31	217	$2,937	$14,839	$15,660	$0	$33,026	$22,531	$33,437
113	ANDERSON	0.00	3.22	470	$12,142	$13,004	$8,290	$0	$33,026	$31,548	$33,437
114	ANGOON	0.00	4.06	287	$13,795	$8,061	$4,080	$0	$25,618	$18,036	$25,937
115	ANIAK	0.00	0.00	323	$0	$13,575	$19,861	$0	$33,026	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$33,437	$0	$33,026	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$27,300	$0	$32,100	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$180,677	$116,025	$0	$0	$293,056	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$25,982	$0	$31,174	$8,534	$31,562
120	BUCKLAND	0.00	2.87	172	$4,796	$0	$28,641	$0	$33,026	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$32,500	$0	$32,100	$1,872	$32,500
122	CHEVAK	0.00	2.68	447	$12,782	$0	$19,717	$0	$32,100	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$28,087	$0	$33,026	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$31,562	$0	$31,174	$0	$31,562
125	DEERING	0.00	5.08	100	$4,280	$5,350	$23,807	$0	$33,026	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$9,970	$2,852	$31,213	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$26,512	$0	$31,174	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$2,518	$4,071	$22,160	$0	$28,396	$4,904	$28,750
129	EEK	0.00	2.30	195	$4,420	$0	$28,079	$0	$32,100	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$31,562	$0	$31,174	$0	$31,562
131	ELIM	0.00	2.76	205	$5,021	$5,050	$21,490	$0	$31,174	$11,909	$31,562
132	EMMONAK	0.00	6.41	545	$28,885	$4,699	$0	$0	$33,171	$16,744	$16,744
133	FORT YUKON	0.00	12.00	637	$33,761	$30,856	$0	$0	$63,823	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$27,300	$0	$32,100	$10,270	$32,500
135	GAMBELL	0.00	3.85	412	$14,224	$0	$17,337	$0	$31,174	$6,241	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$31,562	$0	$31,174	$0	$31,562
137	GOODNEWS BAY	0.00	1.79	248	$4,018	$0	$28,481	$0	$32,100	$4,674	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$33,437	$0	$33,026	$2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$20,062	$0	$33,026	$17,486	$33,437
140	HOOPER BAY	0.00	3.63	590	$24,185	$0	$8,314	$0	$32,100	$0	$32,500
141	HUGHES	0.00	0.00	98	$0	$0	$33,437	$0	$33,026	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$40,275	$40,776	$40,776

143	KALTAG	0.00	0.00	240	$0	$2,226	$31,210	$0	$33,026	$6,881	$33,437
144	KASAAN	0.00	0.00	38	$0	$4,000	$21,000	$0	$24,693	$4,475	$25,000
145	KIANA	0.00	0.00	314	$0	$10,405	$23,031	$0	$33,026	$17,545	$33,437
146	KIVALINA	0.00	2.69	208	$5,322	$7,356	$20,758	$0	$33,026	$14,172	$33,437
147	KOBUK	0.00	0.00	60	$0	$5,350	$28,087	$0	$33,026	$5,951	$33,437
148	KOTLIK	0.00	2.79	284	$10,868	$5,200	$16,431	$0	$32,100	$11,476	$32,500
149	KOTZEBUE	0.00	11.58	2,526	$133,878	$31,137	$0	$0	$162,987	$144,317	$144,317
150	KOYUK	0.00	0.48	160	$835	$5,050	$25,677	$0	$31,174	$9,999	$31,562
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$28,087	$0	$33,026	$6,179	$33,437
152	KUPREANOF	0.00	0.00	42	$0	$0	$25,937	$0	$25,618	$0	$25,937
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$27,300	$0	$32,100	$16,455	$32,500
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$28,087	$0	$33,026	$12,262	$33,437
155	MANOKOTAK	0.00	1.29	225	$2,962	$0	$28,599	$0	$31,174	$5,539	$31,562
156	MCGRATH	0.00	0.00	296	$0	$11,816	$21,620	$0	$33,026	$21,516	$33,437
157	MEKORYUK	0.00	1.85	184	$3,036	$5,200	$24,203	$0	$32,100	$11,538	$32,500
158	MOUNTAIN VILLAGE	0.00	6.90	513	$27,189	$5,200	$111	$0	$32,100	$22,873	$32,500
159	NAPAKIAK	0.00	9.56	276	$14,628	$10,036	$7,836	$0	$32,100	$18,826	$32,500
160	NAPASKIAK	0.00	0.00	210	$0	$0	$32,500	$0	$32,100	$5,325	$32,500
161	NEWHALEN	0.00	0.00	89	$0	$0	$31,562	$0	$31,174	$0	$31,562
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$31,562	$0	$31,174	$0	$31,562
163	NEWTOK	0.00	0.00	124	$0	$0	$32,500	$0	$32,100	$0	$32,500
164	NIGHTMUTE	0.00	3.65	123	$4,315	$0	$28,184	$0	$32,100	$799	$32,500
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$26,241	$0	$33,026	$7,764	$33,437
166	NONDALTON	0.00	0.00	226	$0	$0	$31,562	$0	$31,174	$0	$31,562
167	NOORVIK	0.00	3.25	527	$15,449	$9,763	$8,224	$0	$33,026	$28,443	$33,437
168	NULATO	0.00	0.00	331	$0	$8,225	$25,211	$0	$33,026	$10,439	$33,437
169	PILOT STATION	0.00	0.37	301	$1,622	$1,950	$28,927	$0	$32,100	$12,320	$32,500
170	PLATINUM	0.00	0.00	59	$0	$0	$32,500	$0	$32,100	$1,879	$32,500
171	PORT ALEXANDER	0.00	3.63	51	$1,423	$0	$24,514	$0	$25,618	$661	$25,937
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$51,142	$51,778	$51,778
173	QUINHAGAK	0.00	1.49	395	$5,496	$5,512	$21,491	$0	$32,100	$15,525	$32,500
174	RUBY	0.00	0.00	219	$0	$0	$33,437	$0	$33,026	$3,662	$33,437
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$30,784	$0	$32,100	$2,126	$32,500
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$26,512	$0	$31,174	$10,121	$31,562
177	SAINT PAUL	0.00	8.27	550	$29,150	$68,999	$0	$0	$98,943	$85,410	$85,410
178	SAND POINT	0.00	18.57	544	$28,832	$25,691	$0	$0	$53,853	$40,458	$40,458
179	SAVOONGA	0.00	0.93	409	$3,372	$5,050	$23,139	$0	$31,174	$17,701	$31,562
180	SCAMMON BAY	0.00	2.04	193	$5,200	$0	$27,299	$0	$32,100	$6,147	$32,500
181	SELAWIK	0.00	12.52	521	$27,613	$0	$5,824	$0	$33,026	$17,073	$33,437
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$21,366	$0	$33,026	$14,897	$33,437
183	SHAKTOOLIK	0.00	1.39	160	$2,126	$0	$29,435	$0	$31,174	$0	$31,562
184	SHELDON POINT	0.00	0.00	136	$0	$0	$32,500	$0	$32,100	$0	$32,500
185	SHISHMAREF	0.00	3.14	326	$9,627	$8,534	$13,400	$0	$31,174	$19,441	$31,562
186	SHUNGNAK	0.00	3.14	182	$5,130	$5,350	$22,956	$0	$33,026	$9,488	$33,437
187	STEBBINS	0.00	1.49	298	$4,217	$0	$27,345	$0	$31,174	$9,217	$31,562
188	TANANA	0.00	2.31	499	$9,181	$22,169	$2,086	$0	$33,026	$25,506	$33,437
189	TELLER	0.00	1.56	219	$3,364	$10,144	$18,053	$0	$31,174	$14,844	$31,562
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$24,381	$0	$25,618	$6,131	$25,937
191	TOGIAK	0.00	4.10	419	$16,391	$0	$15,170	$0	$31,174	$10,315	$31,562
192	TOKSOOK BAY	0.00	3.12	317	$11,192	$5,200	$16,107	$0	$32,100	$16,121	$32,500
193	TULUKSAK	0.00	0.00	202	$0	$0	$32,500	$0	$32,100	$0	$32,500
194	TUNUNAK	0.00	0.75	299	$2,198	$5,200	$25,101	$0	$32,100	$12,780	$32,500
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$9,052	$2,083	$33,232	$33,645	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$33,437	$0	$33,026	$2,741	$33,437
197	WALES	0.00	1.29	109	$1,305	$0	$30,257	$0	$31,174	$0	$31,562
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$31,562	$0	$31,174	$0	$31,562
199	WHITTIER	0.00	9.24	292	$15,476	$22,712	$0	$0	$37,719	$33,961	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$65,525	$66,341	$66,341
	TOTAL				$17,904,280	$6,765,093	$2,330,585	$335,919	$27,000,000	$18,349,049	$24,439,776

'NEW' VERSION HOUSE BILL NO. 843 (1977 DATA)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 25, 1978

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25
PAYOUT SET TO $25 MILLION (3.351\427)
ADD ON TOTALS $809,987
PRORATION DOWN AFTER SECTION 9 ADD ON ADDITIONS IS .96861730

	LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	SECTION 9 ADD ON	HB843 ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS									
1	ANCHORAGE (AW)	2.93	(0.244)	180,653	$2,567,383	$2,876,165	$0	$5,272,715	$8,378,557
2	CITY (SA)	7.07	0.000	67,014	$2,012,843	$0	$0	$1,949,674	$0
3	HILLSIDE (SA)	3.49	0.000	8,937	$99,635	$0	$0	$96,508	$0
4	SPENARD (SA)	7.34	0.000	38,816	$1,142,399	$0	$0	$1,106,547	$0
5	GIRDWOOD (SA)	3.35	0.000	600	$5,472	$0	$0	$5,300	$0
6	GLEN ALPS (SA)	3.37	0.000	65	$589	$0	$0	$570	$0
7	RICH. VISTA (SA)	7.24	0.000	1,105	$92,589	$0	$0	$89,683	$0
8	SAND LAKE (SA)	3.97	0.000	18,915	$345,464	$0	$0	$334,623	$0
9	MULDOON (SA)	4.70	0.000	23,345	$685,791	$0	$0	$664,269	$0
10	RABBIT CREEK (SA)	3.37	0.000	6,532	$102,839	$0	$0	$99,611	$0
11	EAGLE RIVER (SA)	2.28	0.000	7,182	$84,662	$0	$0	$82,005	$0
12	CHUGIAK (SA)	1.28	0.000	5,876	$48,574	$0	$0	$47,049	$0
13	OCEAN VIEW (SA)	4.86	0.000	1,894	$41,193	$0	$0	$39,900	$0
14	OTHER SA	0.52	0.000	372	$492	$0	$0	$477	$0
				TOTAL	$7,229,932	$2,876,165		$9,788,940	$8,378,557
15	BRISTOL BAY BOROUGH (AW)	6.15	8.203	1,311	$90,426	$8,370	$0	$95,696	$32,370
16	SOUTH NAKNEK SA	1.47	0.000	175	$822	$0	$0	$796	$0
				TOTAL	$91,249	$8,370		$96,493	$32,370
17	FAIRBANKS BOROUGH (AW)	1.19	2.227	60,227	$820,245	$113,018	$230,179	$1,126,931	$1,200,637
18	BALLAINE LAKE (SA)	0.81	0.000	168	$1,234	$0	$0	$1,195	$0
19	DIANE (SA)	1.22	0.000	66	$505	$0	$0	$489	$0
20	WILDVIEW ACRES (SA)	0.82	0.000	77	$316	$0	$0	$306	$0
21	SMITH RANCH (SA)	1.63	0.000	438	$5,658	$0	$0	$5,481	$0
22	ENGINEER CREEK (SA)	1.64	0.000	144	$1,861	$0	$0	$1,803	$0
23	ESTER LUMP (SA)	2.04	0.000	10	$37	$0	$0	$36	$0
24	NORTH STAR F.P. (SA)	0.87	0.000	6,500	$26,963	$0	$0	$26,117	$0
25	BECKER RIDGE (SA)	2.35	0.000	108	$620	$0	$0	$600	$0
26	FAIRBANKS (CITY)	6.94	4.603	30,462	$1,807,470	$512,634	$0	$2,247,293	$1,265,807
27	NORTH POLE (CITY)	4.36	9.184	461	$26,217	$18,492	$0	$43,306	$29,890
				TOTAL	$2,691,132	$644,144		$3,453,562	$2,496,336
28	HAINES BOROUGH	1.42	.000	1,924	$16,530	$0	$0	$16,011	$0
29	HAINES (CITY)	7.62	.588	1,366	$114,458	$16,528	$0	$126,876	$65,721
				TOTAL	$130,988	$16,528		$142,887	$65,721
30	JUNEAU (AW)	8.62	0.000	20,465	$962,930	$209,030	$0	$1,135,181	$751,062
31	JUNEAU SA1	2.78	9.135	7,259	$457,354	$0	$0	$443,001	$0
32	JUNEAU SA2	1.21	4.128	1,606	$65,404	$0	$0	$63,351	$0
33	JUNEAU SA3	0.79	0.000	197	$514	$0	$0	$498	$0
34	JUNEAU SA4	2.88	0.000	1,370	$16,275	$0	$0	$15,765	$0
35	JUNEAU SA5	2.35	0.000	8,369	$119,712	$0	$0	$115,955	$0
36	JUNEAU SA6	1.89	0.000	719	$7,850	$0	$0	$7,604	$0
37	JUNEAU SA7	1.41	0.000	427	$2,875	$0	$0	$2,784	$0
38	JUNEAU SA8	1.30	0.000	518	$2,451	$0	$0	$2,374	$0

				TOTAL	$1,635,389	$209,050		$1,788,517	$751,062
39	KENAI BOROUGH (AW)	0.00	0.000	24,611	$0	$314,975	$0	$305,090	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.000	14,100	$26,303	$0	$0	$25,478	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	5,300	$66,562	$0	$0	$64,473	$0
42	NORTH KENAI FIRE (SA)	5.45	0.000	3,512	$47,627	$0	$0	$46,132	$0
43	NORTH KENAI REC (SA)	0.84	0.000	3,995	$8,353	$0	$0	$8,091	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	675	$34,370	$0	$0	$33,291	$0
45	HOMER (CITY)	11.26	5.742	1,802	$144,003	$13,754	$0	$152,807	$74,774
46	KACHEMAK (CITY)	1.75	0.000	151	$1,381	$0	$0	$1,338	$0
47	KENAI (CITY)	14.58	7.952	5,364	$449,455	$64,451	$0	$497,779	$246,090
48	SELDOVIA (CITY)	14.48	2.589	612	$51,280	$10,013	$0	$59,370	$26,132
49	SEWARD (CITY)	17.58	0.000	2,279	$190,959	$24,260	$0	$208,466	$96,533
50	SOLDOTNA (CITY)	10.24	7.470	2,586	$216,683	$39,135	$0	$247,790	$126,703
				TOTAL	$1,236,981	$466,590		$1,650,110	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	3.439	11,490	$464,610	$0	$0	$450,029	$84,555
52	SHORELINE (SA)	1.00	0.000	550	$4,067	$0	$0	$3,939	$0
53	KETCHIKAN (CITY)	9.67	8.902	7,928	$664,295	$159,756	$0	$798,190	$393,632
54	SAXMAN (CITY)	0.00	0.000	272	$0	$4,350	$3,944	$8,033	$8,294
				TOTAL	$1,132,973	$164,106		$1,260,193	$486,481
55	KODIAK BOROUGH (AW)	1.83	0.000	7,901	$52,624	$166,949	$0	$212,683	$207,791
56	FIRE DISTRICT (SA)	2.31	0.000	1,546	$27,247	$0	$0	$26,392	$0
57	ROAD DISTRICT (SA)	0.64	0.000	312	$1,422	$0	$0	$1,378	$0
58	KODIAK (CITY)	8.19	6.044	4,960	$277,638	$23,026	$0	$291,228	$190,984
59	AKHIOK (CITY)	0.00	0.000	102	$0	$0	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	137	$0	$0	$1,841	$1,783	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	327	$0	$6,208	$11,073	$16,739	$17,281
62	OUZINKIE (CITY)	0.00	6.484	170	$14,244	$0	$0	$13,797	$2,284
63	PORT LIONS (CITY)	0.00	0.000	227	$0	$3,934	$7,199	$10,784	$11,133
				TOTAL	$373,177	$200,118		$574,787	$431,316
64	MAT-SU BOROUGH (AW)	3.12	0.000	16,724	$237,421	$133,790	$0	$359,562	$295,973
65	WASILLA F(1,8,9,10,11)	0.77	0.000	4,908	$25,058	$0	$0	$24,271	$0
66	BUTTE FIRE (SA)	0.59	0.000	1,818	$6,949	$0	$0	$6,731	$0
67	SUTTON FIRE (SA)	1.71	0.000	594	$11,319	$0	$0	$10,964	$0
68	OTHER AREA (SA)	0.17	0.000	12,924	$11,925	$0	$0	$11,551	$0
69	TALKEETNA FLOOD (SA)	1.99	0.000	223	$4,024	$0	$0	$3,897	$0
70	GARDEN TERRACE (SA)	3.08	0.000	57	$995	$0	$0	$964	$0
71	HOUSTON (CITY)	0.00	0.000	375	$0	$36,494	$4,863	$40,059	$41,357
72	PALMER (CITY)	4.25	8.690	1,859	$143,061	$26,222	$0	$163,972	$86,977
73	WASILLA (CITY)	0.00	0.000	1,566	$0	$65,813	$8,123	$71,617	$73,937
				TOTAL	$440,756	$262,321		$693,592	$498,246
74	NORTH SLOPE BOROUGH (AW)	5.55	0.110	9,139	$168,562	$65,510	$74,120	$298,521	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.000	150	$0	$0	$0	$0	$0
76	BARROW (CITY)	0.00	13.319	2,306	$193,222	$0	$0	$187,158	$38,553
77	KAKTOVIK (CITY)	0.00	0.000	123	$0	$0	$2,057	$1,992	$2,057
78	NUIQSUT (CITY)	0.00	0.000	152	$0	$0	$0	$0	$0
79	POINT HOPE (CITY)	0.00	6.696	384	$32,175	$0	$0	$31,166	$0
80	WAINWRIGHT (CITY)	0.00	7.540	341	$28,572	$0	$0	$27,676	$0
				TOTAL	$422,532	$65,510		$546,514	$348,803
81	SITKA BOROUGH	2.10	3.866	7,650	$214,631	$133,982	$35,380	$371,943	$383,994
	FIRST CLASS CITIES								
82	CORDOVA	8.51	12.045	2,406	$201,601	$119,038	$0	$310,577	$211,729
83	CRAIG	5.83	8.783	467	$39,130	$10,405	$0	$47,980	$26,050
84	DILLINGHAM	15.12	10.142	1,269	$106,330	$7,082	$0	$109,854	$60,754
85	GALENA	0.00	14.025	631	$52,872	$19,134	$0	$69,746	$41,499

86	HUGHAN	0.00	8.023	848	$71,054	$0	$0	$68,824	$28,715
87	HYDABURG	0.00	15.989	380	$31,840	$7,240	$0	$37,854	$14,650
88	KAKE	0.00	1.142	679	$19,676	$1,587	$0	$20,596	$20,256
89	KING COVE	2.00	2.917	408	$26,405	$5,050	$0	$30,468	$21,275
90	KLAWOCK	0.00	3.411	323	$27,064	$6,535	$0	$32,545	$14,449
91	NENANA	9.16	6.097	521	$43,655	$20,982	$0	$62,608	$40,963
92	NOME	17.39	9.808	2,585	$216,599	$190,119	$0	$393,955	$283,132
93	PELICAN	3.20	9.915	169	$14,160	$6,073	$0	$19,599	$9,616
94	PETERSBURG	12.81	1.231	2,126	$178,139	$100,115	$0	$269,523	$169,595
95	SAINT MARY'S	0.00	0.000	415	$0	$5,200	$16,994	$21,498	$22,194
96	SKAGWAY	9.40	3.402	854	$39,096	$19,618	$0	$56,872	$48,537
97	UNALASKA	9.59	21.412	510	$42,733	$85,382	$0	$124,095	$102,445
98	VALDEZ	4.43	0.000	7,483	$41,246	$119,481	$158,410	$309,122	$417,165
99	ZONE I	1.88	0.000	6,683	$96,885	$0	$0	$93,845	$0
100	ZONE II	0.57	0.000	700	$1,141	$0	$0	$1,106	$0
				TOTAL	$139,274	$119,481		$404,073	$417,165
101	WRANGELL	5.87	9.307	3,152	$264,109	$99,458	$0	$352,158	$209,010
102	ZONE II	2.02	0.000	797	$12,786	$0	$0	$12,384	$0
103	ZONE III	4.11	0.000	100	$1,626	$0	$0	$1,575	$0
104	ZONE IV	5.40	0.000	2,250	$101,001	$0	$0	$97,832	$0
				TOTAL	$379,523	$99,458		$463,950	$209,010
105	YAKUTAT	11.60	4.567	442	$37,035	$0	$0	$35,873	$0
	SECOND CLASS CITIES								
106	AKIACHAK	0.00	0.000	354	$0	$19,630	$11,274	$29,935	$30,904
107	AKIAK	0.00	0.000	165	$0	$0	$1,072	$1,038	$1,072
108	AKOLMIUT	0.00	0.544	608	$4,186	$62,757	$15,178	$79,545	$82,122
109	ALAKANUK	0.00	1.312	527	$12,356	$12,480	$4,429	$28,347	$29,265
110	ALEKNAGIK	0.00	0.000	227	$0	$0	$0	$0	$0
111	ALLAKAKET	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
112	AMBLER	0.00	0.915	217	$2,574	$14,839	$5,117	$21,824	$22,531
113	ANDERSON	0.00	2.240	470	$9,879	$13,004	$8,664	$30,558	$31,548
114	ANGOON	0.00	2.822	287	$12,493	$8,061	$0	$19,910	$18,036
115	ANIAK	0.00	0.000	323	$0	$13,575	$10,584	$23,402	$24,160
116	ANVIK	0.00	0.000	87	$0	$0	$0	$0	$0
117	ATMAUTLUAK	0.00	0.000	169	$0	$5,200	$5,383	$10,251	$10,583
118	BETHEL	0.00	12.613	3,409	$285,643	$116,025	$0	$389,063	$264,487
119	BREVIG MISSION	0.00	0.000	120	$0	$5,580	$2,954	$8,266	$8,534
120	BUCKLAND	0.00	1.998	172	$4,139	$0	$0	$4,009	$0
121	CHEFORNAK	0.00	0.000	192	$0	$0	$1,872	$1,813	$1,872
122	CHEVAK	0.00	1.864	447	$11,303	$0	$0	$10,949	$9,878
123	CHUATHBALUK	0.00	0.000	118	$0	$5,350	$3,866	$8,927	$9,216
124	CLARK'S POINT	0.00	0.000	98	$0	$0	$0	$0	$0
125	DEERING	0.00	3.534	100	$3,540	$5,350	$0	$8,611	$8,626
126	DELTA JUNCTION	0.00	0.000	892	$0	$18,779	$12,822	$30,610	$31,602
127	DIOMEDE	0.00	0.000	135	$0	$5,050	$1,278	$6,130	$6,328
128	EAGLE	2.21	0.000	145	$3,982	$4,071	$0	$7,800	$4,904
129	EEK	0.00	1.602	195	$3,829	$0	$2,382	$6,016	$6,211
130	EKWOK	0.00	0.000	109	$0	$0	$0	$0	$0
131	ELIM	0.00	1.919	205	$4,223	$5,050	$2,635	$11,535	$11,909
132	EMMONAK	0.00	4.460	545	$45,666	$4,699	$0	$48,785	$16,744
133	FORT YUKON	0.00	8.339	637	$53,374	$30,856	$0	$81,587	$53,434
134	FORTUNA LEDGE	0.00	0.000	200	$0	$5,200	$5,070	$9,947	$10,270
135	GAMBELL	0.00	2.682	412	$11,996	$0	$0	$11,619	$6,241
136	GOLOVIN	0.00	0.000	118	$0	$0	$0	$0	$0
137	GOODNEWS BAY	0.00	1.245	248	$3,398	$0	$1,275	$4,528	$4,674
138	GRAYLING	0.00	0.000	167	$0	$0	$2,402	$2,326	$2,402
139	HOLY CROSS	0.00	0.000	212	$0	$13,375	$4,111	$16,937	$17,486
140	HOOPER BAY	0.00	2.528	590	$21,667	$0	$0	$20,987	$0
141	HUGHES	0.00	0.000	98	$0	$0	$1,638	$1,587	$1,638
142	HUSLIA	0.00	0.000	216	$0	$36,587	$4,189	$39,496	$40,776

143	KALTAG	0.00	0.000	240	$0	$4,226	$4,694	$8,665	$8,861
144	KASAAN	0.00	0.000	38	$0	$4,000	$475	$4,334	$4,475
145	KIANA	0.00	0.000	314	$0	$10,405	$7,139	$16,994	$17,545
146	KIVALINA	0.00	1.869	208	$4,569	$7,356	$2,246	$13,727	$14,172
147	KOBUK	0.00	0.000	60	$0	$5,350	$601	$5,765	$5,951
148	KOTLIK	0.00	1.943	284	$10,125	$5,200	$0	$14,844	$11,476
149	KOTZEBUE	0.00	11.586	2,526	$211,656	$3,183	$0	$208,097	$116,363
150	KOYUK	0.00	0.335	160	$741	$5,050	$4,207	$9,685	$9,999
151	KOYUKUK	0.00	0.000	124	$0	$5,350	$829	$5,985	$6,179
152	KUPREANOF	0.00	0.000	42	$0	$0	$0	$0	$0
153	KWETHLUK	0.00	0.000	444	$0	$5,20[illegible]	$11,255	$15,938	$16,455
154	LOWER KALSKAG	0.00	0.000	195	$0	$5,350	$6,912	$11,877	$12,262
155	MANOKOTAK	0.00	0.901	225	$2,588	$0	$2,951	$5,365	$5,539
156	MCGRATH	0.00	0.000	296	$0	$11,816	$9,699	$20,841	$21,516
157	MEKORYUK	0.00	1.290	184	$2,621	$5,200	$3,716	$11,176	$11,538
158	MOUNTAIN VILLAGE	0.00	4.799	513	$34,462	$5,200	$0	$38,417	$22,873
159	NAPAKIAK	0.00	6.644	276	$18,786	$10,036	$0	$27,918	$18,826
160	NAPASKIAK	0.00	0.000	210	$0	$0	$5,323	$5,156	$5,323
161	NEWHALEN	0.00	0.000	89	$0	$0	$0	$0	$0
162	NEW STUYAHOK	0.00	0.000	230	$0	$0	$0	$0	$0
163	NEWTOK	0.00	0.000	124	$0	$0	$0	$0	$0
164	NIGHTMUTE	0.00	2.540	123	$3,714	$0	$0	$3,537	$799
165	NIKOLAI	0.00	0.000	85	$0	$7,195	$568	$7,520	$7,764
166	NONDALTON	0.00	0.000	226	$0	$0	$0	$0	$0
167	NOORVIK	0.00	2.264	527	$13,050	$9,763	$5,628	$27,550	$28,443
168	NULATO	0.00	0.000	331	$0	$8,225	$2,213	$10,111	$10,439
169	PILOT STATION	0.00	0.257	301	$1,528	$1,950	$8,341	$11,933	$12,320
170	PLATINUM	0.00	0.000	59	$0	$0	$1,879	$1,820	$1,879
171	PORT ALEXANDER	0.00	2.526	51	$1,140	$0	$0	$1,104	$661
172	PORT HEIDEN	0.00	0.000	89	$0	$50,373	$1,405	$50,153	$51,778
173	QUINHAGAK	0.00	1.037	305	$4,691	$5,512	$5,322	$15,038	$15,525
174	RUBY	0.00	0.000	219	$0	$0	$3,662	$3,547	$3,662
175	RUSSIAN MISSION	0.00	0.000	158	$0	$1,716	$410	$2,060	$2,126
176	SAINT MICHAEL	0.00	0.000	206	$0	$5,050	$5,071	$9,803	$10,121
177	SAINT PAUL	0.00	5.751	550	$30,152	$68,999	$0	$96,040	$85,410
178	SAND POINT	0.00	12.392	544	$45,582	$25,691	$0	$69,037	$40,458
179	SAVOONGA	0.00	0.652	409	$2,828	$5,050	$9,822	$17,145	$17,701
180	SCAMMON BAY	0.00	1.422	193	$4,810	$0	$1,336	$5,954	$6,147
181	SELAWIK	0.00	12.526	521	$43,655	$0	$0	$42,285	$17,073
182	SHAGELUK	0.00	0.000	169	$0	$12,070	$2,826	$14,429	$14,897
183	SHAKTOOLIK	0.00	0.966	160	$1,828	$0	$0	$1,770	$0
184	SHELDON POINT	0.00	0.000	136	$0	$0	$0	$0	$0
185	SHISHMAREF	0.00	2.183	326	$8,237	$8,534	$2,669	$18,831	$19,441
186	SHUNGNAK	0.00	2.184	182	$4,330	$5,350	$0	$9,376	$9,488
187	STEBBINS	0.00	1.035	298	$3,618	$0	$5,598	$8,928	$9,217
188	TANANA	0.00	1.610	499	$7,445	$22,169	$0	$28,685	$25,506
189	TELLER	0.00	1.090	219	$2,911	$10,144	$1,788	$14,378	$14,844
190	TENAKEE SPRINGS	0.00	0.000	140	$0	$1,556	$4,575	$5,939	$6,131
191	TOGIAK	0.00	2.850	419	$14,082	$0	$0	$13,640	$10,315
192	TOKSOOK BAY	0.00	2.168	317	$10,037	$5,200	$883	$15,615	$16,121
193	TULUKSAK	0.00	0.000	202	$0	$0	$0	$0	$0
194	TUNUNAK	0.00	0.523	299	$1,901	$5,200	$5,679	$12,379	$12,780
195	UNALAKLEET	0.00	0.000	630	$0	$22,510	$11,135	$32,589	$33,645
196	UPPER KALSKAG	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
197	WALES	0.00	0.896	109	$1,113	$0	$0	$1,078	$0
198	WHITE MOUNTAIN	0.00	0.000	98	$0	$0	$0	$0	$0
199	WHITTIER	0.00	5.136	292	$10,473	$22,712	$776	$32,895	$33,961
200	EXT FIRE AREAS	0.00	0.000	1	$0	$66,341	$0	$64,259	$66,341
			TOTAL		$18,262,861	$6,737,139		$25,000,000	$18,321,095

'NEW' VERSION HOUSE BILL NO. 843 (1977 DATA)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 25, 1978

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25
PAYOUT SET TO $25 MILLION (3.3516427)
ADD ON TOTALS $809,987
PRORATION DOWN AFTER SECTION 9 ADD ON ADDITIONS IS .96861730

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	SECTION 9 ADD ON	HB843 ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS								
1 ANCHORAGE (AW)	2.93	0.244	180,653	$2,567,383	$2,876,165	$0	$5,272,715	$8,373,557
2 CITY (SA)	7.07	0.000	67,014	$2,012,843	$0	$0	$1,949,674	$0
3 HILLSIDE (SA)	3.49	0.000	8,937	$99,635	$0	$0	$96,508	$0
4 SPENARD (SA)	7.34	0.000	38,816	$1,142,399	$0	$0	$1,106,547	$0
5 GIRDWOOD (SA)	3.35	0.000	600	$5,472	$0	$0	$5,300	$0
6 GLEN ALPS (SA)	3.37	0.000	65	$589	$0	$0	$570	$0
7 RICH. VISTA (SA)	7.24	0.000	1,105	$92,589	$0	$0	$89,683	$0
8 SAND LAKE (SA)	3.97	0.000	18,915	$345,464	$0	$0	$334,623	$0
9 MULDOON (SA)	4.70	0.000	23,345	$685,791	$0	$0	$664,269	$0
10 RABBIT CREEK (SA)	3.37	0.000	6,532	$102,839	$0	$0	$99,611	$0
11 EAGLE RIVER (SA)	2.28	0.000	7,182	$84,662	$0	$0	$82,005	$0
12 CHUGIAK (SA)	1.28	0.000	5,876	$48,574	$0	$0	$47,049	$0
13 OCEAN VIEW (SA)	4.86	0.000	1,894	$41,193	$0	$0	$39,900	$0
14 OTHER SA	0.52	0.000	372	$492	$0	$0	$477	$0
			TOTAL	$7,229,932	$2,876,165		$9,788,940	$8,378,557
15 BRISTOL BAY BOROUGH (AW)	6.15	8.203	1,311	$90,426	$8,370	$0	$95,696	$32,370
16 SOUTH NAKNEK SA	1.47	0.000	175	$822	$0	$0	$796	$0
			TOTAL	$91,249	$8,370		$96,493	$32,370
17 FAIRBANKS BOROUGH (AW)	1.19	2.227	60,227	$820,245	$113,018	$230,179	$1,126,931	$1,200,637
18 BALLAINE LAKE (SA)	0.81	0.000	168	$1,234	$0	$0	$1,195	$0
19 DIANE (SA)	1.22	0.000	66	$505	$0	$0	$489	$0
20 WILDVIEW ACRES (SA)	0.82	0.000	77	$316	$0	$0	$306	$0
21 SMITH RANCH (SA)	1.63	0.000	438	$5,658	$0	$0	$5,481	$0
22 ENGINEER CREEK (SA)	1.64	0.000	144	$1,861	$0	$0	$1,803	$0
23 ESTER LUMP (SA)	2.04	0.000	10	$37	$0	$0	$36	$0
24 NORTH STAR F.P. (SA)	0.87	0.000	6,500	$26,963	$0	$0	$26,117	$0
25 BECKER RIDGE (SA)	2.35	0.000	108	$620	$0	$0	$600	$0
26 FAIRBANKS (CITY)	6.94	4.603	30,462	$1,807,470	$512,634	$0	$2,247,293	$1,265,807
27 NORTH POLE (CITY)	4.36	9.184	461	$26,217	$18,492	$0	$43,306	$29,890
			TOTAL	$2,691,132	$644,144		$3,453,562	$2,496,336
28 HAINES BOROUGH	1.42	0.000	1,924	$16,530	$0	$0	$16,011	$0
29 HAINES (CITY)	7.62	5.588	1,366	$114,458	$16,528	$0	$126,876	$65,721
			TOTAL	$130,988	$16,528		$142,887	$65,721
30 JUNEAU (AW)	8.62	0.000	20,465	$962,930	$209,030	$0	$1,135,181	$751,062
31 JUNEAU SA1	2.78	9.135	7,259	$457,354	$0	$0	$443,001	$0
32 JUNEAU SA2	1.21	4.128	1,606	$65,404	$0	$0	$63,351	$0
33 JUNEAU SA3	0.79	0.000	197	$514	$0	$0	$498	$0
34 JUNEAU SA4	2.88	0.000	1,370	$16,275	$0	$0	$15,765	$0
35 JUNEAU SA5	2.35	0.000	8,369	$119,712	$0	$0	$115,955	$0
36 JUNEAU SA6	1.89	0.000	719	$7,850	$0	$0	$7,604	$0
37 JUNEAU SA7	1.41	0.000	427	$2,875	$0	$0	$2,784	$0
38 JUNEAU SA8	1.30	0.000	518	$2,451	$0	$0	$2,374	$0

				TOTAL	$1,695,389	$209,090		$1,786,517	$751,062
39	KENAI BOROUGH (AW)	0.00	0.000	24,611	$0	$314,975	$0	$305,090	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.000	14,100	$26,303	$0	$0	$25,478	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	5,300	$66,562	$0	$0	$64,473	$0
42	NORTH KENAI FIRE (SA)	5.45	0.000	3,512	$47,627	$0	$0	$46,132	$0
43	NORTH KENAI REC (SA)	0.84	0.000	3,995	$8,353	$0	$0	$8,091	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	675	$34,370	$0	$0	$33,291	$0
45	HOMER (CITY)	11.26	5.742	1,802	$144,003	$13,754	$0	$152,807	$74,774
46	KACHEMAK (CITY)	1.75	0.000	151	$1,381	$0	$0	$1,338	$0
47	KENAI (CITY)	14.58	7.952	5,364	$449,455	$64,451	$0	$497,779	$246,090
48	SELDOVIA (CITY)	14.48	2.589	612	$51,280	$10,013	$0	$59,370	$26,132
49	SEWARD (CITY)	17.58	0.000	2,279	$190,959	$24,260	$0	$208,466	$96,533
50	SOLDOTNA (CITY)	10.24	7.470	2,586	$216,683	$39,135	$0	$247,790	$126,703
				TOTAL	$1,236,981	$466,590		$1,650,110	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	3.439	11,490	$464,610	$0	$0	$450,029	$84,555
52	SHORELINE (SA)	1.00	0.000	550	$4,067	$0	$0	$3,939	$0
53	KETCHIKAN (CITY)	9.67	8.902	7,928	$664,295	$159,756	$0	$798,190	$393,632
54	SAXMAN (CITY)	0.00	0.000	272	$0	$4,350	$3,944	$8,033	$8,294
				TOTAL	$1,132,973	$164,106		$1,260,193	$486,481
55	KODIAK BOROUGH (AW)	1.83	0.000	7,901	$52,624	$166,949	$0	$212,683	$207,791
56	FIRE DISTRICT (SA)	2.31	0.000	1,546	$27,247	$0	$0	$26,392	$0
57	ROAD DISTRICT (SA)	0.64	0.000	312	$1,422	$0	$0	$1,378	$0
58	KODIAK (CITY)	8.19	6.044	4,960	$277,638	$23,026	$0	$291,228	$190,984
59	AKHIOK (CITY)	0.00	0.000	102	$0	$0	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	137	$0	$0	$1,841	$1,783	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	327	$0	$6,208	$11,073	$16,739	$17,281
62	OUZINKIE (CITY)	0.00	6.484	170	$14,244	$0	$0	$13,797	$2,284
63	PORT LIONS (CITY)	0.00	0.000	227	$0	$3,934	$7,199	$10,784	$11,123
				TOTAL	$373,177	$200,118		$574,787	$431,316
64	MAT-SU BOROUGH (AW)	3.12	0.000	16,724	$237,421	$133,790	$0	$359,562	$295,973
65	WASILLA F(1,8,9,10,11)	0.77	0.000	4,908	$25,058	$0	$0	$24,271	$0
66	BUTTE FIRE (SA)	0.59	0.000	1,818	$6,949	$0	$0	$6,731	$0
67	SUTTON FIRE (SA)	1.71	0.000	594	$11,319	$0	$0	$10,964	$0
68	OTHER AREA (SA)	0.17	0.000	12,924	$11,925	$0	$0	$11,551	$0
69	TALKEETNA FLOOD (SA)	1.99	0.000	223	$4,024	$0	$0	$3,897	$0
70	GARDEN TERRACE (SA)	3.08	0.000	57	$995	$0	$0	$964	$0
71	HOUSTON (CITY)	0.00	0.000	375	$0	$36,494	$4,863	$40,059	$41,357
72	PALMER (CITY)	4.25	8.690	1,859	$143,061	$26,222	$0	$163,972	$86,977
73	WASILLA (CITY)	0.00	0.000	1,566	$0	$65,813	$8,123	$71,617	$73,937
				TOTAL	$440,756	$262,321		$693,592	$498,246
74	NORTH SLOPE BOROUGH (AW)	5.55	0.110	9,139	$168,562	$65,510	$74,120	$298,521	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.000	150	$0	$0	$0	$0	$0
76	BARROW (CITY)	0.00	13.319	2,306	$193,222	$0	$0	$187,158	$38,553
77	KAKTOVIK (CITY)	0.00	0.000	123	$0	$0	$2,057	$1,992	$2,057
78	NUIQSUT (CITY)	0.00	0.000	152	$0	$0	$0	$0	$0
79	POINT HOPE (CITY)	0.00	6.696	384	$32,175	$0	$0	$31,166	$0
80	WAINWRIGHT (CITY)	0.00	7.540	341	$28,572	$0	$0	$27,676	$0
				TOTAL	$422,532	$65,510		$546,514	$348,803
81	SITKA BOROUGH	2.10	3.866	7,650	$214,631	$133,982	$35,380	$371,943	$383,994
	FIRST CLASS CITIES								
82	CORDOVA	8.51	12.045	2,406	$201,601	$119,038	$0	$310,577	$211,729
83	CRAIG	5.83	8.783	467	$39,130	$10,405	$0	$47,980	$26,050
84	DILLINGHAM	15.12	10.142	1,269	$106,330	$7,082	$0	$109,854	$60,754
85	GALENA	0.00	14.025	631	$52,872	$19,134	$0	$69,746	$41,499

86	HOONAH	0.00	8.825	848	$71,054	$0	$0	$68,824	$28,715
87	HYDABURG	0.00	15.989	380	$31,840	$7,240	$0	$37,854	$14,650
88	KAKE	0.00	1.142	679	$19,576	$1,587	$0	$20,596	$20,256
89	KING COVE	2.00	2.917	408	$26,405	$5,050	$0	$30,468	$21,275
90	KLAWOCK	0.00	3.411	323	$27,064	$6,535	$0	$32,545	$14,449
91	NENANA	9.16	6.097	521	$43,655	$20,982	$0	$62,608	$40,963
92	NOME	17.39	9.808	2,585	$216,599	$190,119	$0	$393,955	$283,132
93	PELICAN	3.20	9.915	169	$14,160	$6,073	$0	$19,599	$9,616
94	PETERSBURG	12.81	1.231	2,126	$178,139	$100,115	$0	$269,523	$169,595
95	SAINT MARY'S	0.00	0.000	415	$0	$5,200	$16,994	$21,498	$22,194
96	SKAGWAY	9.40	3.402	854	$39,096	$19,618	$0	$56,872	$48,537
97	UNALASKA	9.59	21.412	510	$42,733	$85,382	$0	$124,095	$102,445
98	VALDEZ	4.43	0.000	7,483	$41,246	$119,481	$158,410	$309,122	$417,165
99	ZONE I	1.88	0.000	6,683	$96,885	$0	$0	$93,845	$0
100	ZONE II	0.57	0.000	700	$1,141	$0	$0	$1,106	$0
				TOTAL	$139,274	$119,481		$404,073	$417,165
101	WRANGELL	5.87	9.307	3,152	$264,109	$99,458	$0	$352,158	$209,010
102	ZONE II	2.02	0.000	797	$12,786	$0	$0	$12,384	$0
103	ZONE III	4.11	0.000	100	$1,626	$0	$0	$1,575	$0
104	ZONE IV	5.40	0.000	2,250	$101,001	$0	$0	$97,832	$0
				TOTAL	$379,523	$99,458		$463,950	$209,010
105	YAKUTAT	11.60	4.567	442	$37,035	$0	$0	$35,873	$0
	SECOND CLASS CITIES								
106	AKIACHAK	0.00	0.000	354	$0	$19,630	$11,274	$29,935	$30,904
107	AKIAK	0.00	0.000	165	$0	$0	$1,072	$1,038	$1,072
108	AKOLMIUT	0.00	0.544	608	$4,186	$62,757	$15,178	$79,545	$82,122
109	ALAKANUK	0.00	1.312	527	$12,356	$12,480	$4,429	$28,347	$29,265
110	ALEKNAGIK	0.00	0.000	227	$0	$0	$0	$0	$0
111	ALLAKAKET	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
112	AMBLER	0.00	0.915	217	$2,574	$14,839	$5,117	$21,824	$22,531
113	ANDERSON	0.00	2.240	470	$9,879	$13,004	$8,664	$30,558	$31,548
114	ANGOON	0.00	2.822	287	$12,493	$8,061	$0	$19,910	$18,036
115	ANIAK	0.00	0.000	323	$0	$13,575	$10,584	$23,402	$24,160
116	ANVIK	0.00	0.000	87	$0	$0	$0	$0	$0
117	ATMAUTLUAK	0.00	0.000	169	$0	$5,200	$5,383	$10,251	$10,583
118	BETHEL	0.00	12.613	3,409	$285,643	$116,025	$0	$389,063	$264,487
119	BREVIG MISSION	0.00	0.000	120	$0	$5,580	$2,954	$8,266	$8,534
120	BUCKLAND	0.00	1.998	172	$4,139	$0	$0	$4,009	$0
121	CHEFORNAK	0.00	0.000	192	$0	$0	$1,872	$1,813	$1,872
122	CHEVAK	0.00	1.864	447	$11,303	$0	$0	$10,949	$9,878
123	CHUATHBALUK	0.00	0.000	118	$0	$5,350	$3,866	$8,927	$9,216
124	CLARK'S POINT	0.00	0.000	98	$0	$0	$0	$0	$0
125	DEERING	0.00	3.534	100	$3,540	$5,350	$0	$8,611	$8,626
126	DELTA JUNCTION	0.00	0.000	892	$0	$18,779	$12,822	$30,610	$31,602
127	DIOMEDE	0.00	0.000	135	$0	$5,050	$1,278	$6,130	$6,328
128	EAGLE	2.21	0.000	145	$3,982	$4,071	$0	$7,800	$4,904
129	EEK	0.00	1.602	195	$3,829	$0	$2,382	$6,016	$6,211
130	EKWOK	0.00	0.000	109	$0	$0	$0	$0	$0
131	ELIM	0.00	1.919	205	$4,223	$5,050	$2,635	$11,535	$11,909
132	EMMONAK	0.00	4.460	545	$45,666	$4,699	$0	$48,785	$16,744
133	FORT YUKON	0.00	8.339	637	$53,374	$30,856	$0	$81,587	$53,434
134	FORTUNA LEDGE	0.00	0.000	200	$0	$5,200	$5,070	$9,947	$10,270
135	GAMBELL	0.00	2.682	412	$11,996	$0	$0	$11,619	$6,241
136	GOLOVIN	0.00	0.000	118	$0	$0	$0	$0	$0
137	GOODNEWS BAY	0.00	1.245	248	$3,398	$0	$1,275	$4,528	$4,674
138	GRAYLING	0.00	0.000	167	$0	$0	$2,402	$2,326	$2,402
139	HOLY CROSS	0.00	0.000	212	$0	$13,375	$4,111	$16,937	$17,486
140	HOOPER BAY	0.00	2.528	590	$21,667	$0	$0	$20,987	$0
141	HUGHES	0.00	0.000	98	$0	$0	$1,638	$1,587	$1,638
142	HUSLIA	0.00	0.000	216	$0	$36,587	$4,189	$39,496	$40,776

143	KALTAG	0.00	0.000	240	$0	$2,226	$4,654	$6,665	$6,881
144	KASAAN	0.00	0.000	38	$0	$4,000	$475	$4,334	$4,475
145	KIANA	0.00	0.000	314	$0	$10,405	$7,139	$16,994	$17,545
146	KIVALINA	0.00	1.869	208	$4,569	$7,356	$2,246	$13,727	$14,172
147	KOBUK	0.00	0.000	60	$0	$5,350	$601	$5,765	$5,951
148	KOTLIK	0.00	1.943	284	$10,125	$5,200	$0	$14,844	$11,476
149	KOTZEBUE	0.00	11.586	2,526	$211,656	$3,183	$0	$208,097	$116,363
150	KOYUK	0.00	0.335	160	$741	$5,050	$4,207	$9,685	$9,999
151	KOYUKUK	0.00	0.000	124	$0	$5,350	$829	$5,985	$6,179
152	KUPREANOF	0.00	0.000	42	$0	$0	$0	$0	$0
153	KWETHLUK	0.00	0.000	444	$0	$5,200	$11,255	$15,938	$16,455
154	LOWER KALSKAG	0.00	0.000	195	$0	$5,350	$6,912	$11,877	$12,262
155	MANOKOTAK	0.00	0.901	225	$2,588	$0	$2,951	$5,365	$5,539
156	MCGRATH	0.00	0.000	296	$0	$11,816	$9,699	$20,841	$21,516
157	MEKORYUK	0.00	1.290	184	$2,521	$5,200	$3,716	$11,176	$11,538
158	MOUNTAIN VILLAGE	0.00	4.799	513	$34,462	$5,200	$0	$38,417	$22,873
159	NAPAKIAK	0.00	6.644	276	$18,786	$10,036	$0	$27,918	$18,826
160	NAPASKIAK	0.00	0.000	210	$0	$0	$5,323	$5,156	$5,323
161	NEWHALEN	0.00	0.000	89	$0	$0	$0	$0	$0
162	NEW STUYAHOK	0.00	0.000	230	$0	$0	$0	$0	$0
163	NEWTOK	0.00	0.000	124	$0	$0	$0	$0	$0
164	NIGHTMUTE	0.00	2.540	123	$3,714	$0	$0	$3,597	$799
165	NIKOLAI	0.00	0.000	85	$0	$7,195	$568	$7,520	$7,764
166	NONDALTON	0.00	0.000	226	$0	$0	$0	$0	$0
167	NOORVIK	0.00	2.264	527	$13,050	$9,763	$5,628	$27,550	$28,443
168	NULATO	0.00	0.000	331	$0	$8,225	$2,213	$10,111	$10,439
169	PILOT STATION	0.00	0.257	301	$1,528	$1,950	$8,841	$11,933	$12,320
170	PLATINUM	0.00	0.000	59	$0	$0	$1,879	$1,820	$1,879
171	PORT ALEXANDER	0.00	2.526	51	$1,140	$0	$0	$1,104	$661
172	PORT HEIDEN	0.00	0.0[illegible]	89	$0	$50,373	$1,405	$50,153	$51,778
173	QUINHAGAK	0.00	1.0[illegible]	395	$4,691	$5,512	$5,322	$15,038	$15,525
174	RUBY	0.00	0.000	219	$0	$0	$3,662	$3,547	$3,662
175	RUSSIAN MISSION	0.00	0.000	158	$0	$1,716	$410	$2,060	$2,126
176	SAINT MICHAEL	0.00	0.000	206	$0	$5,050	$5,071	$9,803	$10,121
177	SAINT PAUL	0.00	5.751	550	$30,152	$68,999	$0	$96,040	$85,410
178	SAND POINT	0.00	12.392	544	$45,582	$25,691	$0	$69,037	$40,458
179	SAVOONGA	0.00	0.652	409	$2,828	$5,050	$9,822	$17,145	$17,701
180	SCAMMON BAY	0.00	1.422	193	$4,810	$0	$1,336	$5,954	$6,147
181	SELAWIK	0.00	12.526	521	$43,655	$0	$0	$42,285	$17,073
182	SHAGELUK	0.00	0.000	169	$0	$12,070	$2,826	$14,429	$14,897
183	SHAKTOOLIK	0.00	0.966	160	$1,828	$0	$0	$1,770	$0
184	SHELDON POINT	0.00	0.000	136	$0	$0	$0	$0	$0
185	SHISHMAREF	0.00	2.183	326	$8,237	$8,534	$2,669	$18,831	$19,441
186	SHUNGNAK	0.00	2.184	182	$4,330	$5,350	$0	$9,376	$9,488
187	STEBBINS	0.00	1.035	298	$3,618	$0	$5,598	$8,928	$9,217
188	TANANA	0.00	1.610	499	$7,445	$22,169	$0	$28,685	$25,506
189	TELLER	0.00	1.090	219	$2,911	$10,144	$1,788	$14,378	$14,844
190	TENAKEE SPRINGS	0.00	0.000	140	$0	$1,556	$4,575	$5,939	$6,131
191	TOGIAK	0.00	2.850	419	$14,082	$0	$0	$13,640	$10,315
192	TOKSOOK BAY	0.00	2.168	317	$10,037	$5,200	$883	$15,615	$16,121
193	TULUKSAK	0.00	0.000	202	$0	$0	$0	$0	$0
194	TUNUNAK	0.00	0.523	299	$1,901	$5,200	$5,679	$12,379	$12,780
195	UNALAKLEET	0.00	0.000	630	$0	$22,510	$11,135	$32,589	$33,645
196	UPPER KALSKAG	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
197	WALES	0.00	0.896	109	$1,113	$0	$0	$1,078	$0
198	WHITE MOUNTAIN	0.00	0.000	98	$0	$0	$0	$0	$0
199	WHITTIER	0.00	5.136	292	$10,473	$22,712	$776	$32,895	$33,961
200	EXT FIRE AREAS	0.00	0.000	1	$0	$66,341	$0	$64,259	$66,341
				TOTAL	$18,262,861	$6,737,139		$25,000,000	$18,321,095

MUNICIPAL TAX PROJECTION TO 1979 WITH PAYOUT AT $27 MILLION

THIS ANALYSIS ASSUMES THAT SSHB843 BECOMES LAW IN 1978
PRORATION FACTOR IN 1979 IS 3.59984349175

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
APRIL 14, 1978

(1) BOROUGHS AND FIRST CLASS CITIES ADJUST TAX POLICY TO MAINTAIN CONSTANT 1978 DOLLARS
(OPERATING BUDGET = REVENUES FROM PROPERTY AND SALES TAX + REVENUE SHARING ENTITLEMENT
(2) POPULATION AND SERVICES HELD CONSTANT, INFLATION EFFECTS BALANCE FOR COSTS AND TAX REVENUES
(3) TAX REDUCTIONS APPLIED TO 'MIL EQUIVALENT' TAXING RATE
(4) 1978 REVENUE SHARING ENTITLEMENTS CREDITED TO AREA WIDE USE WHERE CITIES OR BOROUGHS HAVE MULTITPLE LISTINGS
(5) ROADS, HEALTH-RELATED, AND MILITARY ENTITLEMENTS IN 1979 ARE CREDITED TO AREA-WIDE USE
(6) HOLD HARMLESS CLAUSE OF SSHB843 (SECTION 10) NOT APPLIED IN THIS ANALYSIS
(7) SECOND CLASS CITIES (AND SAINT MARY'S) ARE NOT ANTICIPATED TO REDUCE TAXES IN RESPONSE TO ADDITIONAL REVENUES (NA)

( ) INDICATE NEGATIVE NUMBERS

COLUMN NUMBER	1	2	3	4	5	6	7	8	9
LOCAL GOV'T	1978 PT	1978 ST EQUIV	TOTAL MIL EQUIV	1978 OPERATING BUDGET	1978 ACTUAL ENTITLEMENT	ADJUSTED MIL RATE 1979	INCREASE/ DECREASE OVER 1978	1979 REV. SHARING ENTITLEMENT	1979 OPERATING BUDGET
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS									
1 ANCHORAGE (AW)	2.93	0.00	2.93	$21,678,121	$8,378,557	3.47	0.54	$5,896,502	$21,678,121
2 CITY (SA)	7.07	0.00	7.07	$12,404,412	$0	6.02	(1.04)	$1,842,564	$12,414,706
3 HILLSIDE (SA)	3.49	0.00	3.49	$1,295,808	$0	3.22	(0.26)	$98,250	$1,295,808
4 SPENARD (SA)	7.34	0.00	7.34	$8,124,833	$0	6.37	(0.96)	$1,066,011	$8,124,833
5 GIRDWOOD (SA)	3.35	0.00	3.35	$104,458	$0	3.18	(0.17)	$5,573	$104,622
6 GLEN ALPS (SA)	3.37	0.00	3.37	$11,680	$0	3.20	(0.16)	$601	$11,698
7 RICH. VISTA (SA)	7.24	0.00	7.24	$29,374	$0	0.99	(6.24)	$25,332	$29,374
8 SAND LAKE (SA)	3.97	0.00	3.97	$1,737,989	$0	3.27	(0.69)	$305,768	$1,737,989
9 MULDOON (SA)	4.70	0.00	4.70	$1,702,083	$0	3.28	(1.42)	$514,100	$1,702,083
10 RABBIT CREEK (SA)	3.37	0.00	3.37	$495,596	$0	2.75	(0.61)	$90,324	$495,596
11 EAGLE RIVER (SA)	2.28	0.00	2.28	$336,836	$0	1.79	(0.48)	$71,602	$336,836
12 CHUGIAK (SA)	1.28	0.00	1.28	$114,189	$0	0.88	(0.40)	$35,810	$114,189
13 OCEAN VIEW (SA)	4.86	0.00	4.86	$221,463	$0	4.05	(0.81)	$36,876	$221,463
14 OTHER SA	0.52	0.00	0.52	$15,452	$0	0.51	(0.01)	$516	$15,604
15 BRISTOL BAY BOROUGH (AW)	6.15	8.20	14.35	$459,546	$32,370	12.36	(1.99)	$91,981	$459,728
16 SOUTH NAKNEK SA	1.47	0.00	1.47	$11,997	$0	1.37	(0.09)	$825	$12,040
17 FAIRBANKS BOROUGH (AW)	1.19	2.22	3.42	$6,644,417	$1,200,637	3.53	0.11	$1,022,788	$6,644,417
18 BALLAINE LAKE (SA)	0.81	0.00	0.81	$1,270	$0	0.40	(0.41)	$656	$1,286
19 DIANE (SA)	1.22	0.00	1.22	$1,169	$0	0.83	(0.38)	$370	$1,169
20 WILDVIEW ACRES (SA)	0.82	0.00	0.82	$1,206	$0	0.63	(0.18)	$265	$1,206
21 SMITH RANCH (SA)	1.63	0.00	1.63	$7,728	$0	0.91	(0.71)	$3,420	$7,770
22 ENGINEER CREEK (SA)	1.64	0.00	1.64	$2,566	$0	0.92	(0.71)	$1,123	$2,566
23 ESTER LUMP (SA)	2.04	0.00	2.04	$2,521	$0	2.01	(0.03)	$39	$2,521
24 NORTH STAR F.P. (SA)	0.87	0.00	0.87	$117,480	$0	0.70	(0.17)	$23,232	$117,480
25 BECKER RIDGE (SA)	2.35	0.00	2.35	$15,443	$0	2.25	(0.09)	$638	$15,443
26 FAIRBANKS (CITY)	6.94	4.60	11.54	$7,526,111	$1,265,807	9.87	(1.66)	$2,173,561	$7,529,663
27 NORTH POLE (CITY)	4.36	9.18	13.55	$234,827	$29,890	12.57	(0.97)	$44,626	$234,827
28 HAINES BOROUGH	1.42	0.00	1.42	$48,882	$0	1.04	(0.37)	$26,875	$62,733
29 HAINES (CITY)	7.62	5.58	13.21	$324,030	$65 721	10.19	(3.02)	$124,797	$324,030
30 JUNEAU (AW)	8.62	0.00	8.62	$3,896,116	$751,062	7.61	(1.01)	$1,121,463	$3,896,116
31 JUNEAU SA1	2.78	9.13	11.92	$1,609,023	$0	9.13	(2.78)	$376,331	$1,609,023
32 JUNEAU SA2	1.21	4.12	5.34	$99,557	$0	3.13	(2.20)	$41,252	$99,7[illegible]
33 JUNEAU SA3	0.79	0.00	0.79	$5,991	$0	0.72	(0.06)	$506	$5,991
34 JUNEAU SA4	2.88	0.00	2.88	$105,382	$0	2.47	(0.41)	$14,993	$105,382
35 JUNEAU SA5	2.35	0.00	2.35	$302,830	$0	1.64	(0.70)	$90,256	$302,830
36 JUNEAU SA6	1.89	0.00	1.89	$22,467	$0	1.37	(0.51)	$6,131	$22,467
37 JUNEAU SA7	1.41	0.00	1.41	$13,029	$0	1.14	(0.27)	$2,496	$13,029

38	JUNEAU SA8	1.30	0.00	1.30	$22,196	$0	1.17	(0.13)	$2,364	$22,291
39	KENAI BOROUGH (AW)	0.00	0.00	0.00	$470,590	$470,590	0.11	0.11	$324,961	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.00	0.19	$23,967	$0	0.08	(0.10)	$12,966	$23,967
41	SOUTH HOSPITAL (SA)	2.02	0.00	2.02	$175,096	$0	1.43	(0.58)	$50,764	$175,096
42	NORTH KENAI FIRE (SA)	5.45	0.00	5.45	$1,966,283	$0	5.31	(0.13)	$49,856	$1,966,283
43	NORTH KENAI REC (SA)	0.84	0.00	0.84	$360,910	$0	0.82	(0.02)	$8,754	$360,910
44	BEAR CREEK FIRE (SA)	5.43	0.00	5.43	$34,739	$0	2.63	(2.79)	$17,897	$34,739
45	HOMER (CITY)	11.26	5.74	17.00	$804,513	$74,774	15.20	(1.79)	$152,090	$804,773
46	KACHEMAK (CITY)	1.75	0.00	1.75	NA	$0	NA	NA	$26,875	NA
47	KENAI (CITY)	14.58	7.95	22.54	$2,166,022	$246,090	19.00	(3.53)	$547,190	$2,166,158
48	SELDOVIA (CITY)	14.48	2.58	17.07	$141,076	$26,132	11.28	(5.78)	$65,091	$141,091
49	SEWARD (CITY)	17.58	0.00	17.58	$591,908	$96,533	12.87	(4.71)	$229,361	$591,935
50	SOLDOTNA (CITY)	10.24	7.47	17.71	$894,740	$126,703	14.36	(3.34)	$271,865	$894,811
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	7.99	$2,249,638	$84,555	6.75	(1.23)	$421,695	$2,251,305
52	SHORELINE (SA)	1.00	0.00	1.00	$7,430	$0	0.63	(0.37)	$2,751	$7,430
53	KETCHIKAN (CITY)	9.67	8.90	18.57	$3,281,664	$393,632	15.49	(3.07)	$873,244	$3,282,392
54	SAXMAN (CITY)	0.00	0.00	0.00	NA	$8,294	NA	NA	$25,000	NA
55	KODIAK BOROUGH (AW)	1.83	0.00	1.83	$714,687	$207,791	1.78	(0.05)	$221,898	$714,687
56	FIRE DISTRICT (SA)	2.31	0.00	2.31	$42,517	$0	1.37	(0.94)	$17,334	$42,517
57	ROAD DISTRICT (SA)	0.64	0.00	0.64	$2,635	$0	0.41	(0.23)	$979	$2,667
58	KODIAK (CITY)	8.19	6.04	14.24	$2,210,567	$190,984	13.44	(0.80)	$304,468	$2,210,567
59	AKHIOK (CITY)	0.00	0.00	0.00	NA	$0	NA	NA	$26,875	NA
60	LARSEN BAY (CITY)	0.00	0.00	0.00	NA	$1,841	NA	NA	$26,875	NA
61	OLD HARBOR (CITY)	0.00	0.00	0.00	NA	$17,281	NA	NA	$26,875	NA
62	OUZINKIE (CITY)	0.00	368.44	368.44	NA	$2,284	NA	NA	$26,875	NA
63	PORT LIONS (CITY)	0.00	0.00	0.00	NA	$11,133	NA	NA	$26,875	NA
64	MAT-SU BOROUGH (AW)	3.12	0.00	3.12	$2,022,852	$295,973	2.98	(0.14)	$377,259	$2,026,023
65	WASILLA F(1,8,9,10,11)	0.77	0.00	0.77	$65,197	$0	0.55	(0.22)	$19,223	$65,789
66	BUTTE FIRE (SA)	0.59	0.00	0.59	$18,913	$0	0.42	(0.16)	$5,414	$19,136
67	SUTTON FIRE (SA)	1.71	0.00	1.71	$8,382	$0	0.70	(1.01)	$4,996	$8,442
68	OTHER AREA (SA)	0.17	0.00	0.17	$59,646	$0	0.14	(0.03)	$10,544	$59,646
69	TALKEETNA FLOOD (SA)	1.99	0.00	1.99	$4,770	$0	1.05	(0.94)	$2,278	$4,792
70	GARDEN TERRACE (SA)	3.08	0.00	3.08	$3,830	$0	2.41	(0.67)	$835	$3,830
71	HOUSTON (CITY)	0.00	0.00	0.00	NA	$41,357	NA	NA	$36,494	NA
72	PALMER (CITY)	4.25	8.69	12.94	$551,190	$86,977	10.99	(1.94)	$156,775	$551,190
73	WASILLA (CITY)	0.00	0.00	0.00	$73,937	$73,937	0.18	0.18	$67,493	$74,166
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	5.66	$20,512,870	$308,193	5.67	0.01	$247,102	$20,512,870
75	ANAKTUVUK PASS (CITY)	0.00	0.00	0.00	NA	$0	NA	NA	$33,437	NA
76	BARROW (CITY)	0.00	52.37	52.37	$253,553	$38,557	11.21	(41.15)	$207,530	$253,564
77	KAKTOVIK (CITY)	0.00	0.00	0.00	NA	$2,057	NA	NA	$33,437	NA
78	NUIQSUT (CITY)	0.00	0.00	0.00	NA	$0	NA	NA	$33,437	NA
79	POINT HOPE (CITY)	0.00	13.18	13.18	NA	$0	NA	NA	$34,558	NA
80	WAINWRIGHT (CITY)	0.00	33.34	33.34	NA	$0	NA	NA	$33,437	NA
81	SITKA BOROUGH	2.10	3.86	5.97	$1,456,589	$383,994	6.05	0.08	$367,955	$1,456,589
	FIRST CLASS CITIES									
82	CORDOVA	8.51	12.04	20.56	$891,192	$211,729	16.81	(3.74)	$335,569	$891,224
83	CRAIG	5.83	8.78	14.62	$103,486	$26,050	9.80	(4.81)	$51,553	$103,486
84	DILLINGHAM	15.12	10.14	25.26	$493,817	$60,754	21.73	(3.52)	$121,287	$493,892
85	GALENA	0.00	14.02	14.02	$78,957	$41,159	3.80	(10.22)	$68,795	$78,957
86	HOONAH	0.00	8.62	8.62	$74,715	$28,715	3.93	(4.69)	$53,756	$74,715
87	HYDABURG	0.00	15.98	15.98	$37,650	$14,650	2.52	(13.46)	$34,014	$37,650
88	KAKE	0.00	1.14	1.14	$22,992	$20,256	1.02	(0.11)	$20,631	$23,096
89	KING COVE	2.00	2.91	4.91	$35,357	$21,275	3.51	(1.40)	$25,330	$35,400
90	KLAWOCK	0.00	3.41	3.41	$17,949	$14,449	1.11	(2.30)	$16,860	$18,000
91	NENANA	9.16	6.09	15.25	$127,615	$40,963	10.52	(4.73)	$67,869	$127,621
92	NOME	17.39	9.80	27.20	$1,201,105	$283,132	23.06	(4.13)	$422,759	$1,201,161
93	PELICAN	3.20	9.91	13.11	$70,467	$9,616	11.10	(2.01)	$18,977	$70,496
94	PETERSBURG	12.81	1.23	14.04	$647,918	$169,595	11.35	(2.69)	$261,642	$648,159
95	SAINT MARY'S	0.00	0.00	0.00	NA	$22,194	NA	NA	$32,500	NA

96	SKAGWAY	9.40	3.40	12.81	$430,974	$48,537	12.41	(0.39)	$60,316	$430,974
97	UNALASKA	9.59	21.41	31.00	$616,212	$102,445	29.26	(1.73)	$131,280	$616,267
98	VALDEZ	4.43	0.00	4.43	$5,791,651	$417,165	4.64	0.20	$165,853	$5,791,651
99	ZONE I	1.88	0.00	1.88	$131,615	$0	1.05	(0.83)	$58,113	$131,615
100	ZONE II	0.57	0.00	0.57	$14,306	$0	0.53	(0.04)	$1,129	$14,306
101	WRANGELL	5.87	9.30	15.18	$779,957	$209,010	10.62	(4.55)	$380,713	$780,277
102	ZONE II	2.02	0.00	2.02	$18,987	$0	1.17	(0.85)	$7,969	$18,987
103	ZONE III	4.11	0.00	4.11	$13,699	$0	3.65	(0.46)	$1,551	$13,717
104	ZONE IV	5.40	0.00	5.40	$134,095	$0	2.98	(2.41)	$59,967	$134,095
105	YAKUTAT	11.60	4.56	16.16	$164,083	$0	12.42	(3.74)	$38,057	$164,149
	SECOND CLASS CITIES									
106	AKIACHAK	0.00	0.00	0.00	NA	$30,904	NA	NA	$32,500	NA
107	AKIAK	0.00	0.00	0.00	NA	$1,072	NA	NA	$32,500	NA
108	AKOLMIUT	0.00	0.54	0.54	NA	$82,122	NA	NA	$67,254	NA
109	ALAKANUK	0.00	1.31	1.31	NA	$29,265	NA	NA	$32,500	NA
110	ALEKNAGIK	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
111	ALLAKAKET	0.00	0.00	0.00	NA	$2,741	NA	NA	$33,437	NA
112	AMBLER	0.00	0.91	0.91	NA	$22,531	NA	NA	$33,437	NA
113	ANDERSON	0.00	2.24	2.24	NA	$31,548	NA	NA	$33,437	NA
114	ANGOON	0.00	2.82	2.82	NA	$18,036	NA	NA	$25,937	NA
115	ANIAK	0.00	0.00	0.00	NA	$24,160	NA	NA	$33,437	NA
116	ANVIK	0.00	0.00	0.00	NA	$0	NA	NA	$33,437	NA
117	ATMAUTLUAK	0.00	0.00	0.00	NA	$10,583	NA	NA	$32,500	NA
118	BETHEL	0.00	12.61	12.61	NA	$264,487	NA	NA	$422,821	NA
119	BREVIG MISSION	0.00	0.00	0.00	NA	$8,534	NA	NA	$31,562	NA
120	BUCKLAND	0.00	1.99	1.99	NA	$0	NA	NA	$33,437	NA
121	CHEFORNAK	0.00	0.00	0.00	NA	$1,872	NA	NA	$32,500	NA
122	CHEVAK	0.00	1.86	1.86	NA	$9,878	NA	NA	$32,500	NA
123	CHUATHBALUK	0.00	0.00	0.00	NA	$9,216	NA	NA	$33,437	NA
124	CLARK'S POINT	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
125	DEERING	0.00	3.53	3.53	NA	$8,626	NA	NA	$33,437	NA
126	DELTA JUNCTION	0.00	0.00	0.00	NA	$31,602	NA	NA	$28,750	NA
127	DIOMEDE	0.00	0.00	0.00	NA	$6,328	NA	NA	$31,562	NA
128	EAGLE	2.21	0.00	2.21	NA	$4,904	NA	NA	$28,750	NA
129	EEK	0.00	1.60	1.60	NA	$6,211	NA	NA	$32,500	NA
130	EKWOK	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
131	ELIM	0.00	1.91	1.91	NA	$11,909	NA	NA	$31,562	NA
132	EMMONAK	0.00	4.46	4.46	NA	$16,744	NA	NA	$53,747	NA
133	FORT YUKON	0.00	8.33	8.33	NA	$53,434	NA	NA	$88,183	NA
134	FORTUNA LEDGE	0.00	0.00	0.00	NA	$10,270	NA	NA	$32,500	NA
135	GAMBELL	0.00	2.68	2.68	NA	$6,241	NA	NA	$31,562	NA
136	GOLOVIN	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
137	GOODNEWS BAY	0.00	1.24	1.24	NA	$4,674	NA	NA	$32,500	NA
138	GRAYLING	0.00	0.00	0.00	NA	$2,402	NA	NA	$33,437	NA
139	HOLY CROSS	0.00	0.00	0.00	NA	$17,486	NA	NA	$33,437	NA
140	HOOPER BAY	0.00	2.52	2.52	NA	$0	NA	NA	$32,500	NA
141	HUGHES	0.00	0.00	0.00	NA	$1,638	NA	NA	$33,437	NA
142	HUSLIA	0.00	0.00	0.00	NA	$40,776	NA	NA	$36,587	NA
143	KALTAG	0.00	0.00	0.00	NA	$6,881	NA	NA	$33,437	NA
144	KASAAN	0.00	0.00	0.00	NA	$4,475	NA	NA	$25,000	NA
145	KIANA	0.00	0.00	0.00	NA	$17,545	NA	NA	$33,437	NA
146	KIVALINA	0.00	1.86	1.86	NA	$14,172	NA	NA	$33,437	NA
147	KOBUK	0.00	0.00	0.00	NA	$5,951	NA	NA	$33,437	NA
148	KOTLIK	0.00	1.94	1.94	NA	$11,476	NA	NA	$32,500	NA
149	KOTZEBUE	0.00	11.58	11.58	NA	$144,317	NA	NA	$258,467	NA
150	KOYUK	0.00	0.33	0.33	NA	$9,999	NA	NA	$31,562	NA
151	KOYUKUK	0.00	0.00	0.00	NA	$6,179	NA	NA	$33,437	NA
152	KUPREANOF	0.00	0.00	0.00	NA	$0	NA	NA	$25,937	NA
153	KWETHLUK	0.00	0.00	0.00	NA	$16,455	NA	NA	$32,500	NA
154	LOWER KALSKAG	0.00	0.00	0.00	NA	$12,262	NA	NA	$33,437	NA
155	MANOKOTAK	0.00	0.90	0.90	NA	$5,539	NA	NA	$31,562	NA
156	MCGRATH	0.00	0.00	0.00	NA	$21,516	NA	NA	$33,437	NA
157	MEKORYUK	0.00	1.29	1.29	NA	$11,538	NA	NA	$32,500	NA
158	MOUNTAIN VILLAGE	0.00	4.79	4.79	NA	$22,873	NA	NA	$42,214	NA
159	NAPAKIAK	0.00	6.64	6.64	NA	$18,826	NA	NA	$32,500	NA

160 NAPASKIAK	0.00	0.00	0.00	NA	$5,323	NA	NA	$32,500	NA
161 NEWHALEN	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
162 NEW STUYAHOK	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
163 NEWTOK	0.00	0.00	0.00	NA	$0	NA	NA	$32,500	NA
164 NIGHTMUTE	0.00	2.54	2.54	NA	$799	NA	NA	$32,500	NA
165 NIKOLAI	0.00	0.00	0.00	NA	$7,764	NA	NA	$33,437	NA
166 NONDALTON	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
167 NOORVIK	0.00	2.26	2.26	NA	$28,443	NA	NA	$33,437	NA
168 NULATO	0.00	0.00	0.00	NA	$10,439	NA	NA	$33,437	NA
169 PILOT STATION	0.00	0.25	0.25	NA	$12,320	NA	NA	$32,500	NA
170 PLATINUM	0.00	0.00	0.00	NA	$1,879	NA	NA	$32,500	NA
171 PORT ALEXANDER	0.00	2.52	2.52	NA	$661	NA	NA	$25,937	NA
172 PORT HEIDEN	0.00	0.00	0.00	NA	$51,778	NA	NA	$50,373	NA
173 QUINHAGAK	0.00	1.03	1.03	NA	$15,525	NA	NA	$32,500	NA
174 RUBY	0.00	0.00	0.00	NA	$3,662	NA	NA	$33,437	NA
175 RUSSIAN MISSION	0.00	0.00	0.00	NA	$2,126	NA	NA	$32,500	NA
176 SAINT MICHAEL	0.00	0.00	0.00	NA	$10,121	NA	NA	$31,562	NA
177 SAINT PAUL	0.00	5.75	5.75	NA	$85,410	NA	NA	$101,384	NA
178 SAND POINT	0.00	12.39	12.39	NA	$40,458	NA	NA	$74,649	NA
179 SAVOONGA	0.00	0.65	0.65	NA	$17,701	NA	NA	$31,562	NA
180 SCAMMON BAY	0.00	1.42	1.42	NA	$6,147	NA	NA	$32,500	NA
181 SELAWIK	0.00	12.52	12.52	NA	$17,073	NA	NA	$46,887	NA
182 SHAGELUK	0.00	0.00	0.00	NA	$14,897	NA	NA	$33,437	NA
183 SHAKTOOLIK	0.00	0.96	0.96	NA	$0	NA	NA	$31,562	NA
184 SHELDON POINT	0.00	0.00	0.00	NA	$0	NA	NA	$32,500	NA
185 SHISHMAREF	0.00	2.18	2.18	NA	$19,441	NA	NA	$31,562	NA
186 SHUNGNAK	0.00	2.18	2.18	NA	$9,488	NA	NA	$33,437	NA
187 STEBBINS	0.00	1.03	1.03	NA	$9,217	NA	NA	$31,562	NA
188 TANANA	0.00	1.61	1.61	NA	$25,506	NA	NA	$33,437	NA
189 TELLER	0.00	1.09	1.09	NA	$14,844	NA	NA	$31,562	NA
190 TENAKEE SPRINGS	0.00	0.00	0.00	NA	$6,131	NA	NA	$25,937	NA
191 TOGIAK	0.00	2.85	2.85	NA	$10,315	NA	NA	$31,562	NA
192 TOKSOOK BAY	0.00	2.16	2.16	NA	$16,121	NA	NA	$32,500	NA
193 TULUKSAK	0.00	0.00	0.00	NA	$0	NA	NA	$32,500	NA
194 TUNUNAK	0.00	0.52	0.52	NA	$12,780	NA	NA	$32,500	NA
195 UNALAKLEET	0.00	0.00	0.00	NA	$33,645	NA	NA	$31,562	NA
196 UPPER KALSKAG	0.00	0.00	0.00	NA	$2,741	NA	NA	$33,437	NA
197 WALES	0.00	0.89	0.89	NA	$0	NA	NA	$31,562	NA
198 WHITE MOUNTAIN	0.00	0.00	0.00	NA	$0	NA	NA	$31,562	NA
199 WHITTIER	0.00	5.13	5.13	NA	$33,961	NA	NA	$33,961	NA
200 EXT FIRE AREAS	0.00	0.00	0.00	NA	$66,341	NA	NA	$66,341	NA
					$18,349,049			$26,999,010	

PER CAPITA INCOME NOT INCLUDED

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MINIMUM ENTITLEMENT IS $25,000 X COLA
LOCAL EFFORT LIMIT SET TO 25
CHAPTER 88 PRORATION FACTOR IS 2.6751 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .97921177

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MAY 5, 1978

	LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'78 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS											
1	ANCHORAGE (AW)	2.93	0.00	180,653	$2,417,666	$2,876,165	$0	$0	$5,183,781	$8,378,557	$11,269,005
2	CITY (SA)	7.07	0.00	67,014	$2,078,353	$0	$0	$0	$2,035,148	$0	$0
3	HILLSIDE (SA)	3.49	0.00	8,937	$86,248	$0	$0	$0	$84,455	$0	$0
4	SPENARD (SA)	7.34	0.00	38,816	$1,146,742	$0	$0	$0	$1,122,303	$0	$0
5	GIRDWOOD (SA)	3.35	0.00	600	$4,446	$0	$0	$0	$4,353	$0	$0
6	GLEN ALPS (SA)	3.37	0.00	65	$473	$0	$0	$0	$463	$0	$0
7	RICH. VISTA (SA)	7.24	0.00	1,105	$73,899	$0	$0	$0	$72,363	$0	$0
8	SAND LAKE (SA)	3.97	0.00	18,915	$372,224	$0	$0	$0	$365,465	$0	$0
9	MULDOON (SA)	4.70	0.00	23,345	$813,938	$0	$0	$0	$797,018	$0	$0
10	RABBIT CREEK (SA)	3.37	0.00	6,532	$112,200	$0	$0	$0	$109,867	$0	$0
11	EAGLE RIVER (SA)	2.28	0.00	7,182	$91,376	$0	$0	$0	$89,476	$0	$0
12	CHUGIAK (SA)	1.28	0.00	5,876	$57,349	$0	$0	$0	$56,157	$0	$0
13	OCEAN VIEW (SA)	4.86	0.00	1,894	$44,003	$0	$0	$0	$43,089	$0	$0
14	OTHER SA	0.52	0.00	372	$283	$0	$0	$0	$277	$0	$0
				TOTAL	$7,300,205	$2,876,165			$9,964,822	$8,378,557	$11,269,005
15	BRISTOL BAY BOROUGH (AW)	6.15	8.20	1,311	$87,676	$8,370	$0	$0	$94,050	$32,370	$32,370
16	SOUTH NAKNEK SA	1.47	0.00	175	$637	$0	$0	$0	$624	$0	$0
				TOTAL	$88,314	$8,370			$94,674	$32,370	$32,370
17	FAIRBANKS BOROUGH (AW)	1.19	2.22	60,227	$896,641	$113,018	$0	$146,007	$1,131,643	$1,200,637	$1,339,160
18	BALLAINE LAKE (SA)	0.81	0.00	168	$1,696	$0	$0	$0	$1,661	$0	$0
19	DIANE (SA)	1.22	0.00	66	$644	$0	$0	$0	$631	$0	$0
20	WILDVIEW ACRES (SA)	0.82	0.00	77	$379	$0	$0	$0	$371	$0	$0
21	SMITH RANCH (SA)	1.63	0.00	438	$7,601	$0	$0	$0	$7,443	$0	$0
22	ENGINEER CREEK (SA)	1.64	0.00	144	$2,498	$0	$0	$0	$2,446	$0	$0
23	ESTER LUMP (SA)	2.04	0.00	10	$19	$0	$0	$0	$18	$0	$0
24	NORTH STAR F.P. (SA)	0.87	0.00	6,500	$31,650	$0	$0	$0	$30,992	$0	$0
25	BECKER RIDGE (SA)	2.35	0.00	108	$480	$0	$0	$0	$470	$0	$0
26	FAIRBANKS (CITY)	6.94	4.60	30,462	$2,037,222	$512,634	$0	$0	$2,496,849	$1,265,807	$1,335,869
27	NORTH POLE (CITY)	4.36	9.18	461	$21,838	$18,492	$0	$0	$39,492	$29,890	$30,951
				TOTAL	$3,000,672	$644,144			$3,712,020	$2,496,336	$2,705,981
28	HAINES BOROUGH	1.42	0.00	1,924	$17,537	$0	$9,337	$0	$26,316	$0	$26,875
29	HAINES (CITY)	7.62	5.58	1,366	$91,354	$16,528	$0	$0	$105,640	$65,721	$68,658
				TOTAL	$108,891	$16,528			$131,956	$65,721	$95,533
30	JUNEAU (AW)	8.62	0.00	20,465	$1,136,649	$209,030	$0	$0	$1,317,705	$751,062	$1,037,572
31	JUNEAU SA1	2.78	9.13	7,259	$485,463	$0	$0	$0	$475,371	$0	$0
32	JUNEAU SA2	1.21	4.12	1,606	$84,928	$0	$0	$0	$83,162	$0	$0
33	JUNEAU SA3	0.79	0.00	197	$467	$0	$0	$0	$457	$0	$0
34	JUNEAU SA4	2.88	0.00	1,370	$17,012	$0	$0	$0	$16,659	$0	$0
35	JUNEAU SA5	2.35	0.00	8,369	$146,485	$0	$0	$0	$143,440	$0	$0
36	JUNEAU SA6	1.89	0.00	719	$9,446	$0	$0	$0	$9,249	$0	$0
37	JUNEAU SA7	1.41	0.00	427	$3,217	$0	$0	$0	$3,151	$0	$0
38	JUNEAU SA8	1.30	0.00	518	$2,375	$0	$0	$0	$2,326	$0	$0
				TOTAL	$1,886,047	$209,030			$2,051,524	$751,062	$1,037,572

39	KENAI BOROUGH (AW)	0.00	0.00	24,611	$0	$314,975	$0	$0	$308,427	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$34,342	$0	$0	$0	$33,628	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$75,595	$0	$0	$0	$74,023	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$21,383	$0	$0	$0	$20,939	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$3,655	$0	$0	$0	$3,579	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$44,399	$0	$0	$0	$43,476	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$120,513	$13,754	$0	$0	$131,476	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$881	$0	$25,993	$0	$26,316	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$358,730	$64,451	$0	$0	$414,385	$246,090	$274,921
48	SELDOVIA (CITY)	14.48	2.58	612	$40,929	$10,013	$0	$0	$49,883	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$152,413	$24,260	$0	$0	$173,001	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$172,945	$39,135	$0	$0	$207,671	$126,703	$140,603
				TOTAL	$1,025,790	$466,590			$1,486,810	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	11,490	$446,507	$0	$0	$0	$437,225	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$4,716	$0	$0	$0	$4,617	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$530,204	$159,756	$0	$0	$675,617	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$20,650	$0	$24,480	$8,294	$25,000
				TOTAL	$981,428	$164,106			$1,141,941	$486,481	$580,859
55	KODIAK BOROUGH (AW)	1.83	0.00	7,901	$47,714	$166,949	$0	$0	$210,201	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$34,551	$0	$0	$0	$33,832	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$1,767	$0	$0	$0	$1,730	$0	$0
58	KODIAK (CITY)	8.19	6.04	4,960	$283,380	$23,026	$0	$0	$300,037	$190,984	$212,312
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$26,875	$0	$26,316	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$26,875	$0	$26,316	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$20,666	$0	$26,316	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$11,369	$0	$15,505	$0	$26,316	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$22,940	$0	$26,310	$11,133	$26,875
				TOTAL	$378,782	$200,118			$677,383	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	3.12	0.00	16,724	$181,397	$133,790	$0	$0	$308,635	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$25,582	$0	$0	$0	$25,050	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$7,023	$0	$0	$0	$6,877	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$14,215	$0	$0	$0	$13,919	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$10,290	$0	$0	$0	$10,076	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$4,744	$0	$0	$0	$4,645	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$924	$0	$0	$0	$905	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,498	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$124,325	$26,222	$0	$0	$147,418	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,400	$73,937	$73,937
				TOTAL	$368,502	$262,321			$630,427	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	9,139	$15,189	$65,510	$0	$227,493	$301,786	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$33,437	$0	$32,742	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$154,219	$0	$0	$0	$151,013	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$33,437	$0	$32,742	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$33,437	$0	$32,742	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$25,680	$0	$7,756	$0	$32,742	$0	$33,437
80	WAINWRIGHT (CITY)	0.00	33.34	341	$22,805	$0	$10,632	$0	$32,742	$0	$33,437
				TOTAL	$217,895	$65,510			$616,512	$348,803	$513,934
81	SITKA BOROUGH	2.10	3.86	7,650	$223,071	$133,982	$0	$26,940	$376,011	$383,994	$455,426
	FIRST CLASS CITIES										
82	CORDOVA	8.51	12.04	2,406	$160,907	$119,038	$0	$0	$274,126	$211,729	$222,797
83	CRAIG	5.83	8.78	467	$31,231	$10,405	$0	$0	$40,771	$26,050	$26,050
84	DILLINGHAM	15.12	10.14	1,269	$84,867	$7,082	$0	$0	$90,038	$60,754	$60,754
85	GALENA	0.00	14.02	631	$42,199	$19,134	$0	$0	$60,058	$41,499	$41,499
86	HOONAH	0.00	8.62	848	$56,712	$0	$0	$0	$55,533	$28,715	$28,715

87	HYDABURG	0.00	15.98	380	$25,413	$7,240	$0	$0	$31,974	$14,650	$14,650
88	KAKE	0.00	1.14	679	$25,227	$1,587	$0	$0	$26,256	$20,256	$20,256
89	KING COVE	2.00	2.91	408	$27,286	$5,050	$0	$0	$31,663	$21,275	$21,275
90	KLAWOCK	0.00	3.41	323	$21,601	$6,535	$0	$0	$27,551	$14,449	$14,449
91	NENANA	9.16	6.09	521	$34,843	$20,982	$0	$0	$54,664	$40,963	$42,317
92	NOME	17.39	9.80	2,585	$172,878	$190,119	$0	$0	$355,452	$283,132	$283,132
93	PELICAN	3.20	9.91	169	$9,260	$6,073	$11,540	$0	$26,316	$9,616	$26,875
94	PETERSBURG	12.81	1.23	2,126	$142,181	$100,115	$0	$0	$237,260	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$27,300	$0	$31,824	$22,194	$32,500
96	SKAGWAY	9.40	3.40	854	$35,899	$19,618	$0	$0	$54,364	$48,537	$50,373
97	UNALASKA	9.59	21.41	510	$34,107	$85,382	$0	$0	$117,006	$102,445	$102,445
98	VALDEZ	4.43	0.00	7,4[illegible]	$23,513	$119,481	$0	$134,285	$271,516	$417,165	$452,709
99	ZONE I	1.88	0.00	[illegible]	$138,577	$0	$0	$0	$135,696	$0	$0
100	ZONE II	0.57	0.00	[illegible]	$1,307	$0	$0	$0	$1,280	$0	$0
				TOTAL	$163,398	$119,481			$408,493	$417,165	$452,709
101	WRANGELL	5.87	9.30	[illegible],152	$210,797	$99,458	$0	$0	$303,807	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$15,779	$0	$0	$0	$15,451	$0	$0
103	ZONE III	4.11	0.00	100	$1,416	$0	$0	$0	$1,387	$0	$0
104	ZONE IV	5.40	0.00	2,250	$126,396	$0	$0	$0	$123,768	$0	$0
				TOTAL	$354,300	$99,458			$444,414	$209,010	$215,551
105	YAKUTAT	11.60	4.56	442	$29,559	$0	$0	$0	$28,945	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$12,870	$0	$31,824	$30,904	$32,500
107	AKIAK	0.00	0.00	165	$0	$0	$32,500	$0	$31,824	$1,072	$32,500
108	AKOLMIUT	0.00	0.54	608	$3,956	$62,757	$0	$15,408	$80,415	$82,122	$82,122
109	ALAKANUK	0.00	1.31	527	$8,264	$12,480	$11,755	$0	$31,824	$29,265	$32,500
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$31,562	$0	$30,906	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$33,437	$0	$32,742	$2,741	$33,437
112	AMBLER	0.00	0.91	217	$2,373	$14,[illegible]39	$16,224	$0	$32,742	$22,531	$33,437
113	ANDERSON	0.00	2.24	470	$12,578	$13,0[illegible]	$7,854	$0	$32,742	$31,548	$33,437
114	ANGOON	0.00	2.82	287	$9,677	$8,061	$8,198	$0	$25,398	$18,036	$25,937
115	ANIAK	0.00	0.00	323	$0	$13,575	$19,861	$0	$32,742	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$33,437	$0	$32,742	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$27,300	$0	$31,824	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$227,985	$116,025	$0	$0	$336,859	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$25,982	$0	$30,906	$8,534	$31,562
120	BUCKLAND	0.00	1.99	172	$4,106	$0	$29,330	$0	$32,742	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$32,500	$0	$31,824	$1,872	$32,500
122	CHEVAK	0.00	1.86	447	$9,955	$0	$22,544	$0	$31,824	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$28,087	$0	$32,742	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$31,562	$0	$30,906	$0	$31,562
125	DEERING	0.00	3.53	100	$4,222	$5,350	$23,865	$0	$32,742	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$9,970	$2,852	$30,945	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$26,512	$0	$30,906	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$3,782	$4,071	$20,896	$0	$28,152	$4,904	$28,750
129	EEK	0.00	1.60	195	$3,733	$0	$28,766	$0	$31,824	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$31,562	$0	$30,906	$0	$31,562
131	ELIM	0.00	1.91	205	$4,701	$5,050	$21,811	$0	$30,906	$11,909	$31,562
132	EMMONAK	0.00	4.46	545	$29,038	$4,699	$0	$0	$33,036	$16,744	$16,744
133	FORT YUKON	0.00	8.33	637	$42,600	$30,856	$0	$0	$71,930	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$27,300	$0	$31,824	$10,270	$32,500
135	GAMBELL	0.00	2.68	412	$13,200	$0	$18,361	$0	$30,906	$6,241	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$31,562	$0	$30,906	$0	$31,562
137	GOODNEWS BAY	0.00	1.24	248	$3,690	$0	$28,809	$0	$31,824	$4,674	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$33,437	$0	$32,742	$2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$20,062	$0	$32,742	$17,486	$33,437
140	HOOPER BAY	0.00	2.52	590	$17,823	$0	$14,676	$0	$31,824	$0	$32,500
141	HUGHES	0.00	0.00	98	$0	$0	$33,437	$0	$32,742	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$39,928	$40,776	$40,776
143	KALTAG	0.00	0.00	240	$0	$2,[illegible]	$31,210	$0	$33,742	$6,881	[illegible]

144	KASAAN	0.00	0.00	38	$0	$4,000	$21,000	$0	$24,480	$4,475	$25,000
145	KIANA	0.00	0.00	314	$0	$10,405	$23,031	$0	$32,742	$17,545	$33,437
146	KIVALINA	0.00	1.86	208	$4,646	$7,356	$21,434	$0	$32,742	$14,172	$33,437
147	KOBUK	0.00	0.00	60	$0	$5,350	$28,087	$0	$32,742	$5,951	$33,437
148	KOTLIK	0.00	1.94	284	$6,595	$5,200	$20,704	$0	$31,824	$11,476	$32,500
149	KOTZEBUE	0.00	11.58	2,526	$168,932	$31,137	$0	$0	$195,910	$144,317	$144,317
150	KOYUK	0.00	0.33	160	$640	$5,050	$25,871	$0	$30,906	$9,999	$31,562
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$28,087	$0	$32,742	$6,179	$33,437
152	KUPREANOF	0.00	0.00	42	$0	$0	$25,937	$0	$25,398	$0	$25,937
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$27,300	$0	$31,824	$16,455	$32,500
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$28,087	$0	$32,742	$12,262	$33,437
155	MANOKOTAK	0.00	0.90	225	$2,422	$0	$29,139	$0	$30,906	$5,539	$31,562
156	MCGRATH	0.00	0.00	296	$0	$11,816	$21,620	$0	$32,742	$21,516	$33,437
157	MEKORYUK	0.00	1.29	184	$2,836	$5,200	$24,463	$0	$31,824	$11,538	$32,500
158	MOUNTAIN VILLAGE	0.00	4.79	513	$29,415	$5,200	$0	$0	$33,896	$22,873	$22,873
159	NAPAKIAK	0.00	6.64	276	$18,458	$10,036	$4,005	$0	$31,824	$18,826	$32,500
160	NAPASKIAK	0.00	0.00	210	$0	$0	$32,500	$0	$31,824	$5,323	$32,500
161	NEWHALEN	0.00	0.00	89	$0	$0	$31,562	$0	$30,906	$0	$31,562
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$31,562	$0	$30,906	$0	$31,562
163	NEWTOK	0.00	0.00	124	$0	$0	$32,500	$0	$31,824	$0	$32,500
164	NIGHTMUTE	0.00	2.54	123	$3,733	$0	$28,766	$0	$31,824	$799	$32,500
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$26,241	$0	$32,742	$7,764	$33,437
166	NONDALTON	0.00	0.00	226	$0	$0	$31,562	$0	$30,906	$0	$31,562
167	NOORVIK	0.00	2.26	527	$14,258	$9,763	$9,415	$0	$32,742	$28,443	$33,437
168	NULATO	0.00	0.00	331	$0	$8,225	$25,211	$0	$32,742	$10,439	$33,437
169	PILOT STATION	0.00	0.25	301	$924	$1,950	$29,625	$0	$31,824	$12,320	$32,500
170	PLATINUM	0.00	0.00	59	$0	$0	$32,500	$0	$31,824	$1,879	$32,500
171	PORT ALEXANDER	0.00	2.52	51	$1,539	$0	$24,398	$0	$25,398	$661	$25,937
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$50,702	$51,778	$51,778
173	QUINHAGAK	0.00	1.03	395	$4,898	$5,512	$22,089	$0	$31,824	$15,525	$32,500
174	RUBY	0.00	0.00	219	$0	$0	$33,437	$0	$32,742	$3,662	$33,437
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$30,784	$0	$31,824	$2,126	$32,500
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$26,512	$0	$30,906	$10,121	$31,562
177	SAINT PAUL	0.00	5.75	550	$36,782	$68,999	$0	$0	$103,583	$85,410	$85,410
178	SAND POINT	0.00	18.57	544	$36,381	$25,691	$0	$0	$60,782	$40,458	$40,458
179	SAVOONGA	0.00	0.65	409	$3,186	$5,050	$23,325	$0	$30,906	$17,701	$31,562
180	SCAMMON BAY	0.00	1.42	193	$3,280	$0	$29,219	$0	$31,824	$6,147	$32,500
181	SELAWIK	0.00	12.52	521	$34,843	$0	$0	$0	$34,118	$17,073	$17,073
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$21,366	$0	$32,742	$14,897	$33,437
183	SHAKTOOLIK	0.00	0.96	160	$1,846	$0	$29,715	$0	$30,906	$0	$31,562
184	SHELDON POINT	0.00	0.00	136	$0	$0	$32,500	$0	$31,824	$0	$32,500
185	SHISHMAREF	0.00	2.18	326	$8,505	$8,534	$14,522	$0	$30,906	$19,441	$31,562
186	SHUNGNAK	0.00	2.18	182	$4,748	$5,350	$23,338	$0	$32,742	$9,488	$33,437
187	STEBBINS	0.00	1.03	298	$3,687	$0	$27,875	$0	$30,906	$9,217	$31,562
188	TANANA	0.00	1.61	499	$9,601	$22,169	$1,666	$0	$32,742	$25,506	$33,437
189	TELLER	0.00	1.09	219	$2,852	$10,144	$18,566	$0	$30,906	$14,844	$31,562
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$24,381	$0	$25,398	$6,131	$25,937
191	TOGIAK	0.00	2.85	419	$14,269	$0	$17,292	$0	$30,906	$10,315	$31,562
192	TOKSOOK BAY	0.00	2.16	317	$8,210	$5,200	$19,089	$0	$31,824	$16,121	$32,500
193	TULUKSAK	0.00	0.00	202	$0	$0	$32,500	$0	$31,824	$0	$32,500
194	TUNUNAK	0.00	0.52	299	$1,870	$5,200	$25,429	$0	$31,824	$12,780	$32,500
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$9,052	$2,083	$32,946	$33,645	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$33,437	$0	$32,742	$2,741	$33,437
197	WALES	0.00	0.89	109	$1,167	$0	$30,395	$0	$30,906	$0	$31,562
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$31,562	$0	$30,906	$0	$31,562
199	WHITTIER	0.00	5.13	292	$14,335	$22,712	$0	$0	$36,278	$33,961	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$64,961	$66,341	$66,341
				TOTAL	$17,878,134	$6,765,093	$2,356,318	$573,652	$27,000,000	$18,349,049	$24,440,660

LOCAL EFFORT SET TO 20

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MAY 5, 1978

MINIMUM ENTITLEMENT IS $25,000 X COLA
LOCAL EFFORT LIMIT SET TO 20
CHAPTER 88 PRORATION FACTOR IS 3.486 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .982479795

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'78 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1 ANCHORAGE (AW)	2.93	0.00	180,653	$2,464,819	$2,876,165	$0	$0	$5,247,408	$8,378,557	$11,269,005
2 CITY (SA)	7.07	0.00	67,014	$2,093,532	$0	$0	$0	$2,056,852	$0	$0
3 HILLSIDE (SA)	3.49	0.00	8,937	$103,629	$0	$0	$0	$101,814	$0	$0
4 SPENARD (SA)	7.34	0.00	38,816	$1,188,194	$0	$0	$0	$1,167,377	$0	$0
5 GIRDWOOD (SA)	3.35	0.00	600	$5,691	$0	$0	$0	$5,592	$0	$0
6 GLEN ALPS (SA)	3.37	0.00	65	$613	$0	$0	$0	$602	$0	$0
7 RICH. VISTA (SA)	7.24	0.00	1,105	$77,040	$0	$0	$0	$75,690	$0	$0
8 SAND LAKE (SA)	3.97	0.00	18,915	$359,313	$0	$0	$0	$353,018	$0	$0
9 MULDOON (SA)	4.70	0.00	23,345	$713,283	$0	$0	$0	$700,786	$0	$0
10 RABBIT CREEK (SA)	3.37	0.00	6,532	$106,901	$0	$0	$0	$105,087	$0	$0
11 EAGLE RIVER (SA)	2.28	0.00	7,182	$88,056	$0	$0	$0	$86,513	$0	$0
12 CHUGIAK (SA)	1.28	0.00	5,876	$50,521	$0	$0	$0	$49,636	$0	$0
13 OCEAN VIEW (SA)	4.86	0.00	1,894	$42,844	$0	$0	$0	$42,094	$0	$0
14 OTHER SA	0.52	0.00	372	$512	$0	$0	$0	$503	$0	$0
			TOTAL	$7,295,014	$2,876,165			$9,992,978	$8,378,557	$11,269,005
15 BRISTOL BAY BOROUGH (AW)	6.15	8.20	1,311	$91,402	$8,370	$0	$0	$98,025	$32,370	$32,370
16 SOUTH NAKNEK SA	1.47	0.00	175	$855	$0	$0	$0	$840	$0	$0
			TOTAL	$92,258	$8,370			$98,865	$32,370	$32,370
17 FAIRBANKS BOROUGH (AW)	1.19	2.22	60,227	$853,127	$113,018	$0	$195,803	$1,141,591	$1,200,637	$1,330,160
18 BALLAINE LAKE (SA)	0.81	0.00	168	$1,283	$0	$0	$0	$1,261	$0	$0
19 DIANE (SA)	1.22	0.00	66	$525	$0	$0	$0	$516	$0	$0
20 WILDVIEW ACRES (SA)	0.82	0.00	77	$329	$0	$0	$0	$323	$0	$0
21 SMITH RANCH (SA)	1.63	0.00	438	$5,885	$0	$0	$0	$5,782	$0	$0
22 ENGINEER CREEK (SA)	1.64	0.00	144	$1,936	$0	$0	$0	$1,902	$0	$0
23 ESTER LUMP (SA)	2.04	0.00	10	$39	$0	$0	$0	$38	$0	$0
24 NORTH STAR F.P. (SA)	0.87	0.00	6,500	$28,044	$0	$0	$0	$27,552	$0	$0
25 BECKER RIDGE (SA)	2.35	0.00	108	$644	$0	$0	$0	$633	$0	$0
26 FAIRBANKS (CITY)	6.94	4.60	30,462	$1,879,926	$512,634	$0	$0	$2,350,642	$1,265,807	$1,335,869
27 NORTH POLE (CITY)	4.36	9.18	461	$27,268	$18,492	$0	$0	$44,959	$29,890	$30,951
			TOTAL	$2,799,011	$644,144			$3,575,204	$2,496,336	$2,705,981
28 HAINES BOROUGH	1.42	0.00	1,924	$17,192	$0	$9,682	$0	$26,404	$0	$26,875
29 HAINES (CITY)	7.62	5.58	1,366	$95,237	$16,528	$0	$0	$109,807	$65,721	$68,658
			TOTAL	$112,430	$16,528			$136,211	$65,721	$95,533
30 JUNEAU (AW)	8.62	0.00	20,465	$1,001,531	$209,030	$0	$0	$1,189,353	$751,062	$1,037,572
31 JUNEAU SA1	2.78	9.13	7,259	$475,688	$0	$0	$0	$467,353	$0	$0
32 JUNEAU SA2	1.21	4.12	1,606	$68,026	$0	$0	$0	$66,834	$0	$0
33 JUNEAU SA3	0.79	0.00	197	$535	$0	$0	$0	$525	$0	$0
34 JUNEAU SA4	2.88	0.00	1,370	$16,928	$0	$0	$0	$16,631	$0	$0
35 JUNEAU SA5	2.35	0.00	8,369	$124,511	$0	$0	$0	$122,329	$0	$0
36 JUNEAU SA6	1.89	0.00	719	$8,165	$0	$0	$0	$8,022	$0	$0
37 JUNEAU SA7	1.41	0.00	427	$2,990	$0	$0	$0	$2,937	$0	$0
38 JUNEAU SA8	1.30	0.00	518	$2,549	$0	$0	$0	$2,505	$0	$0
			TOTAL	$1,700,926	$209,030			$1,876,493	$751,062	$1,037,572

39	KENAI BOROUGH (AW)	0.00	0.00	24,611	$0	$314,375	$0	$0	$309,456	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$27,357	$0	$0	$0	$26,878	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$69,231	$0	$0	$0	$68,018	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$49,536	$0	$0	$0	$48,668	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$8,688	$0	$0	$0	$8,536	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$35,748	$0	$0	$0	$35,121	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$125,635	$13,754	$0	$0	$136,947	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$1,436	$0	$25,438	$0	$26,404	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$373,978	$64,451	$0	$0	$430,748	$246,090	$274,921
48	SELDOVIA (CITY)	14.48	2.58	612	$42,668	$10,013	$0	$0	$51,759	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$158,891	$24,260	$0	$0	$179,943	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$180,295	$39,135	$0	$0	$215,586	$126,703	$140,603
	TOTAL				$1,073,469	$466,590			$1,538,070	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	11,490	$483,234	$0	$0	$0	$474,768	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$4,230	$0	$0	$0	$4,156	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$552,740	$159,756	$0	$0	$700,013	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$20,650	$0	$24,561	$8,294	$25,000
	TOTAL				$1,040,205	$164,106			$1,203,500	$486,481	$580,859
55	KODIAK BOROUGH (AW)	1.83	0.00	7,901	$54,734	$166,949	$0	$0	$217,799	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$28,339	$0	$0	$0	$27,843	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$1,479	$0	$0	$0	$1,453	$0	$0
58	KODIAK (CITY)	8.19	6.04	4,960	$288,767	$23,026	$0	$0	$306,331	$190,984	$212,312
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$26,875	$0	$26,404	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$26,875	$0	$26,404	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$20,666	$0	$26,404	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$11,852	$0	$15,022	$0	$26,404	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$22,940	$0	$26,404	$11,133	$26,875
	TOTAL				$385,173	$200,118			$685,449	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	3.12	0.00	16,724	$246,939	$133,790	$0	$0	$374,059	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$26,062	$0	$0	$0	$25,606	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$7,227	$0	$0	$0	$7,101	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$11,773	$0	$0	$0	$11,567	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$12,403	$0	$0	$0	$12,186	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$4,185	$0	$0	$0	$4,112	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$1,035	$0	$0	$0	$1,017	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,633	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$129,609	$26,222	$0	$0	$153,102	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,642	$73,937	$73,937
	TOTAL				$439,237	$262,321			$702,027	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	9,139	$175,319	$65,510	$0	$67,363	$302,793	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$33,437	$0	$32,851	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$160,774	$0	$0	$0	$157,957	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$33,437	$0	$32,851	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$33,437	$0	$32,851	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$26,772	$0	$6,665	$0	$32,851	$0	$33,437
80	WAINWRIGHT (CITY)	0.00	33.34	341	$23,774	$0	$9,662	$0	$32,851	$0	$33,437
	TOTAL				$386,640	$65,510			$625,009	$348,803	$513,934
81	SITKA BOROUGH	2.10	3.86	7,650	$223,234	$133,982	$0	$26,776	$377,266	$383,994	$455,426
FIRST CLASS CITIES											
82	CORDOVA	8.51	12.04	2,406	$167,746	$119,038	$0	$0	$281,760	$211,729	$222,797
83	CRAIG	5.83	8.78	467	$32,559	$10,405	$0	$0	$42,711	$26,050	$26,050
84	DILLINGHAM	15.12	10.14	1,269	$88,474	$7,082	$0	$0	$93,883	$60,754	$60,754
85	GALENA	0.00	14.02	631	$43,993	$19,134	$0	$0	$62,021	$41,499	$41,499
86	HOONAH	0.00	8.62	848	$59,122	$0	$0	$0	$58,086	$28,715	$28,715

87	HYDABURG	0.00	15.98	380	$26,493	$7,240	$0	$0	$33,142	$14,650	$14,650
88	KAKE	0.00	1.14	679	$20,464	$1,587	$3,885	$0	$25,483	$20,256	$25,937
89	KING COVE	2.00	2.91	408	$27,464	$5,050	$0	$0	$31,944	$21,275	$21,275
90	KLAWOCK	0.00	3.41	323	$22,519	$6,535	$0	$0	$28,545	$14,449	$14,449
91	NENANA	9.16	6.09	521	$36,324	$20,982	$0	$0	$56,302	$40,963	$42,317
92	NOME	17.39	9.80	2,585	$180,226	$190,119	$0	$0	$363,857	$283,132	$283,132
93	PELICAN	3.20	9.91	169	$11,782	$6,073	$9,018	$0	$26,404	$9,616	$26,875
94	PETERSBURG	12.81	1.23	2,126	$148,224	$100,115	$0	$0	$243,989	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$27,300	$0	$31,930	$22,194	$32,500
96	SKAGWAY	9.40	3.40	854	$40,663	$19,618	$0	$0	$59,226	$48,537	$50,373
97	UNALASKA	9.59	21.41	510	$35,557	$85,382	$0	$0	$118,821	$102,445	$102,445
98	VALDEZ	4.43	0.00	7,483	$42,899	$119,481	$0	$152,826	$309,685	$417,165	$452,709
99	ZONE I	1.88	0.00	6,683	$100,769	$0	$0	$0	$99,004	$0	$0
100	ZONE II	0.57	0.00	700	$1,187	$0	$0	$0	$1,166	$0	$0
				TOTAL	$144,857	$119,481			$409,856	$417,165	$452,709
101	WRANGELL	5.87	9.30	3,152	$219,757	$99,458	$0	$0	$313,623	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$13,298	$0	$0	$0	$13,065	$0	$0
103	ZONE III	4.11	0.00	100	$1,691	$0	$0	$0	$1,661	$0	$0
104	ZONE IV	5.40	0.00	2,250	$105,050	$0	$0	$0	$103,210	$0	$0
				TOTAL	$339,798	$99,458			$431,561	$209,010	$215,551
105	YAKUTAT	11.60	4.56	442	$30,816	$0	$0	$0	$30,276	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$12,870	$0	$31,930	$30,904	$32,500
107	AKIAK	0.00	0.00	165	$0	$0	$32,500	$0	$31,930	$1,072	$32,500
108	AKOLMIUT	0.00	0.54	608	$4,354	$62,757	$0	$15,010	$80,683	$82,122	$82,122
109	ALAKANUK	0.00	1.31	527	$12,851	$12,480	$7,168	$0	$31,930	$29,265	$32,500
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$31,562	$0	$31,009	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$33,437	$0	$32,851	$2,741	$33,437
112	AMBLER	0.00	0.91	217	$2,677	$14,839	$15,920	$0	$32,851	$22,531	$33,437
113	ANDERSON	0.00	2.24	470	$10,275	$13,004	$10,157	$0	$32,851	$31,548	$33,437
114	ANGOON	0.00	2.82	287	$12,994	$8,061	$4,881	$0	$25,483	$18,036	$25,937
115	ANIAK	0.00	0.00	323	$0	$13,575	$19,861	$0	$32,851	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$33,437	$0	$32,851	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$27,300	$0	$31,930	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$237,675	$116,025	$0	$0	$347,503	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$25,982	$0	$31,009	$8,534	$31,562
120	BUCKLAND	0.00	1.99	172	$4,305	$0	$29,132	$0	$32,851	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$32,500	$0	$31,930	$1,872	$32,500
122	CHEVAK	0.00	1.86	447	$11,757	$0	$20,742	$0	$31,930	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$28,087	$0	$32,851	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$31,562	$0	$31,009	$0	$31,562
125	DEERING	0.00	3.53	100	$3,682	$5,350	$24,404	$0	$32,851	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$9,970	$2,852	$31,048	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$26,512	$0	$31,009	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$4,141	$4,071	$20,537	$0	$28,246	$4,904	$28,750
129	EEK	0.00	1.60	195	$3,982	$0	$28,517	$0	$31,930	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$31,562	$0	$31,009	$0	$31,562
131	ELIM	0.00	1.91	205	$4,392	$5,050	$22,119	$0	$31,009	$11,909	$31,562
132	EMMONAK	0.00	4.46	545	$37,997	$4,699	$0	$0	$41,948	$16,744	$16,744
133	FORT YUKON	0.00	8.33	637	$44,411	$30,856	$0	$0	$73,949	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$27,300	$0	$31,930	$10,270	$32,500
135	GAMBELL	0.00	2.68	412	$12,476	$0	$19,085	$0	$31,009	$6,241	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$31,562	$0	$31,009	$0	$31,562
137	GOODNEWS BAY	0.00	1.24	248	$3,535	$0	$28,904	$0	$31,930	$4,674	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$33,437	$0	$32,851	$2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$20,062	$0	$32,851	$17,486	$33,437
140	HOOPER BAY	0.00	2.52	590	$22,535	$0	$9,964	$0	$31,930	$0	$32,500
141	HUGHES	0.00	0.00	98	$0	$0	$33,437	$0	$32,851	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$40,061	$40,776	$40,776
143	KALTAG	0.00	0.00	240	$0	$2,226	$31,210	$0	$32,851	$6,881	$33,437

144	KASAAN	0.00	0.00	38	$0	$4,000	$21,000	$0	$24,561	$4,475	$25,000
145	KIANA	0.00	0.00	314	$0	$10,405	$23,031	$0	$32,851	$17,545	$33,437
146	KIVALINA	0.00	1.86	208	$4,752	$7,356	$21,328	$0	$32,851	$14,172	$33,437
147	KOBUK	0.00	0.00	60	$0	$5,350	$28,087	$0	$32,851	$5,951	$33,437
148	KOTLIK	0.00	1.94	284	$10,531	$5,200	$16,768	$0	$31,930	$11,476	$32,500
149	KOTZEBUE	0.00	11.58	2,526	$176,112	$31,137	$0	$0	$203,618	$144,317	$144,317
150	KOYUK	0.00	0.33	160	$770	$5,050	$25,741	$0	$31,009	$9,999	$31,562
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$28,087	$0	$32,851	$6,179	$33,437
152	KUPREANOF	0.00	0.00	42	$0	$0	$25,937	$0	$25,483	$0	$25,937
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$27,300	$0	$31,930	$16,455	$32,500
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$28,087	$0	$32,851	$12,262	$33,437
155	MANOKOTAK	0.00	0.90	225	$2,692	$0	$28,870	$0	$31,009	$5,539	$31,562
156	MCGRATH	0.00	0.00	290	$0	$11,816	$21,620	$0	$32,851	$21,516	$33,437
157	MEKORYUK	0.00	1.29	184	$2,726	$5,200	$24,573	$0	$31,930	$11,538	$32,500
158	MOUNTAIN VILLAGE	0.00	4.79	513	$35,766	$5,200	$0	$0	$40,248	$22,873	$22,873
159	NAPAKIAK	0.00	6.64	276	$19,242	$10,036	$3,221	$0	$31,930	$18,826	$32,500
160	NAPASKIAK	0.00	0.00	210	$0	$0	$32,500	$0	$31,930	$5,323	$32,500
161	NEWHALEN	0.00	0.00	89	$0	$0	$31,562	$0	$31,009	$0	$31,562
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$31,562	$0	$31,009	$0	$31,562
163	NEWTOK	0.00	0.00	124	$0	$0	$32,500	$0	$31,930	$0	$32,500
164	NIGHTMUTE	0.00	2.54	123	$3,863	$0	$28,636	$0	$31,930	$799	$32,500
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$26,241	$0	$32,851	$7,764	$33,437
166	NONDALTON	0.00	0.00	226	$0	$0	$31,562	$0	$31,009	$0	$31,562
167	NOORVIK	0.00	2.26	527	$13,573	$9,763	$10,100	$0	$32,851	$28,443	$33,437
168	NULATO	0.00	0.00	331	$0	$8,225	$25,211	$0	$32,851	$10,439	$33,437
169	PILOT STATION	0.00	0.25	301	$1,589	$1,950	$28,900	$0	$31,930	$12,320	$32,500
170	PLATINUM	0.00	0.00	59	$0	$0	$32,500	$0	$31,930	$1,879	$32,500
171	PORT ALEXANDER	0.00	2.52	51	$1,185	$0	$24,751	$0	$25,483	$661	$25,937
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$50,871	$51,778	$51,778
173	QUINHAGAK	0.00	1.03	395	$4,879	$5,512	$22,108	$0	$31,930	$15,525	$32,500
174	RUBY	0.00	0.00	219	$0	$0	$33,437	$0	$32,851	$3,662	$33,437
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$30,784	$0	$31,930	$2,126	$32,500
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$26,512	$0	$31,009	$10,121	$31,562
177	SAINT PAUL	0.00	5.75	550	$31,361	$68,989	$0	$0	$98,602	$85,410	$85,410
178	SAND POINT	0.00	18.57	544	$37,927	$25,691	$0	$0	$62,504	$40,458	$40,458
179	SAVOONGA	0.00	0.65	409	$2,941	$5,050	$23,570	$0	$31,009	$17,701	$31,562
180	SCAMMON BAY	0.00	1.42	193	$5,003	$0	$27,496	$0	$31,930	$6,147	$32,500
181	SELAWIK	0.00	12.52	521	$36,324	$0	$0	$0	$35,687	$17,073	$17,073
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$21,366	$0	$32,851	$14,897	$33,437
183	SHAKTOOLIK	0.00	0.96	160	$1,901	$0	$29,660	$0	$31,009	$0	$31,562
184	SHELDON POINT	0.00	0.00	136	$0	$0	$32,500	$0	$31,930	$0	$32,500
185	SHISHMAREF	0.00	2.18	326	$8,567	$8,534	$14,460	$0	$31,009	$19,441	$31,562
186	SHUNGNAK	0.00	2.18	182	$4,503	$5,350	$23,583	$0	$32,851	$9,488	$33,437
187	STEBBINS	0.00	1.03	298	$3,763	$0	$27,798	$0	$31,009	$9,217	$31,562
188	TANANA	0.00	1.61	499	$7,744	$22,169	$3,524	$0	$32,851	$25,506	$33,437
189	TELLER	0.00	1.09	219	$3,028	$10,144	$18,389	$0	$31,009	$14,844	$31,562
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$24,381	$0	$25,483	$6,131	$25,937
191	TOGIAK	0.00	2.85	419	$14,647	$0	$16,915	$0	$31,009	$10,315	$31,562
192	TOKSOOK BAY	0.00	2.16	317	$10,439	$5,200	$16,860	$0	$31,930	$16,121	$32,500
193	TULUKSAK	0.00	0.00	202	$0	$0	$32,500	$0	$31,930	$0	$32,500
194	TUNUNAK	0.00	0.52	299	$1,977	$5,200	$25,322	$0	$31,930	$12,780	$32,500
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$9,052	$2,083	$33,056	$33,645	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$33,437	$0	$32,851	$2,741	$33,437
197	WALES	0.00	0.89	109	$1,157	$0	$30,404	$0	$31,009	$0	$31,562
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$31,562	$0	$31,009	$0	$31,562
199	WHITTIER	0.00	5.13	292	$10,893	$22,712	$0	$356	$33,366	$33,961	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$65,178	$66,341	$66,341
	TOTAL				$17,898,610	$6,765,093	$2,336,124	$481,653	$27,000,000	$18,349,049	$24,446,341

PER CAPITA INCOME NOT INCLUDED

Return to Annette Smith

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MAY 3, 1978

PER CAPITA INCOME NOT INCLUDED
MINIMUM ENTITLEMENT IS $15,060 X COLA
LOCAL EFFORT LIMIT SET TO 25
CHAPTER 88 PRORATION FACTOR IS 2.85313 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .980315127

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'78 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1 ANCHORAGE (AW)	2.93	0.00	180,653	$2,578,563	$2,876,165	$0	$0	$5,347,353	$8,378,557	$11,269,005
2 CITY (SA)	7.07	0.00	67,014	$2,216,669	$0	$0	$0	$2,173,035	$0	$0
3 HILLSIDE (SA)	3.49	0.00	8,937	$91,988	$0	$0	$0	$90,177	$0	$0
4 SPENARD (SA)	7.34	0.00	38,816	$1,223,058	$0	$0	$0	$1,198,983	$0	$0
5 GIRDWOOD (SA)	3.35	0.00	600	$4,742	$0	$0	$0	$4,648	$0	$0
6 GLEN ALPS (SA)	3.37	0.00	65	$504	$0	$0	$0	$494	$0	$0
7 RICH. VISTA (SA)	7.24	0.00	1,105	$78,817	$0	$0	$0	$77,266	$0	$0
8 SAND LAKE (SA)	3.97	0.00	18,915	$398,062	$0	$0	$0	$390,227	$0	$0
9 MULDOON (SA)	4.70	0.00	23,345	$868,106	$0	$0	$0	$851,018	$0	$0
10 RABBIT CREEK (SA)	3.37	0.00	6,532	$119,667	$0	$0	$0	$117,311	$0	$0
11 EAGLE RIVER (SA)	2.28	0.00	7,182	$97,457	$0	$0	$0	$95,539	$0	$0
12 CHUGIAK (SA)	1.28	0.00	5,876	$61,166	$0	$0	$0	$59,962	$0	$0
13 OCEAN VIEW (SA)	4.86	0.00	1,894	$46,932	$0	$0	$0	$46,008	$0	$0
14 OTHER SA	0.52	0.00	372	$301	$0	$0	$0	$295	$0	$0
			TOTAL	$7,786,040	$2,876,165			$10,452,321	$8,378,557	$11,269,005
15 BRISTOL BAY BOROUGH (AW)	6.15	8.20	1,311	$93,511	$8,370	$0	$0	$99,876	$32,370	$32,370
16 SOUTH NAKNEK SA	1.47	0.00	175	$680	$0	$0	$0	$666	$0	$0
			TOTAL	$94,191	$8,370			$100,543	$32,370	$32,370
17 FAIRBANKS BOROUGH (AW)	1.19	2.22	60,227	$956,314	$113,018	$0	$83,342	$1,129,984	$1,200,637	$1,339,160
18 BALLAINE LAKE (SA)	0.81	0.00	168	$1,809	$0	$0	$0	$1,773	$0	$0
19 DIANE (SA)	1.22	0.00	60	$687	$0	$0	$0	$673	$0	$0
20 WILDVIEW ACRES (SA)	0.82	0.00	77	$404	$0	$0	$0	$396	$0	$0
21 SMITH RANCH (SA)	1.63	0.00	438	$8,107	$0	$0	$0	$7,947	$0	$0
22 ENGINEER CREEK (SA)	1.64	0.00	144	$2,664	$0	$0	$0	$2,612	$0	$0
23 ESTER LUMP (SA)	2.04	0.00	10	$20	$0	$0	$0	$19	$0	$0
24 NORTH STAR F.P. (SA)	0.87	0.00	6,500	$33,756	$0	$0	$0	$33,092	$0	$0
25 BECKER RIDGE (SA)	2.35	0.00	108	$512	$0	$0	$0	$502	$0	$0
26 FAIRBANKS (CITY)	6.94	4.60	30,462	$2,172,801	$512,634	$0	$0	$2,632,573	$1,265,807	$1,335,869
27 NORTH POLE (CITY)	4.36	9.18	461	$23,291	$18,492	$0	$0	$40,961	$29,890	$30,951
			TOTAL	$3,200,370	$644,144			$3,850,533	$2,496,336	$2,705,981
28 HAINES BOROUGH	1.42	0.00	1,924	$18,704	$0	$0	$0	$18,335	$0	$0
29 HAINES (CITY)	7.62	5.58	1,366	$97,434	$16,528	$0	$0	$111,719	$65,721	$68,658
			TOTAL	$116,138	$16,528			$130,055	$65,721	$68,658
30 JUNEAU (AW)	8.62	0.00	20,465	$1,212,294	$209,030	$0	$0	$1,393,346	$751,062	$1,037,572
31 JUNEAU SA1	2.78	9.13	7,259	$517,771	$0	$0	$0	$507,579	$0	$0
32 JUNEAU SA2	1.21	4.12	1,606	$90,580	$0	$0	$0	$88,797	$0	$0
33 JUNEAU SA3	0.79	0.00	197	$498	$0	$0	$0	$488	$0	$0
34 JUNEAU SA4	2.38	0.00	1,370	$18,145	$0	$0	$0	$17,787	$0	$0
35 JUNEAU SA5	2.35	0.00	8,369	$156,234	$0	$0	$0	$153,158	$0	$0
36 JUNEAU SA6	1.89	0.00	719	$10,074	$0	$0	$0	$9,876	$0	$0
37 JUNEAU SA7	1.41	0.00	427	$3,432	$0	$0	$0	$3,364	$0	$0
38 JUNEAU SA8	1.30	0.00	518	$2,533	$0	$0	$0	$2,483	$0	$0

			TOTAL	$2,011,565	$209,030			$2,176,883	$751,062	$1,037,572
39	KENAI BOROUGH (AW)	0.00	0.00	24,611	$0	$314,975	$0	$0	$308,774	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$36,628	$0	$0	$0	$35,907	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$80,626	$0	$0	$0	$79,038	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$22,806	$0	$0	$0	$22,358	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$3,898	$0	$0	$0	$3,822	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$47,354	$0	$0	$0	$46,422	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$128,533	$13,754	$0	$0	$139,487	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$940	$0	$15,184	$0	$15,807	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$382,604	$64,451	$0	$0	$438,256	$246,090	$274,921
48	SOLDOTNA (CITY)	14.48	2.58	612	$43,652	$10,013	$0	$0	$52,610	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$162,557	$24,260	$0	$0	$183,140	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$184,454	$39,135	$0	$0	$219,183	$126,703	$140,603
			TOTAL	$1,094,057	$466,590			$1,544,813	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	11,490	$476,223	$0	$0	$0	$466,848	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$5,029	$0	$0	$0	$4,930	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$565,490	$159,756	$0	$0	$710,909	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$10,650	$0	$14,704	$8,294	$25,000
			TOTAL	$1,046,743	$164,106			$1,197,454	$486,481	$580,859
55	KODIAK BOROUGH (AW)	1.83	0.00	7,901	$50,889	$156,949	$0	$0	$213,551	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$36,850	$0	$0	$0	$36,125	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$1,885	$0	$0	$0	$1,848	$0	$0
58	KODIAK (CITY)	8.19	6.04	4,960	$302,239	$23,026	$0	$0	$318,863	$190,984	$212,312
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$16,125	$0	$15,807	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$16,125	$0	$15,807	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$9,916	$0	$15,807	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$12,125	$0	$3,999	$0	$15,807	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$12,190	$0	$15,807	$11,133	$26,875
			TOTAL	$403,990	$200,118			$649,425	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	3.12	0.00	16,724	$193,469	$133,790	$0	$0	$320,817	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$27,284	$0	$0	$0	$26,747	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$7,491	$0	$0	$0	$7,343	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$15,161	$0	$0	$0	$14,862	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$10,975	$0	$0	$0	$10,758	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$5,060	$0	$0	$0	$4,900	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$986	$0	$0	$0	$906	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,543	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$132,599	$26,222	$0	$0	$155,695	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,481	$73,937	$73,937
			TOTAL	$393,026	$262,321			$655,179	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	9,139	$16,200	$65,510	$0	$226,482	$302,126	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$20,062	$0	$19,667	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$164,482	$0	$0	$0	$161,245	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$20,062	$0	$19,667	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$20,062	$0	$19,667	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$27,390	$0	$0	$0	$26,850	$0	$0
80	WAINWRIGHT (CITY)	0.00	33.34	341	$24,322	$0	$0	$0	$23,844	$0	$0
			TOTAL	$232,390	$65,510			$573,069	$348,803	$447,059
81	SITKA BOROUGH	2.10	3.86	7,650	$237,917	$133,982	$0	$12,094	$376,435	$383,994	$455,426
FIRST CLASS CITIES										
82	CORDOVA	8.51	12.04	2,406	$171,615	$119,038	$0	$0	$284,933	$211,729	$222,797
83	CRAIG	5.83	8.78	467	$33,310	$10,405	$0	$0	$42,854	$26,050	$26,050
84	DILLINGHAM	15.12	10.14	1,269	$90,515	$7,082	$0	$0	$95,676	$60,754	$60,754
85	GALENA	0.00	14.02	631	$45,008	$19,134	$0	$0	$62,879	$41,499	$41,499

86	HOONAH	0.00	8.62	848	$60,486	$0	$0	$0	$59,295	$28,715	$28,715
87	HYDABURG	0.00	15.98	380	$27,104	$7,240	$0	$0	$33,668	$14,650	$14,650
88	KAKE	0.00	1.14	679	$26,905	$1,587	$0	$0	$27,932	$20,256	$20,256
89	KING COVE	2.00	2.91	408	$29,101	$5,050	$0	$0	$33,479	$21,275	$21,275
90	KLAWOCK	0.00	3.41	323	$23,039	$6,535	$0	$0	$28,991	$14,449	$14,449
91	NENANA	9.16	6.09	521	$37,162	$20,982	$0	$0	$56,599	$40,963	$42,317
92	NOME	17.39	9.80	2,585	$184,383	$190,119	$0	$0	$367,131	$283,132	$283,132
93	PELICAN	3.20	9.91	169	$9,877	$6,073	$174	$0	$15,807	$9,616	$26,875
94	PETERSBURG	12.81	1.23	2,126	$151,643	$100,115	$0	$0	$246,803	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$14,300	$2,694	$21,757	$22,194	$32,500
96	SKAGWAY	9.40	3.40	854	$38,289	$19,618	$0	$0	$56,767	$48,537	$50,373
97	UNALASKA	9.59	21.41	510	$36,377	$85,382	$0	$0	$119,363	$102,445	$102,445
98	VALDEZ	4.43	0.00	7,483	$25,077	$119,481	$0	$123,411	$262,695	$417,165	$452,709
99	ZONE I	1.88	0.00	6,683	$147,799	$0	$0	$0	$144,890	$0	$0
100	ZONE II	0.57	0.00	700	$1,394	$0	$0	$0	$1,367	$0	$0
				TOTAL	$174,272	$119,481			$408,953	$417,165	$452,709
101	WRANGELL	5.87	9.30	3,152	$224,826	$99,458	$0	$0	$317,902	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$16,829	$0	$0	$0	$16,498	$0	$0
103	ZONE III	4.11	0.00	100	$1,511	$0	$0	$0	$1,481	$0	$0
104	ZONE IV	5.40	0.00	2,250	$134,807	$0	$0	$0	$132,154	$0	$0
				TOTAL	$377,975	$99,458			$468,035	$209,010	$215,551
105	YAKUTAT	11.60	4.56	442	$31,527	$0	$0	$0	$30,906	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$0	$11,274	$30,296	$30,904	$30,904
107	AKIAK	0.00	0.00	165	$0	$0	$19,500	$0	$19,116	$1,072	$32,500
108	AKOLMIUT	0.00	0.54	608	$4,219	$62,757	$0	$15,145	$80,505	$82,122	$82,122
109	ALAKANUK	0.00	1.31	527	$8,814	$12,480	$0	$7,971	$28,689	$29,265	$29,265
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$18,937	$0	$18,564	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$20,062	$0	$19,667	$2,741	$33,437
112	AMBLER	0.00	0.91	217	$2,531	$14,839	$2,691	$2,469	$22,087	$22,531	$33,437
113	ANDERSON	0.00	2.24	470	$13,415	$13,004	$0	$5,128	$30,927	$31,548	$31,548
114	ANGOON	0.00	2.82	287	$10,321	$8,061	$0	$0	$18,021	$18,036	$18,036
115	ANIAK	0.00	0.00	323	$0	$13,575	$6,486	$4,098	$23,685	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$20,062	$0	$19,667	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$14,300	$0	$19,116	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$243,158	$116,025	$0	$0	$352,112	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$13,357	$0	$18,564	$8,534	$31,562
120	BUCKLAND	0.00	1.99	172	$4,379	$0	$15,682	$0	$19,667	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$19,500	$0	$19,116	$1,872	$32,500
122	CHEVAK	0.00	1.86	447	$10,617	$0	$8,882	$0	$19,116	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$14,712	$0	$19,667	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$18,937	$0	$18,564	$0	$31,562
125	DEERING	0.00	3.53	100	$4,503	$5,350	$10,209	$0	$19,667	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$0	$12,822	$30,979	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$13,887	$0	$18,564	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$4,034	$4,071	$9,144	$0	$16,910	$4,904	$28,750
129	EEK	0.00	1.60	195	$3,981	$0	$15,518	$0	$19,116	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$18,937	$0	$18,564	$0	$31,562
131	ELIM	0.00	1.91	205	$5,014	$5,050	$8,873	$0	$18,564	$11,909	$31,562
132	EMMONAK	0.00	4.46	545	$30,971	$4,699	$0	$0	$34,968	$16,744	$16,744
133	FORT YUKON	0.00	8.33	637	$45,436	$30,856	$0	$0	$74,790	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$14,300	$0	$19,116	$10,270	$32,500
135	GAMBELL	0.00	2.68	412	$14,079	$0	$4,858	$0	$18,564	$6,2[illegible]	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$18,937	$0	$18,564	[illegible]	$31,562
137	GOODNEWS BAY	0.00	1.24	248	$3,936	$0	$15,563	$0	$19,116	$4,[illegible]74	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$20,062	$0	$19,667	[illegible]2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$6,687	$0	$19,667	$1[illegible],486	$33,437
140	HOOPER BAY	0.00	2.52	590	$19,010	$0	$489	$0	$19,116	$0	$32,500
141	HUGHES	0.00	0.00	98	$0	$0	$20,062	$0	$19,667	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$39,973	$40,776	$40,776

143 KALTAG	0.00	0.00	240	$0	$2,226	$17,835	$0	$19,667	$6,881	$33,437
144 KASAAN	0.00	0.00	38	$0	$4,000	$11,000	$0	$14,704	$4,475	$25,000
145 KIANA	0.00	0.00	314	$0	$10,405	$9,656	$0	$19,667	$17,545	$33,437
146 KIVALINA	0.00	1.86	208	$4,955	$7,356	$7,750	$0	$19,667	$14,172	$33,437
147 KOBUK	0.00	0.00	60	$0	$5,350	$14,712	$0	$19,667	$5,951	$33,437
148 KOTLIK	0.00	1.94	284	$7,034	$5,200	$7,265	$0	$19,116	$11,476	$32,500
149 KOTZEBUE	0.00	11.58	2,526	$180,175	$31,137	$0	$0	$207,152	$144,317	$144,317
150 KOYUK	0.00	0.33	160	$683	$5,050	$13,203	$0	$18,564	$9,999	$31,562
151 KOYUKUK	0.00	0.00	124	$0	$5,350	$14,712	$0	$19,667	$6,179	$33,437
152 KUPREANOF	0.00	0.00	42	$0	$0	$15,562	$0	$15,256	$0	$25,937
153 KWETHLUK	0.00	0.00	444	$0	$5,200	$14,300	$0	$19,116	$16,455	$32,500
154 LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$14,712	$0	$19,667	$12,262	$33,437
155 MANOKOTAK	0.00	0.90	225	$2,584	$0	$16,353	$0	$18,564	$5,539	$31,562
156 MCGRATH	0.00	0.00	296	$0	$11,816	$8,245	$1,453	$21,092	$21,516	$33,437
157 MEKORYUK	0.00	1.29	184	$3,024	$5,200	$11,275	$0	$19,116	$11,538	$32,500
158 MOUNTAIN VILLAGE	0.00	4.79	513	$31,373	$5,200	$0	$0	$35,853	$22,873	$22,873
159 NAPAKIAK	0.00	6.64	276	$19,686	$10,030	$0	$0	$29,137	$18,826	$18,826
160 NAPASKIAK	0.00	0.00	210	$0	$0	$19,500	$0	$19,116	$5,323	$32,500
161 NEWHALEN	0.00	0.00	89	$0	$0	$18,937	$0	$18,564	$0	$31,562
162 NEW STUYAHOK	0.00	0.00	230	$0	$0	$18,937	$0	$18,564	$0	$31,562
163 NEWTOK	0.00	0.00	124	$0	$0	$19,500	$0	$19,116	$0	$32,500
164 NIGHTMUTE	0.00	2.54	123	$3,981	$0	$15,518	$0	$19,116	$799	$32,500
165 NIKOLAI	0.00	0.00	85	$0	$7,195	$12,866	$0	$19,667	$7,764	$33,437
166 NONDALTON	0.00	0.00	226	$0	$0	$18,937	$0	$18,564	$0	$31,562
167 NOORVIK	0.00	2.26	527	$15,207	$9,763	$0	$3,471	$27,883	$28,443	$28,443
168 NULATO	0.00	0.00	331	$0	$8,225	$11,836	$0	$19,667	$10,439	$33,437
169 PILOT STATION	0.00	0.25	301	$986	$1,950	$16,563	$0	$19,116	$12,320	$32,500
170 PLATINUM	0.00	0.00	59	$0	$0	$19,500	$0	$19,116	$1,879	$32,500
171 PORT ALEXANDER	0.00	2.52	51	$1,647	$0	$13,920	$0	$15,256	$661	$25,937
172 PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$50,759	$51,778	$51,778
173 QUINHAGAK	0.00	1.03	395	$5,224	$5,512	$8,763	$0	$19,116	$15,525	$32,500
174 RUBY	0.00	0.00	219	$0	$0	$20,062	$0	$19,667	$3,662	$33,437
175 RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$17,784	$0	$19,116	$2,126	$32,500
176 SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$13,887	$0	$18,564	$10,121	$31,562
177 SAINT PAUL	0.00	5.75	550	$39,230	$68,999	$0	$0	$106,099	$85,410	$85,410
178 SAND POINT	0.00	18.57	544	$38,802	$25,691	$0	$0	$63,224	$40,458	$40,458
179 SAVOONGA	0.00	0.65	409	$3,399	$5,050	$10,488	$0	$18,564	$17,701	$31,562
180 SCAMMON BAY	0.00	1.42	193	$3,498	$0	$16,001	$0	$19,116	$6,147	$32,500
181 SELAWIK	0.00	12.52	521	$37,162	$0	$0	$0	$36,430	$17,073	$17,073
182 SHAGELUK	0.00	0.00	169	$0	$12,070	$7,991	$0	$19,667	$14,897	$33,437
183 SHAKTOOLIK	0.00	0.90	160	$1,909	$0	$16,907	$0	$18,564	$0	$31,562
184 SHELDON POINT	0.00	0.00	136	$0	$0	$19,500	$0	$19,116	$0	$32,500
185 SHISHMAREF	0.00	2.18	326	$9,071	$8,534	$1,331	$503	$19,058	$19,441	$31,562
186 SHUNGNAK	0.00	2.18	182	$5,064	$5,350	$9,647	$0	$19,667	$9,488	$33,437
187 STEBBINS	0.00	1.03	298	$3,932	$0	$15,004	$0	$18,564	$9,217	$31,562
188 TANANA	0.00	1.61	499	$10,241	$22,169	$0	$0	$31,772	$25,506	$25,506
189 TELLER	0.00	1.09	219	$3,042	$10,144	$5,751	$0	$18,564	$14,844	$31,562
190 TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$14,006	$0	$15,256	$6,131	$25,937
191 TOGIAK	0.00	2.85	419	$15,219	$0	$3,717	$0	$18,564	$10,315	$31,562
192 TOKSOOK BAY	0.00	2.16	317	$8,757	$5,200	$5,542	$0	$19,116	$16,121	$32,500
193 TULUKSAK	0.00	0.00	202	$0	$0	$19,500	$0	$19,116	$0	$32,500
194 TUNUNAK	0.00	0.52	299	$1,994	$5,200	$12,305	$0	$19,116	$12,780	$32,500
195 UNALAKLEET	0.00	0.00	630	$0	$22,510	$0	$11,135	$32,983	$33,645	$33,645
196 UPPER KALSKAG	0.00	0.00	164	$0	$0	$20,062	$0	$19,667	$2,741	$33,437
197 WALES	0.00	0.89	109	$1,244	$0	$17,622	$0	$18,564	$0	$31,562
198 WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$18,937	$0	$18,564	$0	$31,562
199 WHITTIER	0.00	5.13	292	$15,289	$22,712	$0	$0	$37,254	$33,961	$33,961
200 EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$65,035	$66,341	$66,341
TOTAL				$19,067,938	$6,765,093	$1,167,050	$542,082	$27,000,000	$18,349,049	$24,305,693

LOCAL EFFORT LIMIT SET AT 20

Return to ANNETTE SMITH

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MAY 3, 1978

MINIMUM ENTITLEMENT IS $15,000 X COLA
LOCAL EFFORT LIMIT SET TO 20
CHAPTER 88 PRORATION FACTOR IS 3.716 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .9839012

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'78 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1 ANCHORAGE (AW)	2.93	0.00	180,653	$2,627,443	$2,876,165	$0	$0	$5,415,006	$8,378,557	$11,269,005
2 CITY (SA)	7.07	0.00	67,014	$2,231,659	$0	$0	$0	$2,195,732	$0	$0
3 HILLSIDE (SA)	3.49	0.00	8,937	$110,467	$0	$0	$0	$108,688	$0	$0
4 SPENARD (SA)	7.34	0.00	38,816	$1,266,589	$0	$0	$0	$1,246,199	$0	$0
5 GIRDWOOD (SA)	3.35	0.00	600	$6,067	$0	$0	$0	$5,969	$0	$0
6 GLEN ALPS (SA)	3.37	0.00	65	$653	$0	$0	$0	$643	$0	$0
7 RICH. VISTA (SA)	7.24	0.00	1,105	$82,123	$0	$0	$0	$80,801	$0	$0
8 SAND LAKE (SA)	3.97	0.00	18,915	$383,020	$0	$0	$0	$376,854	$0	$0
9 MULDOON (SA)	4.70	0.00	23,345	$760,344	$0	$0	$0	$748,103	$0	$0
10 RABBIT CREEK (SA)	3.37	0.00	6,532	$114,019	$0	$0	$0	$112,183	$0	$0
11 EAGLE RIVER (SA)	2.28	0.00	7,182	$93,865	$0	$0	$0	$92,354	$0	$0
12 CHUGIAK (SA)	1.28	0.00	5,876	$53,854	$0	$0	$0	$52,987	$0	$0
13 OCEAN VIEW (SA)	4.86	0.00	1,894	$45,671	$0	$0	$0	$44,936	$0	$0
14 OTHER SA	0.52	0.00	372	$546	$0	$0	$0	$537	$0	$0
TOTAL				$7,776,326	$2,876,165			$10,480,999	$8,378,557	$11,269,005
15 BRISTOL BAY BOROUGH (AW)	6.15	8.20	1,311	$97,433	$8,370	$0	$0	$104,100	$32,370	$32,370
16 SOUTH NAKNEK SA	1.47	0.00	175	$911	$0	$0	$0	$897	$0	$0
TOTAL				$98,345	$8,370			$104,997	$32,370	$32,370
17 FAIRBANKS BOROUGH (AW)	1.19	2.22	60,227	$909,414	$113,018	$0	$136,963	$1,140,731	$1,200,637	$1,339,160
18 BALLAINE LAKE (SA)	0.81	0.00	168	$1,368	$0	$0	$0	$1,346	$0	$0
19 DIANE (SA)	1.22	0.00	66	$560	$0	$0	$0	$551	$0	$0
20 WILDVIEW ACRES (SA)	0.82	0.00	77	$351	$0	$0	$0	$345	$0	$0
21 SMITH RANCH (SA)	1.63	0.00	438	$6,273	$0	$0	$0	$6,172	$0	$0
22 ENGINEER CREEK (SA)	1.64	0.00	144	$2,063	$0	$0	$0	$2,030	$0	$0
23 ESTER LUMP (SA)	2.04	0.00	10	$41	$0	$0	$0	$40	$0	$0
24 NORTH STAR F.P. (SA)	0.87	0.00	6,500	$29,894	$0	$0	$0	$29,413	$0	$0
25 BECKER RIDGE (SA)	2.35	0.00	108	$687	$0	$0	$0	$676	$0	$0
26 FAIRBANKS (CITY)	6.94	4.60	30,462	$2,003,960	$512,634	$0	$0	$2,476,080	$1,265,807	$1,335,869
27 NORTH POLE (CITY)	4.36	9.18	461	$29,068	$18,492	$0	$0	$46,794	$29,890	$30,951
TOTAL				$2,983,685	$644,144			$3,704,184	$2,496,336	$2,705,981
28 HAINES BOROUGH	1.42	0.00	1,924	$18,327	$0	$0	$0	$18,032	$0	$0
29 HAINES (CITY)	7.62	5.58	1,366	$101,521	$16,528	$0	$0	$116,148	$65,721	$68,658
TOTAL				$119,848	$16,528			$134,181	$65,721	$68,658
30 JUNEAU (AW)	8.62	0.00	20,465	$1,067,610	$209,030	$0	$0	$1,256,088	$751,062	$1,037,572
31 JUNEAU SA1	2.78	9.13	7,259	$507,073	$0	$0	$0	$498,909	$0	$0
32 JUNEAU SA2	1.21	4.12	1,606	$72,514	$0	$0	$0	$71,347	$0	$0
33 JUNEAU SA3	0.79	0.00	197	$570	$0	$0	$0	$561	$0	$0
34 JUNEAU SA4	2.88	0.00	1,370	$18,045	$0	$0	$0	$17,754	$0	$0
35 JUNEAU SA5	2.35	0.00	8,369	$132,726	$0	$0	$0	$130,589	$0	$0
36 JUNEAU SA6	1.89	0.00	719	$8,704	$0	$0	$0	$8,563	$0	$0
37 JUNEAU SA7	1.41	0.00	427	$3,187	$0	$0	$0	$3,136	$0	$0
38 JUNEAU SA8	1.30	0.00	518	$2,718	$0	$0	$0	$2,674	$0	$0

			TOTAL	$1,813,150	$209,030			$1,989,625	$751,062	$1,037,572
39	KENAI BOROUGH (AW)	0.00	0.00	24,611	$0	$314,975	$0	$0	$309,904	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$29,163	$0	$0	$0	$28,693	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$73,798	$0	$0	$0	$72,210	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$52,804	$0	$0	$0	$51,954	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$9,261	$0	$0	$0	$9,112	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$38,106	$0	$0	$0	$37,493	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$133,924	$13,754	$0	$0	$145,301	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$1,531	$0	$14,593	$0	$15,865	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$398,652	$64,451	$0	$0	$455,648	$246,090	$274,921
48	SELDOVIA (CITY)	14.48	2.58	612	$45,483	$10,013	$0	$0	$54,604	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$169,375	$24,260	$0	$0	$190,518	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$192,191	$39,135	$0	$0	$227,602	$126,703	$140,603
			TOTAL		$1,144,294	$466,590			$1,599,310	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	11,490	$515,117	$0	$0	$0	$506,825	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$4,509	$0	$0	$0	$4,437	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$589,208	$159,756	$0	$0	$736,907	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$10,650	$0	$14,758	$8,294	$25,000
			TOTAL		$1,108,836	$164,106			$1,262,928	$486,481	$580,859
55	KODIAK BOROUGH (AW)	1.83	0.00	7,901	$58,345	$166,949	$0	$0	$221,667	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$30,209	$0	$0	$0	$29,723	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$1,577	$0	$0	$0	$1,552	$0	$0
58	KODIAK (CITY)	8.19	6.04	4,900	$307,820	$23,026	$0	$0	$325,520	$190,984	$212,312
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$16,125	$0	$15,865	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$16,125	$0	$15,865	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$9,916	$0	$15,865	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$12,634	$0	$3,490	$0	$15,865	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$12,190	$0	$15,865	$11,133	$26,875
			TOTAL		$410,586	$200,118			$657,790	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	3.12	0.00	16,724	$263,231	$133,790	$0	$0	$390,631	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$27,782	$0	$0	$0	$27,335	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$7,704	$0	$0	$0	$7,580	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$12,550	$0	$0	$0	$12,348	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$13,222	$0	$0	$0	$13,009	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$4,461	$0	$0	$0	$4,389	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$1,103	$0	$0	$0	$1,085	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,692	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$138,160	$26,222	$0	$0	$161,737	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,747	$73,937	$73,937
			TOTAL		$468,217	$262,321			$731,556	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	9,139	$186,186	$65,510	$0	$55,796	$303,231	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$20,062	$0	$19,739	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$171,381	$0	$0	$0	$168,622	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$20,062	$0	$19,739	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$20,062	$0	$19,739	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$28,538	$0	$0	$0	$28,079	$0	$0
80	WAINWRIGHT (CITY)	0.00	33.34	341	$25,343	$0	$0	$0	$24,935	$0	$0
			TOTAL		$412,150	$65,510			$584,087	$348,803	$447,059
81	SITKA BOROUGH	2.10	3.86	7,650	$237,963	$133,982	$0	$12,047	$377,812	$383,994	$455,426
FIRST CLASS CITIES											
82	CORDOVA	8.51	12.04	2,406	$178,813	$119,038	$0	$0	$293,057	$211,729	$222,797
83	CRAIG	5.83	8.78	467	$34,707	$10,405	$0	$0	$44,386	$26,050	$26,050
84	DILLINGHAM	15.12	10.14	1,269	$94,312	$7,082	$0	$0	$99,762	$60,754	$60,754
85	GALENA	0.00	14.02	631	$46,895	$19,134	$0	$0	$64,967	$41,499	$41,499

86	HOONAH	0.00	8.62	348	$63,023	$0	$0	$0	$62,008	$28,715	$28,715
87	HYDABURG	0.00	15.98	380	$28,241	$7,240	$0	$0	$34,910	$14,650	$14,650
88	KAKE	0.00	1.14	679	$21,815	$1,587	$0	$0	$23,025	$20,256	$20,256
89	KING COVE	2.00	2.91	408	$29,276	$5,050	$0	$0	$33,773	$21,275	$21,275
90	KLAWOCK	0.00	3.41	323	$24,005	$6,535	$0	$0	$30,048	$14,449	$14,449
91	NENANA	9.16	6.09	521	$38,720	$20,982	$0	$0	$58,741	$40,963	$42,317
92	NOME	17.39	9.80	2,585	$192,117	$190,119	$0	$0	$376,083	$283,132	$283,132
93	PELICAN	3.20	9.91	169	$12,560	$6,073	$0	$0	$18,333	$9,616	$9,616
94	PETERSBURG	12.81	1.23	2,126	$158,004	$100,115	$0	$0	$253,964	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$14,300	$2,694	$21,837	$22,194	$32,500
96	SKAGWAY	9.40	3.40	854	$43,346	$19,618	$0	$0	$61,951	$48,537	$50,373
97	UNALASKA	9.59	21.41	510	$37,903	$85,382	$0	$0	$121,301	$102,445	$102,445
98	VALDEZ	4.43	0.00	7,483	$45,730	$119,481	$0	$143,269	$303,514	$417,165	$452,709
99	ZONE I	1.88	0.00	6,683	$107,418	$0	$0	$0	$105,688	$0	$0
100	ZONE II	0.57	0.00	700	$1,266	$0	$0	$0	$1,245	$0	$0
				TOTAL	$154,414	$119,481			$410,449	$417,165	$452,709
101	WRANGELL	5.87	9.30	3,152	$234,256	$99,458	$0	$0	$328,343	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$14,176	$0	$0	$0	$13,947	$0	$0
103	ZONE III	4.11	0.00	100	$1,802	$0	$0	$0	$1,773	$0	$0
104	ZONE IV	5.40	0.00	2,250	$111,981	$0	$0	$0	$110,178	$0	$0
				TOTAL	$362,217	$99,458			$454,243	$209,010	$215,551
105	YAKUTAT	11.60	4.56	442	$32,849	$0	$0	$0	$32,320	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$0	$11,274	$30,407	$30,904	$30,904
107	AKIAK	0.00	0.00	165	$0	$0	$19,500	$0	$19,186	$1,072	$32,500
108	AKOLMIUT	0.00	0.54	608	$4,641	$62,757	$0	$14,723	$30,800	$82,122	$82,122
109	ALAKANUK	0.00	1.31	527	$13,699	$12,480	$0	$3,086	$28,794	$29,265	$29,265
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$18,937	$0	$18,632	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$20,062	$0	$19,739	$2,741	$33,437
112	AMBLER	0.00	0.91	217	$2,854	$14,839	$2,368	$2,469	$22,168	$22,531	$33,437
113	ANDERSON	0.00	2.24	470	$10,953	$13,004	$0	$7,590	$31,041	$31,548	$31,548
114	ANGOON	0.00	2.82	287	$13,852	$8,061	$0	$0	$21,560	$18,036	$18,036
115	ANIAK	0.00	0.00	323	$0	$13,575	$6,486	$4,098	$23,771	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$20,062	$0	$19,739	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$14,300	$0	$19,186	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$253,356	$116,025	$0	$0	$363,435	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$13,357	$0	$18,632	$8,534	$31,562
120	BUCKLAND	0.00	1.99	172	$4,589	$0	$15,473	$0	$19,739	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$19,500	$0	$19,186	$1,872	$32,500
122	CHEVAK	0.00	1.86	447	$12,532	$0	$6,907	$0	$19,186	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$14,712	$0	$19,739	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$18,937	$0	$18,632	$0	$31,562
125	DEERING	0.00	3.53	100	$3,925	$5,350	$10,787	$0	$19,739	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$0	$12,822	$31,093	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$13,887	$0	$18,632	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$4,415	$4,071	$8,763	$0	$16,972	$4,904	$28,750
129	EEK	0.00	1.60	195	$4,245	$0	$15,254	$0	$19,186	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$18,937	$0	$18,632	$0	$31,562
131	ELIM	0.00	1.91	205	$4,682	$5,050	$9,204	$0	$18,632	$11,909	$31,562
132	EMMONAK	0.00	4.46	545	$40,504	$4,699	$0	$0	$44,476	$16,744	$16,744
133	FORT YUKON	0.00	8.33	637	$47,341	$30,856	$0	$0	$76,939	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$14,300	$0	$19,186	$10,270	$32,500
135	GAMBELL	0.00	2.68	412	$13,300	$0	$5,637	$0	$18,632	$6,241	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$18,937	$0	$18,632	$0	$31,562
137	GOODNEWS BAY	0.00	1.24	248	$3,768	$0	$15,731	$0	$19,186	$4,674	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$20,062	$0	$19,739	$2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$6,687	$0	$19,739	$17,486	$33,437
140	HOOPER BAY	0.00	2.52	590	$24,022	$0	$0	$0	$23,635	$0	$0
141	HUGHES	0.00	0.00	98	$0	$0	$20,062	$0	$19,739	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$40,119	$40,776	$40,776

143	KALTAG	0.00	0.00	240	$0	$2,226	$17,835	$0	$19,739	$6,881	$33,437
144	KASAAN	0.00	0.00	38	$0	$4,000	$11,000	$0	$14,758	$4,475	$25,000
145	KIANA	0.00	0.00	314	$0	$10,405	$9,656	$0	$19,739	$17,545	$33,437
146	KIVALINA	0.00	1.86	208	$5,065	$7,356	$7,640	$0	$19,739	$14,172	$33,437
147	KOBUK	0.00	0.00	60	$0	$5,350	$14,712	$0	$19,739	$5,951	$33,437
148	KOTLIK	0.00	1.94	284	$11,226	$5,200	$3,073	$0	$19,186	$11,476	$32,500
149	KOTZEBUE	0.00	11.58	2,526	$187,732	$31,137	$0	$0	$215,345	$144,317	$144,317
150	KOYUK	0.00	0.33	160	$821	$5,050	$13,065	$0	$18,632	$9,999	$31,562
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$14,712	$0	$19,739	$6,179	$33,437
152	KUPREANOF	0.00	0.00	42	$0	$0	$15,562	$0	$15,311	$0	$25,937
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$14,300	$0	$19,186	$16,455	$32,500
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$14,712	$0	$19,739	$12,262	$33,437
155	MANOKOTAK	0.00	0.90	225	$2,869	$0	$16,067	$0	$18,632	$5,539	$31,562
156	MCGRATH	0.00	0.00	296	$0	$11,816	$8,245	$1,453	$21,169	$21,516	$33,437
157	MEKORYUK	0.00	1.29	184	$2,906	$5,200	$11,393	$0	$19,186	$11,538	$32,500
158	MOUNTAIN VILLAGE	0.00	4.79	513	$38,126	$5,200	$0	$0	$42,628	$22,873	$22,873
159	NAPAKIAK	0.00	6.64	276	$20,512	$10,036	$0	$0	$30,056	$18,826	$18,826
160	NAPASKIAK	0.00	0.00	210	$0	$0	$19,500	$0	$19,186	$5,323	$32,500
161	NEWHALEN	0.00	0.00	89	$0	$0	$18,937	$0	$18,632	$0	$31,562
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$18,937	$0	$18,632	$0	$31,562
163	NEWTOK	0.00	0.00	124	$0	$0	$19,500	$0	$19,186	$0	$32,500
164	NIGHTMUTE	0.00	2.54	123	$4,118	$0	$15,381	$0	$19,186	$799	$32,500
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$12,866	$0	$19,739	$7,764	$33,437
166	NONDALTON	0.00	0.00	226	$0	$0	$18,937	$0	$18,632	$0	$31,562
167	NOORVIK	0.00	2.26	527	$14,469	$9,763	$0	$4,210	$27,985	$28,443	$28,443
168	NULATO	0.00	0.00	331	$0	$8,225	$11,836	$0	$19,739	$10,439	$33,437
169	PILOT STATION	0.00	0.25	301	$1,694	$1,950	$15,855	$0	$19,186	$12,320	$32,500
170	PLATINUM	0.00	0.00	59	$0	$0	$19,500	$0	$19,186	$1,879	$32,500
171	PORT ALEXANDER	0.00	2.52	51	$1,264	$0	$14,298	$0	$15,311	$661	$25,937
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$50,945	$51,778	$51,778
173	QUINHAGAK	0.00	1.03	395	$5,201	$5,512	$8,786	$0	$19,186	$15,525	$32,500
174	RUBY	0.00	0.00	219	$0	$0	$20,062	$0	$19,739	$3,662	$33,437
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$17,784	$0	$19,186	$2,126	$32,500
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$13,887	$0	$18,632	$10,121	$31,562
177	SAINT PAUL	0.00	5.75	550	$33,430	$68,999	$0	$0	$100,780	$85,410	$85,410
178	SAND POINT	0.00	18.57	544	$40,430	$25,691	$0	$0	$65,057	$40,458	$40,458
179	SAVOONGA	0.00	0.65	409	$3,136	$5,050	$10,751	$0	$18,632	$17,701	$31,562
180	SCAMMON BAY	0.00	1.42	193	$5,333	$0	$14,166	$0	$19,186	$6,147	$32,500
181	SELAWIK	0.00	12.52	521	$38,720	$0	$0	$0	$38,097	$17,073	$17,073
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$7,991	$0	$19,739	$14,897	$33,437
183	SHAKTOOLIK	0.00	0.96	160	$2,027	$0	$16,910	$0	$18,622	$0	$31,562
184	SHELDON POINT	0.00	0.00	136	$0	$0	$19,500	$0	$19,186	$0	$32,500
185	SHISHMAREF	0.00	2.18	326	$9,132	$8,534	$1,270	$503	$19,128	$19,441	$31,562
186	SHUNGNAK	0.00	2.18	182	$4,801	$5,350	$9,911	$0	$19,739	$9,488	$33,437
187	STEBBINS	0.00	1.03	298	$4,042	$0	$14,925	$0	$18,632	$9,217	$31,562
188	TANANA	0.00	1.61	499	$8,255	$22,169	$0	$0	$29,934	$25,506	$25,506
189	TELLER	0.00	1.09	219	$3,228	$10,144	$5,564	$0	$18,632	$14,844	$31,562
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$14,006	$0	$15,311	$6,131	$25,937
191	TOGIAK	0.00	2.85	419	$15,613	$0	$3,324	$0	$18,632	$10,315	$31,562
192	TOKSOOK BAY	0.00	2.16	317	$11,128	$5,200	$3,171	$0	$19,186	$16,121	$32,500
193	TULUKSAK	0.00	0.00	202	$0	$0	$19,500	$0	$19,186	$0	$32,500
194	TUNUNAK	0.00	0.52	299	$2,107	$5,200	$12,192	$0	$19,186	$12,780	$32,500
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$0	$11,135	$33,103	$33,645	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$20,062	$0	$19,739	$2,741	$33,437
197	WALES	0.00	0.89	109	$1,234	$0	$17,703	$0	$18,632	$0	$31,562
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$18,937	$0	$18,632	$0	$31,562
199	WHITTIER	0.00	5.13	292	$11,611	$22,712	$0	$0	$33,771	$33,961	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$65,272	$66,341	$66,341
	TOTAL				$19,079,528	$6,765,093	$1,154,438	$442,720	$27,000,001	$18,349,049	$24,255,934

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 843

ANCHORAGE SALES TAX INCLUDED
TAXES FOR EDUCATION INCLUDED
LOCAL EFFORT LIMIT SET TO 30
CHAPTER 88 PRORATION FACTOR IS 1.99827 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .98709289

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MAY 9, 1978

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'77 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1 ANCHORAGE (AW)	9.65	0.24	180,653	$4,773,951	$2,876,165	$0	$0	$7,551,375	$8,378,557	$11,269,005
2 CITY (SA)	7.07	0.00	67,014	$1,200,069	$0	$0	$0	$1,184,580	$0	$0
3 HILLSIDE (SA)	3.49	0.00	8,937	$59,403	$0	$0	$0	$58,636	$0	$0
4 SPENARD (SA)	7.34	0.00	38,816	$681,105	$0	$0	$0	$672,314	$0	$0
5 GIRDWOOD (SA)	3.35	0.00	600	$3,262	$0	$0	$0	$3,220	$0	$0
6 GLEN ALPS (SA)	3.37	0.00	65	$351	$0	$0	$0	$346	$0	$0
7 RICH. VISTA (SA)	7.24	0.00	1,105	$6[illegible]242	$0	$0	$0	$65,387	$0	$0
8 SAND LAKE (SA)	3.97	0.00	18,915	$205[illegible]68	$0	$0	$0	$203,309	$0	$0
9 MULDOON (SA)	4.70	0.00	23,345	$408,873	$0	$0	$0	$403,595	$0	$0
10 RABBIT CREEK (SA)	3.37	0.00	6,532	$61,313	$0	$0	$0	$60,522	$0	$0
11 EAGLE RIVER (SA)	2.28	0.00	7,182	$50,476	$0	$0	$0	$49,824	$0	$0
12 CHUGIAK (SA)	1.28	0.00	5,876	$28,960	$0	$0	$0	[illegible]28,586	$0	$0
13 OCEAN VIEW (SA)	4.86	0.00	1,894	$24,559	$0	$0	$0	$24,242	$0	$0
14 OTHER SA	0.52	0.00	372	$293	$0	$0	$0	$290	$0	$0
TOTAL				$7,564,832	$2,876,165			$10,306,234	$8,378,557	$11,269,005
15 BRISTOL BAY BOROUGH (AW)	12.31	8.20	1,311	$77,029	$8,370	$0	$0	$84,297	$32,370	$32,370
16 SOUTH NAKNEK SA	1.47	0.00	175	$490	$0	$0	$0	$484	$0	$0
TOTAL				$77,520	$8,370			$84,781	$32,370	$32,370
17 FAIRBANKS BOROUGH (AW)	4.36	4.24	60,227	$1,229,160	$113,018	$0	$0	$1,324,855	$1,200,637	$1,339,160
18 BALLAINE LAKE (SA)	0.81	0.00	168	$736	$0	$0	$0	$726	$0	$0
19 DIANE (SA)	1.22	0.00	66	$301	$0	$0	$0	$297	$0	$0
20 WILDVIEW ACRES (SA)	0.82	0.00	77	$188	$0	$0	$0	$186	$0	$0
21 SMITH RANCH (SA)	1.63	0.00	438	$3,373	$0	$0	$0	$3,330	$0	$0
22 ENGINEER CREEK (SA)	1.64	0.00	144	$1,109	$0	$0	$0	$1,095	$0	$0
23 ESTER LUMP (SA)	2.04	0.00	10	$22	$0	$0	$0	$22	$0	$0
24 NORTH STAR F.P. (SA)	0.87	0.00	6,500	$16,075	$0	$0	$0	$15,868	$0	$0
25 BECKER RIDGE (SA)	2.35	0.00	108	$369	$0	$0	$0	$364	$0	$0
26 FAIRBANKS (CITY)	6.94	13.81	30,462	$1,826,139	$512,634	$0	$0	$2,308,586	$1,265,807	$1,335,869
27 NORTH POLE (CITY)	4.36	9.18	461	$15,631	$18,492	$0	$0	$33,682	$29,890	$30,951
TOTAL				$3,093,108	$644,144			$3,689,015	$2,496,336	$2,705,981
28 HAINES BOROUGH	3.65	2.37	1,924	$41,819	$0	$0	$0	$41,279	$0	$0
29 HAINES (CITY)	7.62	5.58	1,366	$77,920	$16,528	$0	$0	$93,229	$65,721	$68,658
TOTAL				$119,739	$16,528			$134,509	$65,721	$68,658
30 JUNEAU (AW)	16.02	3.15	20,465	$1,226,837	$209,030	$0	$0	$1,417,334	$751,062	$1,037,572
31 JUNEAU SA1	2.78	9.13	7,259	$272,677	$0	$0	$0	$269,157	$0	$0
32 JUNEAU SA2	1.21	4.12	1,606	$38,994	$0	$0	$0	$38,491	$0	$0
33 JUNEAU SA3	0.79	0.00	197	$306	$0	$0	$0	$302	$0	$0
34 JUNEAU SA4	2.88	0.00	1,370	$9,703	$0	$0	$0	$9,578	$0	$0
35 JUNEAU SA5	2.35	0.00	8,369	$71,373	$0	$0	$0	$70,452	$0	$0
36 JUNEAU SA6	1.89	0.00	719	$4,680	$0	$0	$0	$4,620	$0	$0
37 JUNEAU SA7	1.41	0.00	427	$1,714	$0	$0	$0	$1,691	$0	$0
38 JUNEAU SA8	1.30	0.00	518	$.,461	$0	$0	$0	$1,442	$0	$0

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			TOTAL	$1,627,750	$209,030			$1,813,072	$751,062	$1,037,572
39	KENAI BOROUGH (AW)	4.83	1.81	24,611	$313,445	$314,975	$0	$0	$620,308	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$15,682	$0	$0	$0	$15,479	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$39,685	$0	$0	$0	$39,172	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$28,395	$0	$0	$0	$28,029	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$4,980	$0	$0	$0	$4,916	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$20,491	$0	$0	$0	$20,227	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$85,855	$13,754	$0	$0	$98,324	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$823	$0	$26,051	$0	$26,528	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$321,561	$64,451	$0	$0	$381,030	$246,090	$274,921
48	SELDOVIA (CITY)	14.48	2.58	612	$36,688	$10,013	$0	$0	$46,099	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$136,621	$24,260	$0	$0	$158,805	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$155,025	$39,135	$0	$0	$191,655	$126,703	$140,603
				TOTAL	$1,159,257	$466,590			$1,630,578	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	6.39	3.43	11,490	$341,032	$0	$0	$0	$336,630	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$2,425	$0	$0	$0	$2,393	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$475,268	$159,756	$0	$0	$626,828	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$20,650	$0	$24,677	$8,294	$25,000
				TOTAL	$818,725	$164,106			$990,529	$486,481	$580,859
55	KODIAK BOROUGH (AW)	6.64	0.00	7,901	$113,414	$166,949	$0	$0	$276,745	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$16,245	$0	$0	$0	$16,035	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$848	$0	$0	$0	$837	$0	$0
58	KODIAK (CITY)	8.19	6.04	4,960	$165,529	$23,026	$0	$2,428	$188,519	$190,984	$212,312
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$26,875	$0	$26,528	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$26,875	$0	$26,528	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$20,666	$0	$26,528	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$10,191	$0	$16,683	$0	$26,528	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$22,940	$0	$26,528	$11,133	$26,375
				TOTAL	$306,228	$200,118			$614,778	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	9.27	0.00	16,724	$419,991	$133,790	$0	$0	$546,634	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$14,939	$0	$0	$0	$14,747	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$4,143	$0	$0	$0	$4,089	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$6,748	$0	$0	$0	$6,661	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$7,110	$0	$0	$0	$7,018	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$2,399	$0	$0	$0	$2,368	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$593	$0	$0	$0	$585	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,824	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$85,294	$26,222	$0	$0	$110,077	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,983	$73,937	$73,937
				TOTAL	$541,220	$262,321			$805,990	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	7.57	0.11	9,139	$136,362	$65,510	$0	$106,320	$304,215	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$33,437	$0	$33,005	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$138,240	$0	$0	$0	$136,456	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$33,437	$0	$33,005	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$33,437	$0	$33,005	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$23,020	$0	$10,417	$0	$33,005	$0	$33,437
80	WAINWRIGHT (CITY)	0.00	33.34	341	$20,442	$0	$12,995	$0	$33,005	$0	$33,437
				TOTAL	$318,065	$65,510			$605,701	$348,803	$513,934
81	SITKA BOROUGH	4.00	7.73	7,650	$251,642	$133,982	$0	$0	$380,647	$383,994	$455,426
FIRST CLASS CITIES											
82	CORDOVA	13.68	15.88	2,406	$144,235	$119,038	$0	$0	$259,875	$211,729	$222,797
83	CRAIG	7.73	10.67	467	$27,905	$10,405	$0	$0	$37,905	$26,050	$26,050
84	DILLINGHAM	15.11	12.67	1,269	$76,074	$7,082	$0	$0	$82,083	$60,754	$60,754
85	GALENA	0.00	16.65	631	$37,827	$19,134	$0	$0	$56,226	$41,499	$41,499

86	HOONAH	0.00	8.62	848	$50,835	$0	$0	$0	$50,179	$28,715	$28,715
87	HYDABURG	0.00	15.98	380	$22,780	$7,240	$0	$0	$29,632	$14,650	$14,650
88	KAKE	0.00	4.02	579	$40,704	$1,587	$0	$0	$41,746	$20,256	$20,256
89	KING COVE	4.00	10.94	408	$24,458	$5,050	$0	$0	$29,127	$21,275	$21,275
90	KLAWOCK	0.00	6.46	323	$19,363	$6,535	$0	$0	$25,563	$14,449	$14,449
91	NENANA	9.16	5.87	521	$31,232	$20,982	$0	$0	$51,541	$40,963	$42,317
92	NOME	19.86	12.46	2,585	$154,965	$190,119	$0	$0	$340,631	$283,132	$283,132
93	PELICAN	3.76	8.71	169	$8,051	$6,073	$12,749	$0	$26,528	$9,616	$26,875
94	PETERSBURG	12.81	18.16	2,126	$127,449	$100,115	$0	$0	$224,628	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$27,300	$0	$32,080	$22,194	$32,500
96	SKAGWAY	10.65	5.31	854	$29,066	$19,618	$0	$0	$48,056	$48,537	$50,373
97	UNALASKA	17.50	28.05	510	$30,573	$85,382	$0	$0	$114,459	$102,445	$102,445
98	VALDEZ	6.09	0.00	7,483	$33,793	$119,481	$0	$205,445	$354,090	$417,165	$452,709
99	ZONE I	1.88	0.00	6,683	$57,763	$0	$0	$0	$57,018	$0	$0
100	ZONE II	0.57	0.00	700	$680	$0	$0	$0	$672	$0	$0
				TOTAL	$92,238	$119,481			$411,780	$417,165	$452,709
101	WRANGELL	5.87	13.48	3,152	$188,956	$99,458	$0	$0	$284,692	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$7,623	$0	$0	$0	$7,524	$0	$0
103	ZONE III	4.11	0.00	100	$969	$0	$0	$0	$956	$0	$0
104	ZONE IV	5.40	0.00	2,250	$60,217	$0	$0	$0	$59,440	$0	$0
				TOTAL	$257,767	$99,458			$352,615	$209,010	$215,551
105	YAKUTAT	11.59	4.92	442	$26,497	$0	$0	$0	$26,155	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$12,870	$0	$32,080	$30,904	$32,500
107	AKIAK	0.00	0.00	165	$0	$0	$32,500	$0	$32,080	$1,072	$32,500
108	AKOLMIUT	0.00	0.78	608	$4,525	$62,757	$0	$14,839	$81,062	$82,122	$82,122
109	ALAKANUK	0.00	1.88	527	$12,551	$12,480	$7,468	$0	$32,080	$29,265	$32,500
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$31,562	$0	$31,155	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$33,437	$0	$33,005	$2,741	$33,437
112	AMBLER	0.00	1.31	217	$2,768	$14,839	$15,829	$0	$33,005	$22,531	$33,437
113	ANDERSON	0.00	3.22	470	$11,445	$13,004	$8,987	$0	$33,005	$31,548	$33,437
114	ANGOON	0.00	4.06	287	$13,003	$8,061	$4,872	$0	$25,602	$18,036	$25,937
115	ANIAK	0.00	0.00	323	$0	$13,575	$19,861	$0	$33,005	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$33,437	$0	$33,005	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	159	$0	$5,200	$27,300	$0	$32,080	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$204,363	$116,025	$0	$0	$316,252	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$25,982	$0	$31,155	$8,534	$31,562
120	BUCKLAND	0.00	2.87	172	$4,520	$0	$28,916	$0	$33,005	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$32,500	$0	$32,080	$1,872	$32,500
122	CHEVAK	0.00	2.68	447	$12,048	$0	$20,451	$0	$32,080	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$28,087	$0	$33,005	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$31,562	$0	$31,155	$0	$31,562
125	DEERING	0.00	5.08	100	$4,034	$5,350	$24,053	$0	$33,005	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$9,970	$2,852	$31,194	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$26,512	$0	$31,155	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$2,374	$4,071	$22,304	$0	$28,378	$4,904	$28,750
129	EEK	0.00	2.30	195	$4,166	$0	$28,333	$0	$32,080	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$31,562	$0	$31,155	$0	$31,562
131	ELIM	0.00	2.76	205	$4,733	$5,050	$21,779	$0	$31,155	$11,909	$31,562
132	EMMONAK	0.00	6.41	545	$32,671	$4,699	$0	$0	$36,888	$16,744	$16,744
133	FORT YUKON	0.00	12.00	637	$38,186	$30,856	$0	$0	$68,151	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$27,300	$0	$32,080	$10,270	$32,500
135	GAMBELL	0.00	3.85	412	$13,408	$0	$18,154	$0	$31,155	$6,241	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$31,562	$0	$31,155	$0	$31,562
137	GOODNEWS BAY	0.00	1.79	248	$3,787	$0	$28,712	$0	$32,080	$4,674	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$33,437	$0	$33,005	$2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$20,062	$0	$33,005	$17,486	$33,437
140	HOOPER BAY	0.00	3.63	590	$22,796	$0	$9,703	$0	$32,080	$0	$32,500
141	HUGHES	0.00	0.00	98	$0	$0	$33,437	$0	$33,005	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$40,250	$40,776	$40,776

143	KALTAG	0.00	0.00	240	$0	$2,226	$31,210		$0	$33,005	$6,881	$33,437
144	KASAAN	0.00	0.00	38	$0	$4,000	$21,000		$0	$24,677	$4,475	$25,000
145	KIANA	0.00	0.00	314	$0	$10,405	$23,031		$0	$33,005	$17,545	$33,437
146	KIVALINA	0.00	2.69	208	$5,016	$7,356	$21,064		$0	$33,005	$14,172	$33,437
147	KOBUK	0.00	0.00	60	$0	$5,350	$28,087		$0	$33,005	$5,951	$33,437
148	KOTLIK	0.00	2.79	284	$10,244	$5,200	$17,055		$0	$32,080	$11,476	$32,500
149	KOTZEBUE	0.00	11.58	2,526	$151,428	$31,137	$0		$0	$180,209	$144,317	$144,317
150	KOYUK	0.00	0.48	160	$787	$5,050	$25,725		$0	$31,155	$9,999	$31,562
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$28,087		$0	$33,005	$6,179	$33,437
152	KUPREANOF	0.00	0.00	42	$0	$0	$25,937		$0	$25,602	$0	$25,937
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$27,300		$0	$32,080	$16,455	$32,500
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$28,087		$0	$33,005	$12,262	$33,437
155	MANOKOTAK	0.00	1.29	225	$2,792	$0	$28,769		$0	$31,155	$5,539	$31,562
156	MCGRATH	0.00	0.00	296	$0	$11,816	$21,620		$0	$33,005	$21,516	$33,437
157	MEKORYUK	0.00	1.85	184	$2,918	$5,200	$24,381		$0	$32,080	$11,538	$32,500
158	MOUNTAIN VILLAGE	0.00	6.90	513	$30,753	$5,200	$0		$0	$35,489	$22,873	$22,873
159	NAPAKIAK	0.00	9.56	276	$16,545	$10,036	$5,918		$0	$32,080	$18,826	$32,500
160	NAPASKIAK	0.00	0.00	210	$0	$0	$32,500		$0	$32,080	$5,323	$32,500
161	NEWHALEN	0.00	0.00	89	$0	$0	$31,562		$0	$31,155	$0	$31,562
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$31,562		$0	$31,155	$0	$31,562
163	NEWTOK	0.00	0.00	124	$0	$0	$32,500		$0	$32,080	$0	$32,500
164	NIGHTMUTE	0.00	3.65	123	$4,067	$0	$28,432		$0	$32,080	$799	$32,500
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$26,241		$0	$33,005	$7,764	$33,437
166	NONDALTON	0.00	0.00	226	$0	$0	$31,562		$0	$31,155	$0	$31,562
167	NOORVIK	0.00	3.25	527	$14,562	$9,763	$9,111		$0	$33,005	$28,443	$33,437
168	NULATO	0.00	0.00	331	$0	$8,225	$25,211		$0	$33,005	$10,439	$33,437
169	PILOT STATION	0.00	0.37	301	$1,529	$1,950	$29,020		$0	$32,080	$12,320	$32,500
170	PLATINUM	0.00	0.00	59	$0	$0	$32,500		$0	$32,080	$1,879	$32,500
171	PORT ALEXANDER	0.00	3.63	51	$1,341	$0	$24,595		$0	$25,602	$661	$25,937
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405		$51,110	$51,778	$51,778
173	QUINHAGAK	0.00	1.49	395	$5,181	$5,512	$21,806		$0	$32,080	$15,525	$32,500
174	RUBY	0.00	0.00	219	$0	$0	$33,437		$0	$33,005	$3,662	$33,437
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$30,784		$0	$32,080	$2,126	$32,500
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$26,512		$0	$31,155	$10,121	$31,562
177	SAINT PAUL	0.00	8.27	550	$32,971	$68,999	$0		$0	$100,654	$85,410	$85,410
178	SAND POINT	0.00	18.57	544	$32,611	$25,691	$0		$0	$57,551	$40,458	$40,458
179	SAVOONGA	0.00	0.93	409	$3,178	$5,050	$23,333		$0	$31,155	$17,701	$31,562
180	SCAMMON BAY	0.00	2.04	193	$4,901	$0	$27,598		$0	$32,080	$6,147	$32,500
181	SELAWIK	0.00	12.52	521	$31,232	$0	$2,204		$0	$33,005	$17,073	$33,437
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$21,366		$0	$33,005	$14,897	$33,437
183	SHAKTOOLIK	0.00	1.39	160	$2,004	$0	$29,557		$0	$31,155	$0	$31,562
184	SHELDON POINT	0.00	0.00	136	$0	$0	$32,500		$0	$32,080	$0	$32,500
185	SHISHMAREF	0.00	3.14	326	$9,074	$8,534	$13,953		$0	$31,155	$19,441	$31,562
186	SHUNGNAK	0.00	3.14	182	$4,836	$5,350	$23,251		$0	$33,005	$9,488	$33,437
187	STEBBINS	0.00	1.49	298	$3,974	$0	$27,587		$0	$31,155	$9,217	$31,562
188	TANANA	0.00	2.31	499	$8,654	$22,169	$2,614		$0	$33,005	$25,506	$33,437
189	TELLER	0.00	1.56	219	$3,171	$10,144	$18,246		$0	$31,155	$14,844	$31,562
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$24,381		$0	$25,602	$6,131	$25,937
191	TOGIAK	0.00	4.10	419	$15,450	$0	$16,112		$0	$31,155	$10,315	$31,562
192	TOKSOOK BAY	0.00	3.12	317	$10,549	$5,200	$16,750		$0	$32,080	$16,121	$32,500
193	TULUKSAK	0.00	0.00	202	$0	$0	$32,500		$0	$32,080	$0	$32,500
194	TUNUNAK	0.00	0.75	299	$2,072	$5,200	$25,227		$0	$32,080	$12,780	$32,500
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$9,052	$2,083		$33,211	$33,645	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$33,437		$0	$33,005	$2,741	$33,437
197	WALES	0.00	1.29	109	$1,230	$0	$30,332		$0	$31,155	$0	$31,562
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$31,562		$0	$31,155	$0	$31,562
199	WHITTIER	0.00	9.24	292	$17,504	$22,712	$0		$0	$39,698	$33,961	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0		$0	$65,484	$66,341	$66,341
				TOTAL	$17,902,186	$6,765,093	$2,333,219	$352,549		$27,000,000	$18,349,049	$24,430,149

'NEW' PROPOSED REVENUE SHARING (1977 DATA)

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25 (HOLD HARMLESS NOT APPLIED)
PAYOUT SET TO $25 MILLION (3.3516427)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 25, 1978

SN	LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	PCI RATIO	PROPERTY RATIO	AVE RATIO	LOCAL EFFORT	POP.	PER CAPITA ENTITLEMENT	TOTAL (+ RHM)	PRESENT ENTITLEMENT
	BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1	ANCHORAGE (AW)	2.93	0.244	0.963	1.70	1.335	4.24	180,653	$2,567,383	$5,443,548	$8,378,557
2	CITY (SA)	7.07	0.000	0.894	1.63	1.266	8.96	67,014	$2,012,843	$2,012,843	$0
3	HILLSIDE (SA)	3.49	0.000	0.871	1.03	0.952	3.32	8,937	$99,635	$99,635	$0
4	SPENARD (SA)	7.34	0.000	0.887	1.50	1.195	8.78	38,816	$1,142,399	$1,142,399	$0
5	GIRDWOOD (SA)	3.35	0.000	0.796	0.82	0.811	2.72	600	$5,472	$5,472	$0
6	GLEN ALPS (SA)	3.37	0.000	0.796	0.80	0.801	2.70	65	$589	$589	$0
7	RICH. VISTA (SA)	7.24	0.000	1.096	11.68	6.389	25.00	1,105	$92,589	$92,589	$0
8	SAND LAKE (SA)	3.97	0.000	0.885	1.85	1.370	5.44	18,915	$345,464	$345,464	$0
9	MULDOON (SA)	4.70	0.000	0.955	2.76	1.861	8.76	23,345	$685,791	$685,791	$0
10	RABBIT CREEK (SA)	3.37	0.000	0.882	1.90	1.393	4.69	6,532	$102,839	$102,839	$0
11	EAGLE RIVER (SA)	2.28	0.000	0.998	2.08	1.541	3.51	7,182	$84,662	$84,662	$0
12	CHUGIAK (SA)	1.28	0.000	0.998	2.83	1.917	2.46	5,876	$48,574	$48,574	$0
13	OCEAN VIEW (SA)	4.86	0.000	0.882	1.78	1.333	6.48	1,894	$41,193	$41,193	$0
14	OTHER SA	0.52	0.000	0.963	0.54	0.752	0.39	372	$492	$492	$0
								TOTAL	$7,229,932	$10,106,097	$8,378,557
15	BRISTOL BAY BOROUGH (AW)	6.15	8.203	0.977	1.88	1.433	20.57	1,311	$90,426	$98,797	$32,370
16	SOUTH NAKNEK SA	1.47	0.000	0.977	0.92	0.950	1.40	175	$822	$822	$0
								TOTAL	$91,249	$99,619	$32,370
17	FAIRBANKS BOROUGH (AW)	1.19	2.227	0.747	1.62	1.186	4.06	60,227	$820,245	$933,264	$1,200,637
18	BALLAINE LAKE (SA)	0.81	0.000	0.747	4.62	2.686	2.19	168	$1,234	$1,234	$0
19	DIANE (SA)	1.22	0.000	0.747	2.97	1.860	2.28	66	$505	$505	$0
20	WILDVIEW ACRES (SA)	0.82	0.000	0.747	2.24	1.496	1.22	77	$316	$316	$0
21	SMITH RANCH (SA)	1.63	0.000	0.747	3.97	2.359	3.85	438	$5,658	$5,658	$0
22	ENGINEER CREEK (SA)	1.64	0.000	0.747	3.95	2.348	3.85	144	$1,861	$1,861	$0
23	ESTER LUMP (SA)	2.04	0.000	0.747	0.34	0.547	1.12	10	$37	$37	$0
24	NORTH STAR F.P. (SA)	0.87	0.000	0.747	2.07	1.412	1.23	6,500	$26,963	$26,963	$0
25	BECKER RIDGE (SA)	2.35	0.000	0.747	0.70	0.727	1.71	108	$620	$620	$0
26	FAIRBANKS (CITY)	6.94	4.603	0.658	2.40	1.533	17.70	30,462	$1,807,470	$2,320,104	$1,295,807
27	NORTH POLE (CITY)	4.36	9.184	1.197	1.30	1.252	16.96	461	$26,217	$44,709	$29,890
								TOTAL	$2,691,132	$3,335,276	$2,496,336
28	HAINES BOROUGH	1.42	0.000	1.210	2.39	1.803	2.56	1,924	$16,530	$16,530	$0
29	HAINES (CITY)	7.62	5.588	1.325	2.99	2.160	25.00	1,366	$114,458	$130,986	$65,721
								TOTAL	$130,988	$147,517	$65,721
30	JUNEAU (AW)	8.62	0.000	0.847	2.40	1.627	14.03	20,465	$962,930	$1,171,960	$751,062
31	JUNEAU SA1	2.78	9.135	0.847	2.30	1.576	18.79	7,259	$457,354	$457,354	$0
32	JUNEAU SA2	1.21	4.128	0.847	3.69	2.272	12.15	1,606	$65,404	$65,404	$0
33	JUNEAU SA3	0.79	0.000	0.847	1.11	0.982	0.77	197	$514	$514	$0
34	JUNEAU SA4	2.88	0.000	0.847	1.60	1.228	3.54	1,370	$16,275	$16,275	$0
35	JUNEAU SA5	2.35	0.000	0.847	2.78	1.816	4.26	8,369	$119,712	$119,712	$0
36	JUNEAU SA6	1.89	0.000	0.847	2.59	1.721	3.25	719	$7,850	$7,850	$0
37	JUNEAU SA7	1.41	0.000	0.847	1.98	1.418	2.00	427	$2,875	$2,875	$0
38	JUNEAU SA8	1.30	0.000	0.847	1.30	1.078	1.41	518	$2,451	$2,451	$0
								TOTAL	$1,635,369	$1,844,399	$751,062

39	KENAI BOROUGH (AW)	0.00	0.000	1.066	0.85	0.959		0.70	24,611	$0	$314,575	$470,550
40	CENTRAL HOSPITAL (SA)	0.19	0.000	1.066	4.79	2.929		0.55	14,100	$26,303	$26,303	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	1.066	2.63	1.848		3.74	5,300	$66,562	$66,562	$0
42	NORTH KENAI FIRE (SA)	5.45	0.000	1.066	0.41	0.742		4.04	3,512	$47,627	$47,627	$0
43	NORTH KENAI REC (SA)	0.84	0.000	1.066	0.40	0.734		0.62	3,995	$8,353	$8,353	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	1.066	4.52	2.796		15.19	675	$34,370	$34,370	$0
45	HOMER (CITY)	11.26	5.742	1.004	1.80	1.402		23.84	1,802	$144,003	$157,758	$74,774
46	KACHEMAK (CITY)	1.75	0.000	1.872	1.24	1.559		2.72	151	$1,381	$1,381	$0
47	KENAI (CITY)	14.58	7.952	1.051	2.69	1.875		25.00	5,364	$449,455	$513,906	$246,090
48	SELDOVIA (CITY)	14.48	2.589	0.999	3.89	2.448		25.00	612	$51,280	$61,293	$26,132
49	SEWARD (CITY)	17.58	0.000	0.978	3.46	2.223		25.00	2,279	$190,959	$215,220	$96,533
50	SOLDOTNA (CITY)	10.24	7.470	1.074	2.55	1.816		25.00	2,586	$216,683	$255,819	$126,703
									TOTAL	$1,236,981	$1,703,572	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	3.439	1.201	1.81	1.509		12.06	11,490	$464,610	$464,610	$84,555
52	SHORELINE (SA)	1.00	0.000	1.201	3.18	2.195		2.20	550	$4,067	$4,067	$0
53	KETCHIKAN (CITY)	9.67	8.902	1.232	2.18	1.709		25.00	7,928	$664,295	$824,051	$393,632
54	SAXMAN (CITY)	0.00	0.000	2.051	2.85	2.454	(EST)	0.00	272	$0	$4,350	$8,294
									TOTAL	$1,132,973	$1,297,079	$486,481
55	KODIAK BOROUGH (AW)	1.83	0.000	0.934	1.22	1.081		1.98	7,901	$52,624	$219,574	$207,791
56	FIRE DISTRICT (SA)	2.31	0.000	0.934	3.60	2.271		5.25	1,546	$27,247	$27,247	$0
57	ROAD DISTRICT (SA)	0.64	0.000	0.934	3.27	2.106		1.36	312	$1,422	$1,422	$0
58	KODIAK (CITY)	8.19	6.044	0.845	1.49	1.172		16.70	4,960	$277,638	$300,664	$190,984
59	AKHIOK (CITY)	0.00	0.000	2.167	8.57	5.371	(EST)	0.00	102	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	1.132	4.28	2.709	(EST)	0.00	137	$0	$0	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	2.062	4.28	3.174	(EST)	0.00	327	$0	$6,208	$17,281
62	OUZINKIE (CITY)	0.00	6.484	1.768	8.57	5.171	(EST)	25.00	170	$14,244	$14,244	$2,284
63	PORT LIONS (CITY)	0.00	0.000	1.027	4.28	2.657	(EST)	0.00	227	$0	$3,934	$11,133
									TOTAL	$373,177	$573,296	$431,316
64	MAT-SU BOROUGH (AW)	3.12	0.000	1.413	1.29	1.355		4.23	16,724	$237,421	$371,212	$295,973
65	WASILLA F(1,8,9,10,11)	0.77	0.000	1.413	2.50	1.960		1.52	4,908	$25,058	$25,058	$0
66	BUTTE FIRE (SA)	0.59	0.000	1.413	2.43	1.926		1.14	1,818	$6,949	$6,949	$0
67	SUTTON FIRE (SA)	1.71	0.000	1.413	5.21	3.313		5.68	594	$11,319	$11,319	$0
68	OTHER AREA (SA)	0.17	0.000	1.413	1.66	1.538		0.27	12,924	$11,925	$11,925	$0
69	TALKEETNA FLOOD (SA)	1.99	0.000	1.413	3.99	2.702		5.38	223	$4,024	$4,024	$0
70	GARDEN TERRACE (SA)	3.08	0.000	1.413	1.96	1.690		5.21	57	$995	$995	$0
71	HOUSTON (CITY)	0.00	0.000	2.093	1.18	1.637		0.00	375	$0	$36,494	$41,357
72	PALMER (CITY)	4.25	8.690	1.326	2.22	1.774		22.96	1,859	$143,061	$169,284	$86,977
73	WASILLA (CITY)	0.00	0.000	1.423	1.83	1.630		0.00	1,566	$0	$65,813	$73,937
									TOTAL	$440,756	$703,077	$498,246
74	NORTH SLOPE BOROUGH (AW)	5.55	0.110	1.834	0.10	0.972		5.50	9,139	$168,562	$234,072	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.000	7.234	12.24	9.741	(EST)	0.00	150	$0	$0	$0
76	BARROW (CITY)	0.00	13.319	2.840	6.12	4.482	(EST)	25.00	2,306	$193,222	$193,222	$38,553
77	KAKTOVIK (CITY)	0.00	0.000	1.296	12.24	6.772	(EST)	0.00	123	$0	$0	$2,057
78	NUIQSUT (CITY)	0.00	0.000	7.208	12.24	9.728	(EST)	0.00	152	$0	$0	$0
79	POINT HOPE (CITY)	0.00	6.696	3.463	12.24	7.856	(EST)	25.00	384	$32,175	$32,175	$0
80	WAINWRIGHT (CITY)	0.00	7.540	4.191	12.24	8.220	(EST)	25.00	341	$28,572	$28,572	$0
									TOTAL	$422,532	$488,043	$348,803
81	SITKA BOROUGH	2.10	3.866	0.978	1.82	1.402		8.37	7,650	$214,631	$348,613	$383,994
	FIRST CLASS CITIES											
82	CORDOVA	8.51	12.045	1.048	3.12	2.085		25.00	2,406	$201,601	$320,640	$211,729
83	CRAIG	5.83	8.783	1.211	3.78	2.495		25.00	467	$39,130	$49,535	$26,050
84	DILLINGHAM	15.12	10.142	0.782	3.17	1.978		25.00	1,269	$106,330	$113,413	$60,754
85	GALENA	0.00	14.025	1.362	10.12	5.745		25.00	631	$52,872	$72,006	$41,499
86	HOONAH	0.00	8.625	2.143	6.81	4.480		25.00	848	$71,054	$71,054	$28,715
87	HYDABURG	0.00	15.989	4.162	11.32	7.744		25.00	380	$31,840	$39,080	$14,650

88	KAKE	0.00	1.142	2.978	12.15	7.361		8.64	379	$19,676	$21,263	$20,256
89	KING COVE	2.00	2.917	1.744	6.10	3.926		19.30	408	$26,405	$31,455	$21,275
90	KLAWOCK	0.00	3.411	2.477	13.49	7.987		25.00	323	$27,064	$33,599	$14,449
91	NENANA	9.16	6.097	1.460	3.93	2.696		25.00	521	$43,655	$64,637	$40,963
92	NOME	17.39	9.808	0.776	3.28	2.030		25.00	2,585	$216,599	$406,719	$283,132
93	PELICAN	3.20	9.915	2.258	1.56	1.909		25.00	169	$14,160	$20,234	$9,616
94	PETERSBURG	12.81	1.231	1.041	2.67	1.859		25.00	2,126	$178,139	$278,255	$169,595
95	SAINT MARY'S	0.00	0.000	5.348	12.57	8.961		0.00	415	$0	$5,200	$22,194
96	SKAGWAY	9.40	3.402	0.905	1.22	1.066		13.65	854	$39,096	$58,715	$48,537
97	UNALASKA	9.59	21.412	0.942	1.31	1.130		25.00	510	$42,733	$128,116	$102,445
98	VALDEZ	4.43	0.000	0.476	0.26	0.370		1.64	7,483	$41,246	$160,727	$417,165
99	ZONE I	1.88	0.000	0.476	4.10	2.292		4.32	6,683	$96,885	$96,885	$0
100	ZONE II	0.57	0.000	0.476	1.21	0.843		0.48	700	$1,141	$1,141	$0
									TOTAL	$139,274	$258,755	$417,165
101	WRANGELL	5.87	9.307	1.071	3.59	2.332		25.00	3,152	$264,109	$363,568	$209,010
102	ZONE II	2.02	0.000	1.071	3.64	2.360		4.78	797	$12,786	$12,786	$0
103	ZONE III	4.11	0.000	1.071	1.28	1.179		4.85	100	$1,626	$1,626	$0
104	ZONE IV	5.40	0.000	1.071	3.88	2.478		13.39	2,250	$101,001	$101,001	$0
									TOTAL	$379,523	$478,982	$209,010
105	YAKUTAT	11.60	4.567	1.983	1.86	1.925		25.00	442	$37,035	$37,035	$0
	SECOND CLASS CITIES											
106	AKIACHAK	0.00	0.000	3.132	4.46	3.799	(EST)	0.00	354	$0	$19,630	$30,904
107	AKIAK ✓	0.00	0.000	3.625	4.46	4.045	(EST)	0.00	165	$0	$0	$1,072
108	AKOLMIUT	0.00	0.544	3.078	4.46	3.772	(EST)	2.05	608	$4,186	$66,944	$82,122
109	ALAKANUK	0.00	1.312	6.192	4.46	5.329	(EST)	6.99	527	$12,356	$24,836	$29,265
110	ALEKNAGIK ✓	0.00	0.000	3.261	4.46	3.863	(EST)	0.00	227	$0	$0	$0
111	ALLAKAKET ✓	0.00	0.000	2.856	4.46	3.661	(EST)	0.00	164	$0	$0	$2,741
112	AMBLER	0.00	0.915	3.267	4.46	3.866	(EST)	3.53	217	$2,574	$17,413	$22,531
113	ANDERSON	0.00	2.240	1.133	4.46	2.799	(EST)	6.27	470	$9,879	$22,884	$31,548
114	ANGOON	0.00	2.822	4.727	4.46	4.601	(EST)	12.98	287	$12,493	$20,555	$18,036
115	ANIAK	0.00	0.000	6.168	4.46	5.317	(EST)	0.00	323	$0	$13,575	$24,160
116	ANVIK ✓	0.00	0.000	5.848	4.46	5.157	(EST)	0.00	87	$0	$0	$0
117	ATMAUTLUAK	0.00	0.000	2.284	4.46	3.374	(EST)	0.00	169	$0	$5,200	$10,583
118	BETHEL	0.00	12.613	0.767	4.28	2.527	(EST)	25.00	3,409	$285,643	$401,668	$264,487
119	BREVIG MISSION	0.00	0.000	2.734	4.46	3.600	(EST)	0.00	120	$0	$5,580	$8,534
120	BUCKLAND	0.00	1.998	2.719	4.46	3.592	(EST)	7.18	172	$4,139	$4,139	$0
121	CHEFORNAK ✓	0.00	0.000	1.785	4.46	3.125	(EST)	0.00	192	$0	$0	$1,872
122	CHEVAK	0.00	1.864	3.628	4.46	4.047	(EST)	7.54	447	$11,303	$11,303	$9,878
123	CHUATHBALUK	0.00	0.000	7.074	4.46	5.770	(EST)	0.00	118	$0	$5,350	$9,216
124	CLARK'S POINT ✓	0.00	0.000	0.764	4.46	2.615	(EST)	0.00	98	$0	$0	$0
125	DEERING	0.00	3.534	1.511	4.46	2.988	(EST)	10.56	100	$3,540	$8,890	$8,626
126	DELTA JUNCTION	0.00	0.000	1.238	0.71	0.976	(EST)	0.00	892	$0	$18,779	$31,602
127	DIOMEDE	0.00	0.000	2.059	4.46	3.262	(EST)	0.00	135	$0	$5,050	$6,328
128	EAGLE	2.21	0.000	2.993	4.39	3.695		8.19	145	$3,982	$8,053	$4,904
129	EEK	0.00	1.602	2.846	4.46	3.656	(EST)	5.85	195	$3,829	$3,829	$6,211
130	EKWOK ✓	0.00	0.000	1.921	4.46	3.193	(EST)	0.00	109	$0	$0	$0
131	ELIM	0.00	1.919	1.938	4.46	3.202	(EST)	6.14	205	$4,223	$9,273	$11,909
132	EMMONAK	0.00	4.460	7.598	4.46	6.032	(EST)	25.00	545	$45,666	$50,365	$16,744
133	FORT YUKON	0.00	8.339	1.657	4.46	3.061	(EST)	25.00	637	$53,374	$84,231	$53,434
134	FORTUNA LEDGE	0.00	0.000	3.906	4.46	4.186	(EST)	0.00	200	$0	$5,200	$10,270
135	GAMBELL	0.00	2.682	2.012	4.46	3.239	(EST)	8.68	412	$11,996	$11,996	$6,241
136	GOLOVIN ✓	0.00	0.000	2.347	4.46	3.406	(EST)	0.00	118	$0	$0	$0
137	GOODNEWS BAY	0.00	1.245	2.098	4.46	3.282	(EST)	4.08	248	$3,398	$3,398	$4,674
138	GRAYLING ✓	0.00	0.000	4.994	4.46	4.730	(EST)	0.00	167	$0	$0	$2,402
139	HOLY CROSS	0.00	0.000	7.484	4.46	5.975	(EST)	0.00	212	$0	$13,375	$17,486
140	HOOPER BAY	0.00	2.528	4.200	4.46	4.332	(EST)	10.95	590	$21,667	$21,667	$0
141	HUGHES ✓	0.00	0.000	2.842	4.46	3.654	(EST)	0.00	98	$0	$0	$1,638
142	HUSLIA	0.00	0.000	4.132	4.46	4.299	(EST)	0.00	216	$0	$36,587	$40,776
143	KALTAG	0.00	0.000	3.613	4.46	4.039	(EST)	0.00	240	$0	$2,226	$6,881
144	KASAAN	0.00	0.000	1.262	4.46	2.863	(EST)	0.00	38	$0	$4,000	$4,475

	145	KIANA	0.00	0.000	1.954	4.46	3.210	(EST)	0.00	314	$0	$10,405	$11,543
4	146	KIVALINA	0.00	1.869	2.544	4.46	3.504	(EST)	6.55	208	$4,569	$11,925	$14,172
1	147	KOBUK	0.00	0.000	2.910	4.46	3.688	(EST)	0.00	60	$0	$5,350	$5,951
2	148	KOTLIK	0.00	1.943	6.478	4.46	5.472	(EST)	10.63	284	$10,125	$15,325	$11,476
6	149	KOTZEBUE	0.00	11.586	1.063	4.28	2.675	(EST)	25.00	2,526	$211,656	$214,839	$116,363
1	150	KOYUK	0.00	0.335	3.777	4.46	4.121	(EST)	1.38	160	$741	$5,791	$9,999
0	151	KOYUKUK	0.00	0.000	1.254	4.46	2.859	(EST)	0.00	124	$0	$5,350	$6,179
0	152	KUPREANOF √	0.00	0.000	1.118	4.46	2.792	(EST)	0.00	42	$0	$0	$0
5	153	KWETHLUK	0.00	0.000	3.256	4.46	3.861	(EST)	0.00	444	$0	$5,200	$16,455
2	154	LOWER KALSKAG	0.00	0.000	7.945	4.46	6.205	(EST)	0.00	195	$0	$5,350	$12,262
2	155	MANOKOTAK	0.00	0.901	3.150	4.46	3.807	(EST)	3.43	225	$2,588	$2,588	$5,539
6	156	MCGRATH	0.00	0.000	1.469	4.46	2.967	(EST)	0.00	296	$0	$11,816	$21,516
3	157	MEKORYUK	0.00	1.290	2.124	4.46	3.295	(EST)	4.25	184	$2,621	$7,821	$11,538
4	158	MOUNTAIN VILLAGE	0.00	4.799	3.885	4.46	4.175	(EST)	20.04	513	$34,462	$39,662	$22,873
3	159	NAPAKIAK	0.00	6.644	1.647	4.46	3.056	(EST)	20.30	276	$18,786	$28,822	$18,826
1	160	NAPASKIAK √	0.00	0.000	1.340	4.46	2.903	(EST)	0.00	210	$0	$0	$5,323
1	161	NEWHALEN √	0.00	0.000	1.364	4.46	2.915	(EST)	0.00	89	$0	$0	$0
1	162	NEW STUYAHOK √	0.00	0.000	4.627	4.46	4.546	(EST)	0.00	230	$0	$0	$0
0	163	NEWTOK √	0.00	0.000	1.987	4.46	3.226	(EST)	0.00	124	$0	$0	$0
2	164	NIGHTMUTE	0.00	2.540	2.626	4.46	3.546	(EST)	9.00	123	$3,714	$3,714	$799
2	165	NIKOLAI	0.00	0.000	6.309	4.46	5.387	(EST)	0.00	85	$0	$7,195	$7,764
2	166	NONDALTON √	0.00	0.000	1.852	4.46	3.159	(EST)	0.00	226	$0	$0	$0
4	167	NOORVIK	0.00	2.264	2.058	4.46	3.262	(EST)	7.38	527	$13,050	$22,814	$28,443
0	168	NULATO	0.00	0.000	2.438	4.46	3.452	(EST)	0.00	331	$0	$8,225	$10,439
5	169	PILOT STATION	0.00	0.257	7.320	4.46	5.893	(EST)	1.51	301	$1,528	$3,478	$12,320
0	170	PLATINUM √	0.00	0.000	1.333	4.46	2.899	(EST)	0.00	59	$0	$0	$1,879
2	171	PORT ALEXANDER	0.00	2.526	0.814	4.46	2.640	(EST)	6.67	51	$1,140	$1,140	$661
1	172	PORT HEIDEN	0.00	0.000	1.968	4.46	3.217	(EST)	0.00	89	$0	$50,373	$51,778
4	173	QUINHAGAK	0.00	1.037	2.362	4.46	3.414	(EST)	3.54	395	$4,691	$10,203	$15,525
3	174	RUBY √	0.00	0.000	2.002	4.46	3.234	(EST)	0.00	219	$0	$0	$3,662
2	175	RUSSIAN MISSION	0.00	0.000	0.980	4.46	2.723	(EST)	0.00	158	$0	$1,716	$2,126
1	176	SAINT MICHAEL	0.00	0.000	2.114	4.46	3.290	(EST)	0.00	206	$0	$5,050	$10,121
4	177	SAINT PAUL	0.00	5.751	1.221	4.46	2.843	(EST)	16.35	550	$30,152	$99,152	$85,410
5	178	SAND POINT	0.00	12.392	0.659	4.28	2.473	(EST)	25.00	544	$45,582	$71,274	$40,458
3	179	SAVOONGA	0.00	0.652	1.861	4.46	3.163	(EST)	2.06	409	$2,828	$7,878	$17,701
2	180	SCAMMON BAY	0.00	1.422	5.988	4.46	5.227	(EST)	7.43	193	$4,810	$4,810	$6,147
3	181	SELAWIK	0.00	12.526	2.415	17.80	10.139		25.00	521	$43,655	$43,655	$17,073
2	182	SHAGELUK	0.00	0.000	4.500	4.46	4.482	(EST)	0.00	169	$0	$12,070	$14,897
0	183	SHAKTOOLIK	0.00	0.966	2.591	4.46	3.528	(EST)	3.40	160	$1,828	$1,828	$0
2	184	SHELDON POINT √	0.00	0.000	8.206	4.46	6.335	(EST)	0.00	136	$0	$0	$0
3	185	SHISHMAREF	0.00	2.183	2.437	4.46	3.451	(EST)	7.53	326	$8,237	$16,771	$19,441
4	186	SHUNGNAK	0.00	2.184	2.034	4.46	3.250	(EST)	7.09	182	$4,330	$9,680	$9,488
3	187	STEBBINS	0.00	1.035	2.530	4.46	3.498	(EST)	3.62	298	$3,618	$3,618	$9,217
0	188	TANANA	0.00	1.610	1.061	4.46	2.763	(EST)	4.45	499	$7,445	$29,614	$25,506
3	189	TELLER	0.00	1.090	2.812	4.46	3.639	(EST)	3.96	219	$2,911	$13,056	$14,844
5	190	TENAKEE SPRINGS	0.00	0.000	4.698	4.46	4.581	(EST)	0.00	140	$0	$1,556	$6,131
2	191	TOGIAK	0.00	2.850	2.569	4.46	3.517	(EST)	10.02	419	$14,082	$14,082	$10,315
1	192	TOKSOOK BAY	0.00	2.168	4.249	4.46	4.357	(EST)	9.44	317	$10,037	$15,237	$16,121
0	193	TULUKSAK √	0.00	0.000	1.886	4.46	3.176	(EST)	0.00	202	$0	$0	$0
5	194	TUNUNAK	0.00	0.523	2.780	4.46	3.622	(EST)	1.89	299	$1,901	$7,101	$12,780
0	195	UNALAKLEET	0.00	0.000	1.451	4.46	2.958	(EST)	0.00	630	$0	$22,510	$33,645
0	196	UPPER KALSKAG √	0.00	0.000	8.584	4.46	6.525	(EST)	0.00	164	$0	$0	$2,741
3	197	WALES	0.00	0.896	2.331	4.46	3.398	(EST)	3.04	109	$1,113	$1,113	$0
0	198	WHITE MOUNTAIN √	0.00	0.000	2.555	4.46	3.510	(EST)	0.00	98	$0	$0	$0
5	199	WHITTIER	0.00	5.136	0.593	3.57	2.083	(EST)	10.70	292	$10,473	$33,185	$33,961
	200	EXT FIRE AREAS	0.00	0.000	#.###	##.##	##.###		0.00	1	$0	$66,341	$66,341
										TOTAL	$18,262,861	$25,000,000	$18,321,095

22 22

number of basic admin svs. provided by municipality
ie. regular meetings, annual elections, ordinances, budgets, admin person

REVENUE SHARING DATA--1977

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 25, 1978

SN	LOCAL GOV'T	PER CAPITA EXISTING	R,H,M	TOTAL ENTITLEMENT	POP	PER CAPITA PROP. VALUE	1976 PCI	PROP. TAX	SALES TAX	S. TAX REVENUE	COLA
	BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1	ANCHORAGE (AW)	$5,502,392	$2,876,165	$8,378,557	180,653	$25,117.5	$8,301	2.931	0.000	$1,108,739	100.00
2	CITY (SA)	$0	$0	$0	67,014	$26,162.8	$8,943	7.075	0.000	$0	100.00
3	HILLSIDE (SA)	$0	$0	$0	8,937	$41,509.8	$9,178	3.493	0.000	$0	100.00
4	SPENARD (SA)	$0	$0	$0	38,816	$28,505.6	$9,013	7.343	0.000	$0	100.00
5	GIRDWOOD (SA)	$0	$0	$0	600	$51,907.4	$10,042	3.354	0.000	$0	100.00
6	GLEN ALPS (SA)	$0	$0	$0	65	$53,210.9	$10,042	3.377	0.000	$0	100.00
7	RICH. VISTA (SA)	$0	$0	$0	1,105	$3,669.7	$7,297	7.244	0.000	$0	100.00
8	SAND LAKE (SA)	$0	$0	$0	18,915	$23,109.7	$9,031	3.976	0.000	$0	100.00
9	MULDOON (SA)	$0	$0	$0	23,345	$15,486.4	$8,378	4.708	0.000	$0	100.00
10	RABBIT CREEK (SA)	$0	$0	$0	6,532	$22,507.3	$9,070	3.371	0.000	$0	100.00
11	EAGLE RIVER (SA)	$0	$0	$0	7,182	$20,561.2	$8,011	2.281	0.000	$0	100.00
12	CHUGIAK (SA)	$0	$0	$0	5,876	$15,111.4	$8,011	1.286	0.000	$0	100.00
13	OCEAN VIEW (SA)	$0	$0	$0	1,894	$24,024.9	$9,070	4.867	0.000	$0	100.00
14	OTHER SA	$0	$0	$0	372	$79,121.5	$8,301	0.525	0.000	$0	100.00
			TOTAL	$8,378,557							
15	BRISTOL BAY BOROUGH (AW)	$24,000	$8,370	$32,370	1,311	$22,691.7	$8,189	6.156	0.000	$244,042	126.25
16	SOUTH NAKNEK SA	$0	$0	$0	175	$46,446.7	$8,189	1.476	0.000	$0	126.25
			TOTAL	$32,370							
17	FAIRBANKS BOROUGH (AW)	$1,087,619	$113,018	$1,200,637	60,227	$26,387.4	$10,699	1.198	1.440	$3,539,877	115.00
18	BALLAINE LAKE (SA)	$0	$0	$0	168	$9,268.1	$10,699	0.816	0.000	$0	115.00
19	DIANE (SA)	$0	$0	$0	66	$14,424.2	$10,699	1.228	0.000	$0	115.00
20	WILDVIEW ACRES (SA)	$0	$0	$0	77	$19,100.5	$10,699	0.820	0.000	$0	115.00
21	SMITH RANCH (SA)	$0	$0	$0	438	$10,798.2	$10,699	1.634	0.000	$0	115.00
22	ENGINEER CREEK (SA)	$0	$0	$0	144	$10,853.4	$10,699	1.642	0.000	$0	115.00
23	ESTER LUMP (SA)	$0	$0	$0	10	$123,241.5	$10,699	2.046	0.000	$0	115.00
24	NORTH STAR F.P. (SA)	$0	$0	$0	6,500	$20,632.4	$10,699	0.876	0.000	$0	115.00
25	BECKER RIDGE (SA)	$0	$0	$0	108	$60,692.8	$10,699	2.356	0.000	$0	115.00
26	FAIRBANKS (CITY)	$753,172	$512,634	$1,265,807	30,462	$17,801.2	$12,150	6.941	3.000	$2,496,476	115.00
27	NORTH POLE (CITY)	$11,398	$18,492	$29,890	461	$32,806.0	$6,681	4.366	3.000	$138,907	115.00
			TOTAL	$2,496,336							
28	HAINES BOROUGH	$0	$0	$0	1,924	$17,879.5	$6,612	1.421	0.000	$0	107.50
29	HAINES (CITY)	$49,193	$16,528	$65,721	1,366	$14,312.9	$6,034	7.623	3.000	$109,269	107.50
			TOTAL	$65,721							
30	JUNEAU (AW)	$542,032	$209,030	$751,062	20,465	$17,813.8	$9,436	8.627	0.000	$0	100.00
31	JUNEAU SA1	$0	$0	$0	7,259	$18,593.3	$9,436	2.786	2.000	$1,233,001	100.00
32	JUNEAU SA2	$0	$0	$0	1,606	$11,594.9	$9,436	1.218	2.000	$76,877	100.00
33	JUNEAU SA3	$0	$0	$0	197	$38,352.9	$9,436	0.793	0.000	$0	100.00
34	JUNEAU SA4	$0	$0	$0	1,370	$26,653.4	$9,436	2.886	0.000	$0	100.00
35	JUNEAU SA5	$0	$0	$0	8,369	$15,397.8	$9,436	2.350	0.000	$0	100.00
36	JUNEAU SA6	$0	$0	$0	719	$16,515.9	$9,436	1.892	0.000	$0	100.00
37	JUNEAU SA7	$0	$0	$0	427	$21,549.0	$9,436	1.416	0.000	$0	100.00
38	JUNEAU SA8	$0	$0	$0	518	$32,735.5	$9,436	1.309	0.000	$0	100.00
			TOTAL	$751,062							
39	KENAI BOROUGH (AW)	$155,615	$314,975	$470,590	24,611	$50,351.2	$7,500	0.000	0.000	$0	107.50

40	CENTRAL HOSPITAL (SA)	$0	$0	$0	14,100	$8,548.4		$7,507	0.190	0.000	$0	107.50
41	SOUTH HOSPITAL (SA)	$0	$0	$0	5,300	$16,298.5		$7,500	2.027	0.000	$0	107.50
42	NORTH KENAI FIRE (SA)	$0	$0	$0	3,512	$102,691.8		$7,500	5.452	0.000	$0	107.50
43	NORTH KENAI REC (SA)	$0	$0	$0	3,995	$106,408.3		$7,500	0.849	0.000	$0	107.50
44	BEAR CREEK FIRE (SA)	$0	$0	$0	675	$9,472.8		$7,500	5.433	0.000	$0	107.50
45	HOMER (CITY)	$61,020	$13,754	$74,774	1,802	$23,817.0		$7,965	11.260	2.000	$246,479	107.50
46	KACHEMAK (CITY)	$0	$0	$0	151	$34,371.2		$4,273	1.750	0.000	$0	107.50
47	KENAI (CITY)	$181,638	$64,451	$246,090	5,364	$15,879.6		$7,610	14.588	3.000	$677,353	107.50
48	SELDOVIA (CITY)	$16,118	$10,013	$26,132	612	$11,001.7		$8,003	14.482	2.000	$17,436	107.50
49	SEWARD (CITY)	$72,273	$24,260	$96,533	2,279	$12,360.8		$8,177	17.585	0.000	$0	107.50
50	SOLDOTNA (CITY)	$87,568	$39,135	$126,703	2,586	$16,765.8		$7,443	10.244	2.000	$323,894	107.50
			TOTAL	$1,040,825								
51	KETCHIKAN BOROUGH (AW)	$84,555	$0	$84,555	11,490	$23,581.9		$6,658	4.551	1.500	$931,963	100.00
52	SHORELINE (SA)	$0	$0	$0	550	$13,442.0		$6,658	1.005	0.000	$0	100.00
53	KETCHIKAN (CITY)	$233,876	$159,756	$393,632	7,928	$19,614.0		$6,493	9.670	2.500	$1,384,350	100.00
54	SAXMAN (CITY)	$3,944	$4,350	$8,294	272	$15,000.0	(EST)	$3,900	0.000	0.000	$0	100.00
			TOTAL	$486,481								
55	KODIAK BOROUGH (AW)	$40,841	$166,949	$207,791	7,901	$34,905.3		$8,565	1.838	0.000	$0	107.50
56	FIRE DISTRICT (SA)	$0	$0	$0	1,546	$11,879.8		$8,565	2.315	0.000	$0	107.50
57	ROAD DISTRICT (SA)	$0	$0	$0	312	$13,076.9		$8,565	0.646	0.000	$0	107.50
58	KODIAK (CITY)	$167,958	$23,026	$190,984	4,960	$28,589.2		$9,461	8.198	2.000	$857,087	107.50
59	AKHIOK (CITY)	$0	$0	$0	102	$5,000.0	(EST)	$3,691	0.000	0.000	$0	107.50
60	LARSEN BAY (CITY)	$1,841	$0	$1,841	137	$10,000.0	(EST)	$7,068	0.000	0.000	$0	107.50
61	OLD HARBOR (CITY)	$11,073	$6,208	$17,281	327	$10,000.0	(EST)	$3,880	0.000	0.000	$0	107.50
62	OUZINKIE (CITY)	$2,284	$0	$2,284	170	$5,000.0	(EST)	$4,523	0.000	3.000	$5,512	107.50
63	PORT LIONS (CITY)	$7,199	$3,934	$11,133	227	$10,000.0	(EST)	$7,787	0.000	0.000	$0	107.50
			TOTAL	$431,316								
64	MAT-SU BOROUGH (AW)	$162,183	$133,790	$295,973	16,724	$33,042.4		$5,661	3.125	0.000	$0	103.75
65	WASILLA F(1,8,9,10,11)	$0	$0	$0	4,908	$17,096.3		$5,661	0.777	0.000	$0	103.75
66	BUTTE FIRE (SA)	$0	$0	$0	1,818	$17,573.8		$5,661	0.592	0.000	$0	103.75
67	SUTTON FIRE (SA)	$0	$0	$0	594	$8,223.5		$5,661	1.716	0.000	$0	103.75
68	OTHER AREA (SA)	$0	$0	$0	12,924	$25,783.3		$5,661	0.179	0.000	$0	103.75
69	TALKEETNA FLOOD (SA)	$0	$0	$0	223	$10,738.3		$5,661	1.992	0.000	$0	103.75
70	GARDEN TERRACE (SA)	$0	$0	$0	57	$21,795.3		$5,661	3.083	0.000	$0	103.75
71	HOUSTON (CITY)	$4,863	$36,494	$41,357	375	$36,299.8		$3,821	0.000	0.000	$0	103.75
72	PALMER (CITY)	$60,754	$26,222	$86,977	1,859	$19,296.5		$6,030	4.250	2.000	$311,756	103.75
73	WASILLA (CITY)	$8,123	$65,813	$73,937	1,566	$23,326.7		$5,621	0.000	0.000	$0	103.75
			TOTAL	$498,246								
74	NORTH SLOPE BOROUGH (AW)	$242,682	$65,510	$308,193	9,139	$390,582.5		$4,361	5.550	0.000	$393,766	133.75
75	ANAKTUVUK PASS (CITY)	$0	$0	$0	150	$3,500.0	(EST)	$1,106	0.000	0.000	$0	133.75
76	BARROW (CITY)	$38,553	$0	$38,553	2,306	$7,000.0	(EST)	$2,817	0.000	3.000	$215,000	133.75
77	KAKTOVIK (CITY)	$2,057	$0	$2,057	123	$3,500.0	(EST)	$6,173	0.000	0.000	$0	133.75
78	NUIQSUT (CITY)	$0	$0	$0	152	$3,500.0	(EST)	$1,110	0.000	0.000	$0	133.75
79	POINT HOPE (CITY)	$0	$0	$0	384	$3,500.0	(EST)	$2,310	0.000	3.000	$9,000	133.75
80	WAINWRIGHT (CITY)	$0	$0	$0	341	$3,500.0	(EST)	$1,909	0.000	3.000	$9,000	133.75
			TOTAL	$348,803								
81	SITKA BOROUGH	$250,011	$133,982	$383,994	7,650	$23,482.9		$8,178	2.104	2.000	$694,624	103.75
FIRST CLASS CITIES												
82	CORDOVA	$92,691	$119,038	$211,729	2,406	$13,735.5		$7,629	8.515	3.000	$398,062	115.00
83	CRAIG	$15,645	$10,405	$26,050	467	$11,339.7		$6,606	5.839	3.000	$46,515	100.00
84	DILLINGHAM	$53,671	$7,082	$60,754	1,269	$13,507.4		$10,220	15.122	2.600	$171,859	126.25
85	GALENA	$22,365	$19,134	$41,499	631	$4,232.6		$5,871	0.000	2.600	$37,458	133.75
86	HOONAH	$28,715	$0	$28,715	848	$6,288.7		$3,732	0.000	3.000	$46,000	107.50
87	HYDABURG	$7,410	$7,240	$14,650	380	$3,785.3		$1,922	0.000	2.900	$23,000	100.00
88	KAKE	$18,668	$1,587	$20,256	679	$3,526.8		$2,686	0.000	0.270	$2,736	103.75

89	KING COVE	$16,225	$5,050	$21,275	408	$7,018.7		$4,586	2.000	0.270	$8,355 126.25
90	KLAWOCK	$7,914	$6,535	$14,449	323	$3,176.0		$3,230	0.000	1.540	$3,500 100.00
91	NENANA	$19,981	$20,982	$40,963	521	$10,900.6		$5,477	9.160	1.360	$34,631 130.00
92	NOME	$93,012	$190,119	$283,132	2,585	$13,055.2		$10,301	17.393	2.460	$331,000 126.25
93	PELICAN	$3,543	$6,073	$9,616	169	$27,451.3		$3,543	3.201	2.600	$46,000 107.50
94	PETERSBURG	$69,480	$100,115	$169,595	2,126	$16,015.1		$7,683	12.817	0.070	$41,928 103.75
95	SAINT MARY'S	$16,994	$5,200	$22,194	415	$3,409.6		$1,496	0.000	0.000	$0 130.00
96	SKAGWAY	$28,918	$19,618	$48,537	854	$34,953.4		$8,834	9.409	1.800	$101,577 107.50
97	UNALASKA	$17,062	$85,382	$102,445	510	$32,493.2		$8,491	9.590	0.760	$354,846 126.25
98	VALDEZ	$297,683	$119,481	$417,165	7,483	$161,908.5		$16,785	4.436	0.000	$0 118.75
99	ZONE I	$0	$0	$0	6,683	$10,436.7		$16,785	1.887	0.000	$0 118.75
100	ZONE II	$0	$0	$0	700	$35,421.8		$16,785	0.577	0.000	$0 118.75
			TOTAL	$1,099,693							
101	WRANGELL	$109,551	$99,458	$209,010	3,152	$11,928.8		$7,470	5.877	2.556	$349,974 103.75
102	ZONE II	$0	$0	$0	797	$11,747.6		$7,470	2.028	0.000	$0 103.75
103	ZONE III	$0	$0	$0	100	$33,298.7		$7,470	4.114	0.000	$0 103.75
104	ZONE IV	$0	$0	$0	2,250	$11,030.5		$7,470	5.403	0.000	$0 103.75
			TOTAL	$209,010							
105	YAKUTAT	$0	$0	$0	442	$22,962.1		$4,034	11.600	1.860	$46,352 107.50
	SECOND CLASS CITIES										
106	AKIACHAK	$11,274	$19,630	$30,904	354	$9,600.0	(EST)	$2,554	0.000	0.000	$0 130.00
107	AKIAK	$1,072	$0	$1,072	165	$9,600.0	(EST)	$2,207	0.000	0.000	$0 130.00
108	AKOLMIUT	$19,364	$62,757	$82,122	608	$9,600.0	(EST)	$2,599	0.000	1.000	$3,179 130.00
109	ALAKANUK	$16,785	$12,480	$29,265	527	$9,600.0	(EST)	$1,292	0.000	1.000	$6,641 130.00
110	ALEKNAGIK	$0	$0	$0	227	$9,600.0	(EST)	$2,453	0.000	0.000	$0 126.25
111	ALLAKAKET	$2,741	$0	$2,741	164	$9,600.0	(EST)	$2,801	0.000	0.000	$0 133.75
112	AMBLER	$7,691	$14,839	$22,531	217	$9,600.0	(EST)	$2,449	0.000	2.000	$1,907 133.75
113	ANDERSON	$18,544	$13,004	$31,548	470	$9,600.0	(EST)	$7,060	0.000	3.000	$10,108 133.75
114	ANGOON	$9,975	$8,061	$18,036	287	$9,600.0	(EST)	$1,689	0.000	2.000	$7,777 103.75
115	ANIAK	$10,584	$13,575	$24,160	323	$9,600.0	(EST)	$1,297	0.000	0.000	$0 133.75
116	ANVIK	$0	$0	$0	87	$9,600.0	(EST)	$1,368	0.000	0.000	$0 133.75
117	ATMAUTLUAK	$5,383	$5,200	$10,583	169	$9,600.0	(EST)	$3,503	0.000	0.000	$0 130.00
118	BETHEL	$148,462	$116,025	$264,487	3,409	$10,000.0	(EST)	$10,419	0.000	3.000	$430,000 130.00
119	BREVIG MISSION	$2.954	$5,580	$8,534	120	$9,600.0	(EST)	$2,926	0.000	3.000	$0 126.25
120	BUCKLAND	$0	$0	$0	172	$9,600.0	(EST)	$2,942	0.000	2.000	$3,300 133.75
121	CHEFORNAK	$1,872	$0	$1,872	192	$9,600.0	(EST)	$4,482	0.000	0.000	$0 130.00
122	CHEVAK	$9,878	$0	$9,878	447	$9,600.0	(EST)	$2,205	0.000	2.000	$8,000 130.00
123	CHUATHBALUK	$3,866	$5,350	$9,216	118	$9,600.0	(EST)	$1,131	0.000	0.000	$0 133.75
124	CLARK'S POINT	$0	$0	$0	98	$9,600.0	(EST)	$10,459	0.000	0.000	$0 126.25
125	DEERING	$3,276	$5,350	$8,626	100	$9,600.0	(EST)	$5,292	0.000	3.000	$3,393 133.75
126	DELTA JUNCTION	$12,822	$18,779	$31,602	892	$60,000.0	(EST)	$6,461	0.000	0.000	$0 115.00
127	DIOMEDE	$1,278	$5,050	$6,328	135	$9,600.0	(EST)	$3,885	0.000	0.000	$0 126.25
128	EAGLE	$833	$4,071	$4,904	145	$9,746.6		$2,673	2.217	0.000	$0 115.00
129	EEK	$6,211	$0	$6,211	195	$9,600.0	(EST)	$2,811	0.000	2.000	$3,000 130.00
130	EKWOK	$0	$0	$0	109	$9,600.0	(EST)	$4,163	0.000	0.000	$0 126.25
131	ELIM	$6,859	$5,050	$11,909	205	$9,600.0	(EST)	$4,128	0.000	2.000	$3,778 126.25
132	EMMONAK	$12,044	$4,699	$16,744	545	$9,600.0	(EST)	$1,053	0.000	2.000	$23,335 130.00
133	FORT YUKON	$22,578	$30,856	$53,434	637	$9,600.0	(EST)	$4,828	0.000	3.000	$51,000 133.75
134	FORTUNA LEDGE	$5,070	$5,200	$10,270	200	$9,600.0	(EST)	$2,048	0.000	0.000	$0 130.00
135	GAMBELL	$6,241	$0	$6,241	412	$9,600.0	(EST)	$3,976	0.000	3.000	$10,608 126.25
136	GOLOVIN	$0	$0	$0	118	$9,600.0	(EST)	$3,409	0.000	0.000	$0 126.25
137	GOODNEWS BAY	$4,674	$0	$4,674	248	$9,600.0	(EST)	$3,812	0.000	3.000	$2,966 130.00
138	GRAYLING	$2,402	$0	$2,402	167	$9,600.0	(EST)	$1,602	0.000	0.000	$0 133.75
139	HOLY CROSS	$4,111	$13,375	$17,486	212	$9,600.0	(EST)	$1,069	0.000	0.000	$0 133.75
140	HOOPER BAY	$0	$0	$0	590	$9,600.0	(EST)	$1,905	0.000	2.000	$14,323 130.00
141	HUGHES	$1,638	$0	$1,638	98	$9,600.0	(EST)	$2,815	0.000	0.000	$0 133.75
142	HUSLIA	$4,189	$36,587	$40,776	216	$9,600.0	(EST)	$1,936	0.000	0.000	$0 133.75
143	KALTAG	$4,654	$2,226	$6,881	240	$9,600.0	(EST)	$2,214	0.000	0.000	$0 133.75
144	KASAAN	$475	$4,000	$4,475	38	$9,600.0	(EST)	$6,339	0.000	0.000	$0 100.00
145	KIANA	$7,139	$10,405	$17,545	314	$9,600.0	(EST)	$4,094	0.000	0.000	$0 133.75

147	KOBUK	$601	$5,350	$5,951	60	$9,600.0	(EST)	$2,749	0.000	0.000	$0	133.75
148	KOTLIK	$6,276	$5,200	$11,476	284	$9,600.0	(EST)	$1,235	0.000	2.000	$5,300	130.00
149	KOTZEBUE	$113,180	$3,183	$116,363	2,526	$10,000.0	(EST)	$7,524	0.000	3.000	$292,664	133.75
150	KOYUK	$4,949	$5,050	$9,999	160	$9,600.0	(EST)	$2,118	0.000	2.000	$515	126.25
151	KOYUKUK	$829	$5,350	$6,179	124	$9,600.0	(EST)	$6,380	0.000	0.000	$0	133.75
152	KUPREANOF	$0	$0	$0	42	$9,600.0	(EST)	$7,154	0.000	0.000	$0	103.75
153	KWETHLUK	$11,255	$5,200	$16,455	444	$9,600.0	(EST)	$2,457	0.000	0.000	$0	130.00
154	LOWER KALSKAG	$6,912	$5,350	$12,262	195	$9,600.0	(EST)	$1,007	0.000	0.000	$0	133.75
155	MANOKOTAK	$5,539	$0	$5,539	225	$9,600.0	(EST)	$2,540	0.000	2.000	$1,947	126.25
156	MCGRATH	$9,699	$11,816	$21,516	296	$9,600.0	(EST)	$5,445	0.000	0.000	$0	133.75
157	MEKORYUK	$6,338	$5,200	$11,538	184	$9,600.0	(EST)	$3,766	0.000	2.000	$2,275	130.00
158	MOUNTAIN VILLAGE	$17,673	$5,200	$22,873	513	$9,600.0	(EST)	$2,059	0.000	2.000	$23,638	130.00
159	NAPAKIAK	$8,790	$10,036	$18,826	276	$9,600.0	(EST)	$4,856	0.000	2.000	$17,604	130.00
160	NAPASKIAK	$5,323	$0	$5,323	210	$9,600.0	(EST)	$5,969	0.000	0.000	$0	130.00
161	NEWHALEN	$0	$0	$0	89	$9,600.0	(EST)	$5,865	0.000	0.000	$0	126.25
162	NEW STUYAHOK	$0	$0	$0	230	$9,600.0	(EST)	$1,729	0.000	0.000	$0	126.25
163	NEWTOK	$0	$0	$0	124	$9,600.0	(EST)	$4,025	0.000	0.000	$0	130.00
164	NIGHTMUTE	$799	$0	$799	123	$9,600.0	(EST)	$3,046	0.000	2.000	$3,000	130.00
165	NIKOLAI	$568	$7,195	$7,764	85	$9,600.0	(EST)	$1,268	0.000	0.000	$0	133.75
166	NONDALTON	$0	$0	$0	226	$9,600.0	(EST)	$4,318	0.000	0.000	$0	126.25
167	NOORVIK	$18,679	$9,763	$28,443	527	$9,600.0	(EST)	$3,886	0.000	2.000	$11,458	133.75
168	NULATO	$2,213	$8,225	$10,439	331	$9,600.0	(EST)	$3,281	0.000	0.000	$0	133.75
169	PILOT STATION	$10,370	$1,950	$12,320	301	$9,600.0	(EST)	$1,093	0.000	1.000	$743	130.00
170	PLATINUM	$1,879	$0	$1,879	59	$9,600.0	(EST)	$6,000	0.000	0.000	$0	130.00
171	PORT ALEXANDER	$661	$0	$661	51	$9,600.0	(EST)	$9,824	0.000	2.000	$1,237	103.75
172	PORT HEIDEN	$1,405	$50,373	$51,778	89	$9,600.0	(EST)	$4,065	0.000	0.000	$0	126.25
173	QUINHAGAK	$10,013	$5,512	$15,525	395	$9,600.0	(EST)	$3,387	0.000	1.000	$3,936	130.00
174	RUBY	$3,662	$0	$3,662	219	$9,600.0	(EST)	$3,996	0.000	0.000	$0	133.75
175	RUSSIAN MISSION	$410	$1,716	$2,126	158	$9,600.0	(EST)	$8,161	0.000	0.000	$0	130.00
176	SAINT MICHAEL	$5,071	$5,050	$10,121	206	$9,600.0	(EST)	$3,784	0.000	2.000	$0	126.25
177	SAINT PAUL	$16,411	$68,999	$85,410	550	$9,600.0	(EST)	$6,548	0.000	3.000	$30,369	126.25
178	SAND POINT	$14,766	$25,691	$40,458	544	$10,000.0	(EST)	$12,136	0.000	3.000	$67,413	126.25
179	SAVOONGA	$12,651	$5,050	$17,701	409	$9,600.0	(EST)	$4,299	0.000	2.000	$2,561	126.25
180	SCAMMON BAY	$6,147	$0	$6,147	193	$9,600.0	(EST)	$1,336	0.000	2.000	$2,636	130.00
181	SELAWIK	$17,073	$0	$17,073	521	$2,399.9		$3,312	0.000	3.000	$15,662	133.75
182	SHAGELUK	$2,826	$12,070	$14,897	169	$9,600.0	(EST)	$1,778	0.000	0.000	$0	133.75
183	SHAKTOOLIK	$0	$0	$0	160	$9,600.0	(EST)	$3,087	0.000	2.000	$1,404	126.25
184	SHELDON POINT	$0	$0	$0	136	$9,600.0	(EST)	$975	0.000	0.000	$0	130.00
185	SHISHMAREF	$10,906	$8,534	$19,441	326	$9,600.0	(EST)	$3,282	0.000	1.000	$6,835	126.25
186	SHUNGNAK	$4,138	$5,350	$9,488	182	$9,600.0	(EST)	$3,932	0.000	2.000	$3,816	133.75
187	STEBBINS	$9,217	$0	$9,217	298	$9,600.0	(EST)	$3,162	0.000	2.000	$2,963	126.25
188	TANANA	$3,337	$22,169	$25,506	499	$9,600.0	(EST)	$7,534	0.000	1.000	$7,716	133.75
189	TELLER	$4,700	$10,144	$14,844	219	$9,600.0	(EST)	$2,845	0.000	3.000	$2,292	126.25
190	TENAKEE SPRINGS	$4,575	$1,556	$6,131	140	$9,600.0	(EST)	$1,703	0.000	0.000	$0	103.75
191	TOGIAK	$10,315	$0	$10,315	419	$9,600.0	(EST)	$3,114	0.000	2.000	$11,467	126.25
192	TOKSOOK BAY	$10,921	$5,200	$16,121	317	$9,600.0	(EST)	$1,883	0.000	2.000	$6,598	130.00
193	TULUKS	$0	$0	$0	202	$9,600.0	(EST)	$4,241	0.000	0.000	$0	130.00
194	TUNUNAK	$7,580	$5,200	$12,780	299	$9,600.0	(EST)	$2,878	0.000	2.000	$1,503	130.00
195	UNALAKLEET	$11,135	$22,510	$33,645	630	$9,600.0	(EST)	$5,512	0.000	0.000	$0	126.25
196	UPPER KALSKAG	$2,741	$0	$2,741	164	$9,600.0	(EST)	$932	0.000	0.000	$0	133.75
197	WALES	$0	$0	$0	109	$9,600.0	(EST)	$3,431	0.000	1.000	$938	126.25
198	WHITE MOUNTAIN	$0	$0	$0	98	$9,600.0	(EST)	$3,131	0.000	1.000	$0	126.25
199	WHITTIER	$11,249	$22,712	$33,961	292	$12,000.0	(EST)	$13,475	0.000	3.000	$18,000	115.00
200	EXT FIRE AREAS	$0	$66,341	$66,341	1	$1.0		$1	0.000	0.000	$0	100.00
TOTALS		$11,583,955	$6,737,139	$18,321,095								

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

April 26, 1978

Representative Lisa Rudd, Chair
House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

On Wednesday, April 19, the Board of Directors of the Alaska Municipal League voted unanimously, by telephone, in support of the concept embodied in HB 843. However, there was no support for its passage this year.

It was felt there were too many variables which would require further study by the municipalities to determine the long term effect. It would be our hope that the time between now and the next session will provide us ample opportunity to get behind a bill like HB 843.

On this same subject, I am attaching a copy of a notice sent to all our members after conversations with Annette Smith.

Thank you for this opportunity to comment.

Regards,

Jim Rolle
Executive Director

cc: Board of Directors
Legislative Committee

{news and views}

ALASKA MUNICIPAL LEAGUE

204 N. Franklin St. Juneau, Alaska 99801 (907) 586-1325

APRIL 26, 1978

BULLETIN # 78-31

TO: ALL MUNICIPAL MEMBERS

RE: HB 843

Representative Lisa Rudd, Chairman of the House CRA Committee will be holding a workshop on HB 843, Monday, May 8, at 9:00 am in the Governor's Conference Room.

The purpose of the workshop will be to open discussion on the bill so that more understanding can be had in addition to the pros and cons.

Everyone is welcome. If you have any questions, please feel free to call.

Jim Rolle
Executive Director

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B – JUNEAU 99811

April 5, 1978

The Honorable Lisa Rudd, Chair
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

Re: HB 843

You have asked for our opinion concerning the ways in which a Municipality may unduly benefit from the proposed revenue sharing bill (HB 843). The Department analysis of the bill (contained in the 14 March 1978 letter to you) explains very briefly some of the problem areas of the bill. In addition to that letter, Local Government Specialist Bruce Aronson of the Department offers the following comments concerning the ways in which municipalities may manipulate the proposed statute to their own best interest.

1. Enterprise activities (utilities, small boat harbors, etc.) should not be included in the formula. In other words, any sales and/or property taxes levied to support enterprise activities should be excluded from the tax rates. If this is not done, the tax rates might be unfairly inflated, and utility fees would be reduced. The State of Alaska would, in effect, support an activity that should be self-supporting.

2. Since the categories of roads, ice roads, and health services and facilities are retained in the legislation, it hardly seems appropriate to include any locally generated taxes, used to fund these services, under Ch. 88 of the bill. A gross example of this type of situation would be a single purpose service area created for road maintenance being eligible under Ch. 88 of the bill for the basic local tax effort formula funds, and also receiving $1,500 per mile for roads maintained. This dual eligibility would seem to be necessary.

3. A simple and rational approach to establish assessed valuations per capita for second class cities in the unorganized borough would

benefit by a low assessed value per capita number. Our earlier suggestion of averaging the per capita assessed value of municipalities of population less than 750 located in the unorganized borough is still one available alternative.

4. HB 843 arbitrarily multiplies the sales tax rate times 2.3 and adds in the property tax rate (in mills). It would be to any municipality's advantage to analyze the "rate of return" to the municipality under its current tax rates. By altering the sales and property tax rates (and assuming total local revenue is constant) a municipality may be able to gain slightly. A "cure-all" to this problem would be to add all locally collected taxes and divide by the revenue generated from one mill property tax. This new number would be the "millage equivalent". By doing the above, a municipality would not tinker with local tax rates to gain some additional State shared wealth.

5. If a municipality has no local retail stores, and/or property that could be taxed (utilizing a property tax) it would be to the municipality's advantage to "raise" local "taxes" until the maximum local effort factor has reached (25). One estimate by Legislative Affairs indicates that in a small rural city, the local effort factor is reached when a 1½% sales tax is levied. No additional benefit occurs when the number 25 is reached.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

PMc:pc

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

April 6, 1978

Terry - We have received a number of requests for time in Juneau about the interim committee. Any suggestions? Pls. return letter
Lisa

Representative Lisa Rudd
Chairperson, House Community
& Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

The purpose of this letter is to inform your Committee that the Municipal Administration has reviewed HB 843 and would object to further action on this legislation until all affected local governments have been able to thoroughly assess the strengths and weaknesses of the proposed new revenue sharing formula.

The assumption behind HB 843 as the bill is presently drafted appears to be that some municipalities are not receiving a fair share of revenue sharing funds, and, conversely, that other local governments are receiving a disproportionate amount of available dollars to which they are not equitably entitled. Although the first portion of this assumption may be correct, the Anchorage Administration objects strongly to the implication that the Municipality is receiving more under the present revenue sharing program than it should equitably receive. Our calculations indicate that, at present, Anchorage receives approximately 46% of state revenue sharing funds. With approximately 50% of the state's population, the present program is, if anything, slightly inequitable on a per capita basis for Anchorage taxpayers. Under the proposal advanced in HB 843, the percentage of revenue sharing funds for Anchorage would decline to only 40%. Although there may be merit in providing increased assistance to municipalities with a relatively small tax base resource, it seems difficult to justify taking funds from Anchorage that will, in essence, need to be replaced by Anchorage taxpayers. The Committee is, of course, well aware that the existing revenue sharing program has been under funded in recent years. If a need is felt to provide increased assistance to some municipalities, a strong statement from the Legislature calling for 100% funding of the present program would be an appropriate beginning.

Another possible problem with the proposed formula contained in HB 843 is that it would tie a municipality's position in the revenue sharing pool to statewide variables such as statewide assessed value that are largely beyond its control. For example, a major resource development project that might alter variables such as statewide per capita income and assessed value could affect the revenue sharing entitlements of local governments without regard to changes in need for those municipalities. Under HB 843, it is difficult for a municipality to project what its revenue sharing entitlement might be two or three years in the future.

Although Anchorage does not oppose the concept of a new approach to revenue sharing, the formula proposed in HB 843 would so radically depart from the present system and would have such major impacts on local governments, that it should not be adopted without thorough review and input from both small and large municipalities. For example, Anchorage would like to be presented with a series of printouts similar to those accompanying HB 843 showing the relative position of the Municipality under a variety of realistic assumptions about future statewide assessed value and per capita income. Perhaps a study committee consisting of legislators, representatives from the state administration and local governments could study the proposal prior to the commencement of the next Legislature and could respond with recommendations for a new approach to revenue sharing that would be equitable for all parties concerned.

I appreciate the opportunity to comment on this legislation. If the Committee has any questions concerning the above, please contact me at 264-4237.

DEPARTMENT OF LAW

Theodore D. Berns
Municipal Attorney

TDB:gml

Municipality of Anchorage

MEMORANDUM

DATE: March 9, 1978

TO: Ted Berns, Municipal Attorney

FROM: Larry D. Crawford, Director, OMB LDC for LC.

SUBJECT: House Bill NO. 843

The following comments are offered regarding House Bill No. 843 providing for "equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes." Comments from the Finance Department have been incorporated in this memorandum.

GENERAL

Under HB 843, Sections 43.18.010-43.18.050 of the present statutes are repealed. These sections provide the authority for current state-shared revenues. In lieu of this, new Chapters 88 and 89 have been added to Section 29 of the statutes. Chapter 88 deals with a new source of revenue called an "Equalization Entitlement." Chapter 89 provides for the continuation of a portion of the state-shared revenues formerly authorized in Section 43. Exhibit A is a copy of HB No. 843; Exhibit B is a copy of the present statutes authorizing state-shared revenues.

Exhibit C is an analysis of HB 843 prepared by the State Legislative Affairs Agency and contains an attachment (Exhibit D) demonstrating the comparative revenue distribution under current law and HB 843.

A review of HB 843 reveals it to be ambiguous in certain cases as well as presenting redistribution of income approach to state revenue sharing. On the basis of the information made available to us, it appears to be detrimental to the Municipality of Anchorage.

AMBIGUITIES

Many of the ambiguities in HB 843 have been clarified by the analysis contained in Exhibit C. However, some problems remain.

1. Two sections (Sec 29.88.055 & 29.73.060) refer to "fiscal year" without indicating whose fiscal year - - the state or local. Complex calculations will be required because of the different fiscal year periods regardless of which year is implied.

2. Section 29.88.030 would lead one to believe that two series of computations would have to be made for the Municipality of Anchorage - - - one for service areas and another for taxing districts. However, the computations in Exhibit D are based on taxing districts.

3. Exhibit C (page 6) states that in the equalization entitlement, the property tax mill rates and sales tax per cent rates are to be converted to mill equivalents. Where is this so stated in the bill? By converting both factors to mill equivalents, a disproportionate emphasis is placed on the sales tax.

4. In order to determine the equalization entitlement in Exhibit D, the products of the formula in HB 843 have been multiplied by a factor of 2.983535316 - - - what

authorizes such a factor? Without the factor, the equalization entitlement per the formula would have been only $6.1 million. With the factor it becomes $18.3 million.

APPROACH TO STATE REVENUE SHARING

HB 843 presents a redistribution of income approach to the concept of state-shared revenues. The title of the new item of revenue - - - "Equalization Entitlement" - - - provides an insight in itself. The stated purpose of the bill is "to assure that no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state." (Sec 29.88.005). One of the criticisms of the present law stated in Exhibit C (page 3) is that it does not include "ability to pay" considerations. A community with a larger than the state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. It is further stated that the same criticisms can be raised with respect to per capita income differentials from which taxes are paid. The net effect of the formula is to favor economically disadvantaged communities.

EFFECTS ON THE MUNICIPALITY OF ANCHORAGE

1. A municipality will be better off if it is high or low in the various components of the equalization entitlement formula as follows:

Population	High
General Govt. Property Tax Mill Rate	High
Sales Tax % Rate	High
Local Per Capita Income*	Low
Local Per Capita Property Value*	Low

* Compared to state averages

At this point, it may be interesting to compare these state components with the following used in determining federal revenue sharing entitlements and whether a governmental jurisdiction is better off if it is high or low:

Population	High
Tax Effort	High
Relative Income	Low

Both the federal and state components follow the same pattern.

2. Anchorage has both a higher than average per capita income and per capita property value. This is confirmed by Exhibit D which shows Anchorage to have unfavorable income and property value factors in the computation formula compared with most other jurisdictions within the state.

3. The most discriminatory portion of the formula, however, is the sales tax element. Sales taxes receive disproportionate weight in the formula (e.g., a 4% sales tax carries the same weight as a 9.20 mill rate). Using the computations for Anchorage in Exhibit D, Anchorage would be entitled to the following additional revenues under the equalization entitlement at the various indicated sales tax rates:

Sales Tax	Additional Entitlement
2%	$3.3 million
3%	$5.0 million
4%	$6.6 million
5%	$8.3 million

In effect, HB 843 is detrimental to Anchorage for its lack of a sales tax. Although Anchorage does have a 5% hotel and motel tax, no provision for such a selective tax is made in the bill.

4. HB 843 would greatly reduce the degree of local automony. In addition to the effects of the lack of a sales tax, communities would be faced with a new restriction as to use of the state revenues. Under current state statutes (see Exhibit B - Sec. 43.18.010 (f)), state-shared revenues may be expended for any public purpose for which the local government has power to expend public funds, except for a few limitations regarding health facilities revenues. Sec. 29.88.030 of HB 843 contains additional requirements regarding the use of funds for specific service areas and tax zones. Although the new provisions are fairly consistent with the way Anchorage has been allocating past state-shared revenues, we would no longer have the flexibility to do otherwise if the circumstances so warrant.

5. In a rapidly growing area such as Anchorage, the local per capita income and property value would increase at a greater rate than the state average thereby creating an adverse effect in the equalization formula.

6. Total state-shared revenues to Anchorage under the new bill shown on the front page of Exhibit D are $9.2 million compared to $8.4 million using the present law. From that, it would appear that the bill is advantageous to us. However, if you look at the last page of Exhibit D, you will find that these amounts are based on total funding of $25 million for the new bill versus $18.3 million under the present law. Will the state appropriation really increase by nearly $7 million if HB 843 is passed? Since there is nothing to indicate such an increase, if only the current level of $18.3 million is available for distribution, Anchorage's share would be only approximately $6.7 million - - - that's $1.7 million less than under the present law. No matter which figure you use as the base, under HB 843 Anchorage's share of state-shared revenues will diminish from 46% of the state total to only 37%.

OTHER CONSIDERATIONS

The impact of the D-2 lands issue is uncertain at this time - - how will the state-selected lands ultimately affect the state per-capita property value? Major concerns relate to the complex calculations and the Municipality's ability to generate the base data required during the budget process. The problems we have now in getting estimated assessed valuations, population, road mileage and hospital bed and facility figures give us an indication of the problems that would be faced.

LDC/en

Attachments

TO: Rep. Lisa Rudd, Chair
House C&RA Committee

FROM: Steve Ginnis, City manager
City of Fort Yukon

RE: HB 843 City of Ft Yukon revenue sharing increase

In the fiscal year ending June 30th 1977, the City of Ft. Yukon received $56,183.00 in state revenue sharing funds. In addition, sales taxes at the 3 percent maximum allowed brought in an additional $50,148.00 Other sources of revenue (federal revenue sharing, license and permits, fines, state program reimbursement and miscellaneous revenues) brought in an additional $80,688.00 income. However, during that same period expenses for each city department were administration, $139,810.00, the Police Department, $38,170.00, Fire Protection, $2,450.00, Streets and Roads, $40,621.00, Water and Sanitation, $5,978.00, Recreation, $12,904.00, Community TV, $22,141.00, this totals $262,074.00, in expenses against $187,019.00.

In revenue the city was able to partially balance the books by running the only liquor store in town and the net income from that enterprise actively, after all expenses were accrued, was about $34,419.00 In the current fiscal year for 9 months ending March 31, the city has received city sales tax at 3 percent of $30,654.00 and state revenue sharing of $26,877.00, with an additional amount still to be received. Federal revenue sharing has totaled $16,306.00 and other income of $9,942.00 for total revenues of $83,779.00 Received to date however the expenses by Department for the same period are administration, $99,187.00, Police, $27,144.00, Fire protection, $2,333.000, Planning and Zoning, $3,000.00, Parks and Recreation, $7,115.00, Public Works $6,080.00, Sanitation $1,001., Community TV $29,280.00. This totals $175,140.00 in expenses for a net loss of $91,361.00. Only by adding the net earnings for the city liquor store, $103,682.00, for the year, has the city been able to make up some of the deposit for both this year and last. The city is limited by the amount of sales tax it can collect under the 3 percent ceiling. These revenues are also limited by the amount of goods and services that are avialable in the city as well as the disposable income of the revenue. Ft. Yukon is not on the connected road system of the state and tourism is not a large source of income in the community. Many of the residents do much of their retail purchasing in Fairbanks and the city

looses out on the sales tax from those purchases. Ft. Yukon is a hub of transportation and a limited commerce area for the residents of the Yukon Flats,which is the only incorporated city in the region and, although for state revenue sharing purposes, ts population is listed as 637 people, in actuality it may support many more people on a seasonal basis . The state entitlement of $10.00 per resident for police protection provides the city with less than 1/2 of the salary of the Chief of Police even using all of the federal revenue sharing for police protection. The police department must still be supported by other areas of income. This is one area where the city could use additional support. Other notes on expenditures, water and sewer serve of $60.00 per month per customer was rejected by most of the residents of the city. This service could bring in additional income if provided by the city. Cost of road maintenance for FY 77, $40,621.00, Revenue sharing received FY 77 (for that purpose) $30,856.00.

TELEGRAM

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

#

12016 TDFA FT YUKON ALASKA 541 05-09 1030A ADT

PMS REP LISA RUDD

JUN

IN REFERENCE TO HB843 CITY OF FT YUKON REVENUE SHARING INCREASED TESTIMONY

IN THE FISCAL YEAR ENDING JUNE 30TH 1977, THE CITY OF FT YUKON RECEIVED DLRS56,183. IN STATE REVENUE SHARING FUNDS. IN ADDITION SALES TAXES AT THE 3 PERCENT MAXIMUM ALLOWED BROUGHT IN AN ADDITIONAL DLRS50,148.00. OTHER SOURCES OF REVENUE (FEDERAL REVENUE SHARING, LINCENSE AND PERMITS, FINES, STATE PROGRAM REIMBURSEMENT AND MISCELLANEOUS REVENUES) BROUGHT IN AN ADDITIONAL DLRS80,688. INCOME. HOWEVER, DURING THAT SAME PERIOD EXPENSES FOR EACH CITY DEPARTMENT WERE ADMINISTRATION, DLRS139,810., THE POLICE DEPARTMENT DLRS38,170., FIRE PROTECTION DLRS2,450., STREETS AND ROADS DLRS40,621., WATER AND SANITATION DLRS5,978., RECREATION DLRS12,904., COMMUNITY TV DLRS22,141., THIS TOTALS DLRS262,074., IN EXPENSES AGAINST DLRS187,019. IN REVENUE THE CITY WAS ABLE TO PARTIALLY BALANCE THE BOOKS BY RUNNING THE ONLY LIQUOR STORE IN TOWN AND THE NET INCOME FROM THAT ENTERPRISE ACTIVELY, AFTER ALL EXPENSES WERE ACCRUED WAS ABOUT DLRS34,419. THE CURRENT FISCAL YEAR FOR 9 MONTHS ENDING MARCH 31 THE CITY HAS RECEIVED CITY SALES TAX AT 3 PERCENT OF DLRS30,654. AND STATE REVENUE SHARING OF DLRS26,877. WITH AN ADDITIONAL AMOUNT STILL TO BE RECEIVED. FEDERAL REVENUE

SHARING HAS TOTALED DLRS16,306. AND OTHER INCOME OF DLRS9,942. FOR TOTAL REVENUES OF DLRS83,779. RECEIVED TO DATE HOWEVER THE EXPENSES BY DEPARTMENT FOR THE SAME PERIOD ARE ADMINISTRATION, DLRS99,187.; POLICE, DLRS27,144.; FIRE PROECTION, DLRS2,333.; PLANNING AND ZONING , DLRS3,000.; PARKS AND RECREATION, DLRS7,115., PUBLIC WORKS DLRS6,080.; SANITATION DLRS1,001.; COMMUNITY TV DLRS29,280.; THIS TOTALS DLRS175,140. IN EXPENSES FOR A NET LOSS OF DLRS91,361. ONLY BY ADDING THE NET EARNINGS FOR THE CITY LIQUOR STORE DLRS103,682. FOR THE YEAR, HAS THE CITY BEEN ABLE TO MAKE UP SOME OF THE DEPOSIT FOR BOTH THIS YEAR AND LAST. THE CITY IS LIMITED BY THE AMOUNT OF SALES TAX IT CAN COLLECT UNDER THE 3 PERCENT CEILING THESE REVENUES ARE ALSO LIMITED BY THE AMOUNT OF GOODS AND SERVICES THAT ARE AVAILABLE IN THE CITY AS WELL AS THE DISPOSABLE INCOME OF THE REVENUE. FT YUKON IS NOT ON THE CONNECTED ROAD SYSTEM OF THE STATE AND TOURISM IS NOT A LARGE SOURCE OF INCOME IN THE COMMUNITY. MANY OF THE RESIDENTS DO MUCH OF THEIR RETAIL PURCHASING IN FAIRBANKS AND THE CITY LOOSES OUT ON THE SALES TAX FROM THOSE PURCHASES. FT YUKON IS A HUB OF TRANSPORTATION AND LIMITED COMMERCE FOR THE RESIDENTS OF THE YUKON FLATS WHICH IS THE ONLY INCORPORATED CITY IN THE REGION AND ALTHOUGH FOR STATE REVENUE SHARING PURPOSES ITS POPULATION IS LISTED AS 637 PEOPLE IN ACTUALLITY IT MAY SUPPORT MANY MORE PEOPLE ON A SEASONAL BASIS THE STATE ENTITLEMENT OF DLRS10 PER RESIDENT FOR POLICE PROTECTION PROVIDES THE CITY WITH LESS THAN 1/2 OF THE SALARY OF THE CHIEF OF POLICE EVEN USING ALL OF THE FEDERAL REVENUE SHARING FOR POLICY PROTECTION THE POLICE DEPARTMENT MUST STILL BE SUPPORTED BY OTHER AREAS OF INCOME. THIS IS ONE AREA WHERE THE CITY COULD USE ADDITIONAL SUPPORT OTHER NOTES ON EXPENDITURES WATER AND SEWER SERVE OF DLRS60 PER MONTH PER CUSTOMER WAS REJECTED BY MOST OF THE RESIDENTS OF THE CITY. THIS SERVICE COULD BRING IN ADDITIONAL INCOME IF PROVIDED BY THE CITY. COST OF ROAD MAINTENANCE FY77 DLRS40,621. REVENUE SHARING RECEIVED FY77 (FOR THAT PURPOSE) DLRS30,856

STEVE GINNIS CITY MANAGER FT YUKON

Fairbanks Memorial Hospital

1650 Cowles St.
FAIRBANKS, ALASKA 99701

OPERATED BY
LUTHERAN HOSPITALS AND HOMES SOCIETY
FARGO, NORTH DAKOTA 58102

March 20, 1978

The Honorable Lisa Rudd
President, House Community and
Regional Affairs Committee
2827 Lore Road
Anchorage, AK 99507

Dear Representative Rudd:

Fairbanks Memorial Hospital is very interested in House Bill 843 dealing with revenue sharing and hospital construction money. We were wondering whether you had any ideas as to whether this bill has potential for passage during this session.

We do have some comments in regards to this bill if it will be presented in your committee. I might state that Sally Smith, from Fairbanks, has also been apprised of these comments and suggested that we contact your office to determine whether the bill would be acted upon. We encourage you to bring this issue to your committee since there are several sections of the bill which we feel need clarification and restatement, and we feel that since the bill is in the workings, that the current bill should be amended to include our ideas of concern.

Hoping to hear from you.

Sincerely,

Tom Mingen cd

Tom Mingen
Administrator

TM/cd

PC
4-3-78

CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559
543-2297 — Area Code 907

March 29, 1978

Representative Lisa Rudd
Chairperson House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

At the regular City Council Meeting of March 27, 1978, Council passed and approved Resolution No. 231, endorsing House Bill No. 843, "AN ACT PROVIDING FOR EQUALIZATION OF TAX RESOURCES OF MUNICIPALITIES AND CONTINUING A PORTION OF THE PROGRAM OF STATE AND FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE."

Although the present systems for distributing State Revenue Sharing funds does assist municipalities in providing services there exists an incentive in the revenue sharing program for municipalities to increase or improve the service by increasing local taxes. Under the provision of House Bill No. 843, however, this would all change the proposed formula allocation system, increase the amount of revenue sharing if the Community increases its sales tax or property tax.

If your office should have any questions in regard to Bethels position on the piece of legislation do not hisitate to contact me.

Sincerely,

Lyman Hoffman

Lyman Hoffman
City Manager

LH:lf

"Deep Sea Port and Transportation Center of the Kuskokwim"

CITY OF BETHEL
RESOLUTION NO. 231

A RESOLUTION OF THE CITY OF BETHEL, ALASKA ENDORSING "AN ACT PROVIDING FOR EQUALIZATION OF TAX RESOURCES OF MUNICIPALITIES AND CONTINUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE." IN THE FORM OF HOUSE BILL NO. 843.

WHEREAS, House Bill No. 843, would not distribute State Revenue Sharing strictly on a per capita basis with the remaining 25% allocated according to miles of road maintained and number of health facilities and hospitls, but would improve the allocation system and revenue raising for the benefit of home rule and general law municipalities by providing a more equitable allocation of financial resources among municipalities, and to assure no municipality would suffer impoverishment of necessary public services because of chance location of taxable wealth in the State, and

WHEREAS, this bill would accomplish this by implementing an equalization formula that would base entitlement due each municipality on its population, relative to general revenue and local tax efforts, and

WHEREAS, Bethel City Council believes that the passage of this bill would distribute State Revenue Sharing dollars on a much more equitable basis than the system presently utilized.

NOW THEREFORE, be it resolved that the City of Bethel, Alaska endorses House Bill No. 843, "AN ACT PROVIDING FOR EQUALIZATION OF THE TAX RESOURCES OF MUNICIPLITIES AND CONTIUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR A EFFECTIVE DATE.", and would support simular legislation if introduced in the Senate, and

BE IT FURTHER RESOLVED that the City of Bethel encourages the State Legislature to pass and approve this legislation.

PASSED AND APPROVED by the Bethel City Council this 21 day of March, 1978.

APPROVED:

JOHN P. GUINN, MAYOR

ATTEST:

LAURA FRANKE, CITY CLERK

House Community and Regional Affairs Committee
Teleconferenced Hearing
April 5, 1978, 5:00 p.m.

House Bill 843

Members: Rudd, Kelly, Phillips, Loveseth, Snider, Anderson

Visitors & Resource Persons: Commissioner McAnerney, Palmer McCarter, Rep. Mike Miller, Jim Rolle, Marilyn Miller, John Williams, Rep. Gardiner.

Testifiers: Leo Rassmussen, Mayor of Nome; Judy Slajer, Ketchikan Borough Manager; James Veazey, Senior Citizen Ombudsman, Ketchikan; David Jensen, Sand Point and King Cove; Wes Howe, Mat-Su Borough Manager; David Rose, Assemblyman, Anchorage; Tom Mingen, Administrator Fairbanks Memorial Hospital; Nancy Kraning, Assistant City Manager, Bethel.

Leo Rasmussen, Nome: Small communities are farther outside revenue sharing. It seems Nome would get $13,000 more under the old revenue sharing act. The original intent of the present revenue sharing act, to decrease taxation, is good, but it is not working.

Judith Slajer, Ketchikan: Ketchikan Borough believes they can support the concept, but more time is needed to analyse the bill.

James Veazey, Ketchikan Senior Citizens: Senior citizen group is opposed to revenue sharing dollars being allocated for the Ketchikan hospital. The hospital is run by a church organization, but is run as a profit making business. Profit goes to the church organization. The monies should be spent on construction of the hospital facility or better, on such things as badly needed road construction.

Dave Jensen, King Cove and Sand Point: Has some objection to the method of determining the entitlement. It is moving more and more toward the Federal Revenue Sharing Program. Takes particular exception to the per capita income being used in the formula. PCI has no bearing on the equalization of tax resources. Could have a high property value and low income, as in Sand Point. Also noted the COLA differential is not included in the formula computation, but is only inserted afterward. There should be some attempt at equalization of the purchasing power of the dollar in the various areas of the state. Suggested the per capita debt should be included in the formula, that is , the local tax burden.

Wes Howe, Mat-Su Borough: Mat-Su has no strong position at this time. Some observations, however, would include the formula proposed in HB 843 is very complicated which leads to problems with revenue projections as well as citizen understanding. Another problem is with new service areas. Some may not need to have a tax for the service, but without a tax, the proposed act would provide no revenue sharing. The proposed bill would give little incentive to start new municipal services whereas the present program does encourage new services. The bill does not take into account other forms of local effort such as fees and specific taxes. Finally, utilities may be subsidized by taxes in some municipalities currently, and this bill may encourage the continuation of such tax support.

Representative Gardiner: It is not the intent of this bill to encourage or to put pressure on municipalities to increase services. This would be considered a local decision.

Rudd: It would seem that the proposed bill would place a heavy bookkeeping responsibility on municipalities in that the revenue sharing would be allocated by service area. Is this so?

Howe: It is not so much a bookkeeping problem as it is trying to cope with the complicated formula.

Rudd: The present revenue sharing monies do not need to be spent in a particular service area. but the new bill would provide that those revenue sharing dollars allocated for a service area be spent in that area. Is this a problem?

Howe: The policy of the Mat-Su Borough has been and is consistent with the provision of the new bill.

Tom Mingen, Administrator, Fairbanks Memorial Hospital: Expressed concern over revenue sharing hospital construction moneys. A recent attorney general's opinion has stated that revenue sharing construction monies can be for new beds only. Fairbanks hospital's construction plans include not just the addition of beds, but also of additional services. They would like to count on revenue sharing dollars for the new services as well.

Dave Rose, Assemblyman: Stressed that his views are his own at this point, since Assembly has taken no official position. He noted that there is always a finite amount of money approriated for revenue sharing. Under the new bill, Anchorage's percent of the total is decreased. Therefore, their prorated share of the total is less if the appropriation does not fully fund the program. He also noted Anchorage's hotel sales tax should be included in the formula. He liked the simplicity of the present system, compared to the many variables which go into the new bill. Some of these variables may not be available some years, or delayed; e.g., property values are currently on a year delay basis. Finally, the proposed complicated formula may be a detriment to long range fiscal planning. He suggested the bill needs more study by all municipalities and should be held until next session.

Gardiner: He plans to have the C&RA Committee introduce an appropriation bill for $27 million to be passed this year. He will have a sponsor substitute bill to offer which will provide that the program will not go into effect unless it is funded to the tune of $27 million. The sponsor substitute will also include the sales tax millage equivalent computed by revenues.

Rose agreed the appropriation is essential.

Rudd: Has been thinking of the same points. She also believes that the state should stay with the revenue sharing program based on services. It is in the state's best interest to assure that local governments are providing necessary local services.

Rose: The present categorical approach has been a concern for several years, but no one has come up with anything better.

Nancy Kraning, Bethel: The proposed bill is supported by the Bethel City Council which has passed a resolution to that effect. A copy was sent to theC&RA Committee. She noted that a pay out of at least $25 million should be mandatory. She likes the fact that smaller communities getmore revenue sharing monies under this new bill.

Representative Anderson: Noted that the sponsor substitute will include a minimum amount allocated to every community. This was at his request. This will help those communities which currently only get a few thousand dollars in revenue sharing, hardly enough to do an audit.

Carrol Donnelson, Manpower, Bethel: She stated she was a bit confused about the equalization of resources philosophy of the proposed bill when she looked at the projected allocations for communities in her area, only 8 of them received more dollars than presently, some only the same amount.

Gardiner: The bill contains a hold harmless clause for three years so that no community will receive less than they are presently. However, it is the intent that communities without any taxation at all would not receive any revenue sharing monies. Anderson's idea of a minimum amount would assure everyone a share of the pot. This concept was contained in HB 70 and passed by the C&RA Committee so it will likely be accepted in the new sponsor substitute of HB 843. With this minimum even cities with no revenue sharing would get some.

Rudd: One of the main points of the bill is how much a municipality is willing to tax itself to provide services.

There being no further testimony or comments from the committee members, the meeting was adjourned at 6:00 p.m.

February 24, 1978

Report of the Local Government Committee
RurAlCap Citizen Participation Conference

The committee recognized the large number of House and Senate bills, either proposed or already introduced, addressing state, city, and borough needs. In addition, the committee recognized the limited time available to review and comment on these bills.

The committee, therefore, decided to study only those bills of extreme importance, that have the greatest impact on boroughs and cities. The committee, following the advise and suggestion of the assigned Technical Assistant, chose to consider, in detail, the following bills:

see below
- o HB843: "Providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes".
- o SB502 Identical to HB843.

see below — o SB208 "Relating to municipal organization grants".

add non residents — o SSHB75 "Authorizing a borough or city tax on net income".

- o HB~~302~~ "Providing for assessment, levy, and collection of a tax on developed land in the unorganized borough".
- o HB~~309~~ "Exempting certain items from sales tax".
- o HB~~378~~ "Relating to the levy and collection of sales and use tax by municipalities".

The committee, after study and evaluation of the bills identified above, recommended the following:

1. HB843/SB502: The committee supports this bill in principle, with the stipulation that: (a) Section 29.88.010(b) be revised to indicate that the grant made available to a municipality be a minimum of $50,000 in those cases where the indicated formula grant is lower than $50,000, and (b) the last sentence of Section 29.89.010(a) ("No payment may be made...") be eliminated.

2. SB208: The committee supports this bill with the proposed Department of Community and Regional Affairs ammendments relative to dollar amounts available under Section 29.18.180(1) and (2) (please see the attached). Further, the committee feels that a section should be added to provide for pre-planning study grants of up to $50,000 for borough incorporation, and up to $25,000 for city incorporation; provided that: (1) the applicant submit a projected budget, (2) unexpended grant monies be returned to the State, and (3) identification of local governing bodies eligible for pre-planning grants occur.

3. SSHB75: The committee supports the concept of this bill with a stipulation that Section 29.53.500(g) be modified to include transient residents as subject to income tax payment. The concern of the committee is that non-resident wage earners should be taxed on their earned income.

The committee members unanimously agreed that they cannot support HB202, HB509, and HB578 and, therefore, have recommend to the entire Citizen Participation Conference delegation that it not support the bills.

Submitted: February 24, 1978

Committee Chairperson: Mr. Lutena Mulitalo
Facilitator: Mr. Gordon Jackson
Technical Assistant: Mr. Bill Pritchard

STATE SPENDING IMPACT ON LOCAL GOVERNMENT

STATE SPENDING IMPACT ON LOCAL GOVERNMENT

No assessment of, or attempt to monitor, state government growth can be complete without considering the impact of state actions on the state's primary partner in public policy --local government. In a broad sense, especially from the standpoint of public spending, local government is something of an extension of state government onto the local level. The latter is especially true in Alaska.

The generous revenue relationship of the central Alaska government and local governments date back to the Territorial period. The revenue relationship was greatly accelerated in the early 1970s by the availability of surplus revenue --the $900 million. However, the same acceleration is again taking place today in "prospect" of surplus revenue derived from Prudhoe Bay taxes and royalties. For example, in 1977, in one action the Legislature proceeded to wipe out local school construction debt as of July, 1977. Secondly, high on the discussion list is 100% state support of local schools. Two briefly presented figures serve to demonstrate the dramatic degree of state action in the post-1970 period, and in the present period of "prospective" Prudhoe royalty wealth.

First, between 1969 and 1976 the Legislature, in excess of the current rates of funding of the pre-1970's, gave Alaska local governments an estimated additional:

$445 million

The above figure is approximate, with a great deal of argument being possible surrounding any supposition concerning what the rates of funding increases might have been if the $900 million had never existed. However, there are also considerable monies provided to local governments not included in the above figure.

In other words, roughly speaking, a case can be made that half of the $900 million was committed to the benefit of Alaskan local governments and their taxpayers.

Second, in terms of the present, the 1977 school debt pick-up legislation has some far reaching impact on local government.

--Fairbanks principal bond debt . . . . $40.7 million
--(less) Municipally Bonded Projects . .$ 3.0 million

--School debt picked up by state . . . .$37.7 million (est.)
--Net remaining borough liability. . . .$ 3.7 million

However, Fairbanks' actual debt exposure "plus interest" will be $62-million, with all but $3-million (plus interest) being the actual amount the state will pick up on behalf of the borough. In other words, the 1977 action of the legislature will leave the state's second largest borough with only a debt of $3 million plus interest.

The Fairbanks and Anchorage school principal and interest to be picked up by the state as a result of the 1970 and 1977 laws totals about $188-million.

The simple point to be made here is that two enactments (1970 and 1977), have made Alaska local governments virtually debtless. Such a situation is beyond the wildest dreams of policymakers throughout most of the other states.

TOTAL STATE AID TO LOCAL SCHOOLS
1966 - 1977
(in millions)

1966 . . . . . .$16.9	1972 . . . . . .$66.7
1967 . . . . . .$19.4	1973 . . . . . .$69.6
1968 . . . . . .$20.8	1974. . . . . .$78.1
1969 . . . . . .$25.8	1975 . . . . . .$88.8
1970 . . . . . .$35.1	1976 . . . . . $119.6
1971 . . . . . .$64.1	1977 . . . . . $124.4

The chart on the following page breaks school aid down as it impacted Juneau, Anchorage, and Fairbanks between 1966 and 1977.

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STATE EDUCATION AID TO ANCHORAGE, FAIRBANKS, JUNEAU (In Millions)			
	ANCHORAGE	FAIRBANKS	JUNEAU
1966	$ 7.1	$ 2.4	$1.1
1967	$ 8.1	$ 2.7	$1.3
1968	$ 8.9	$ 2.6	$1.3
1969	$11.2	$ 3.3	$1.6
1970	$16.5	$ 4.8	$2.1
1971	$31.0*	$ 9.2*	$4.3*
1972	$29.0	$ 8.4	$4.1
1973	$30.8	$ 8.5	$4.6
1974	$34.8	$ 9.1	$4.9
1975	$38.7	$10.9	$5.4
1976	$45.0	$14.5	$6.4
1977	$49.1	$16.1	$7.1
TOTAL	$301.3-Million	$92.5-Million	$44.2-Million

The above chart shows school aid increasing very marginally in the late 1960s, taking a jump in 1969 after increased severance taxes boosted state income in 1968, again aid increased in 1970 in anticipation of the bonus sale in late 1969, and then state school support approximately doubled for Fairbanks, Anchorage, and Juneau under the Alaska School Foundation Act of 1970.

It should be noted also that Anchorage commands almost half of total state aid to education throughout the schedule.

STATE AID FOR LOCAL SCHOOL CONSTRUCTION DEBT (In Millions)			
Year	Debt Service & Cash Payments	Entitlement (% & Less Cig. Tax)	Authorized Reimbursement
1971	$ 6.1	$ 2.4	$ 1.8
1972	$ 7.3	$ 2.3	$ 2.3
1973	$ 9.7	$ 3.5	$ 3.4
1974	$16.9	$ 7.0	$ 5.7
1975	$18.2	$ 7.6	$ 5.6
1976	$21.6	$ 9.2	$ 8.8
1977	$23.6	$10.1	$ 9.0
1978	$24.2	$10.8	$10.8 (50%)*
1979	$25.4	$23.6	$25.6 (100%)

*Total 71-76 $45.4 million

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The previous chart shows the rate of state pickup of local school construction debt beginning in 1971, and following through until 1978 and 1979 when the state financial outlay will double from $10.8 million per year to $25.6 million.

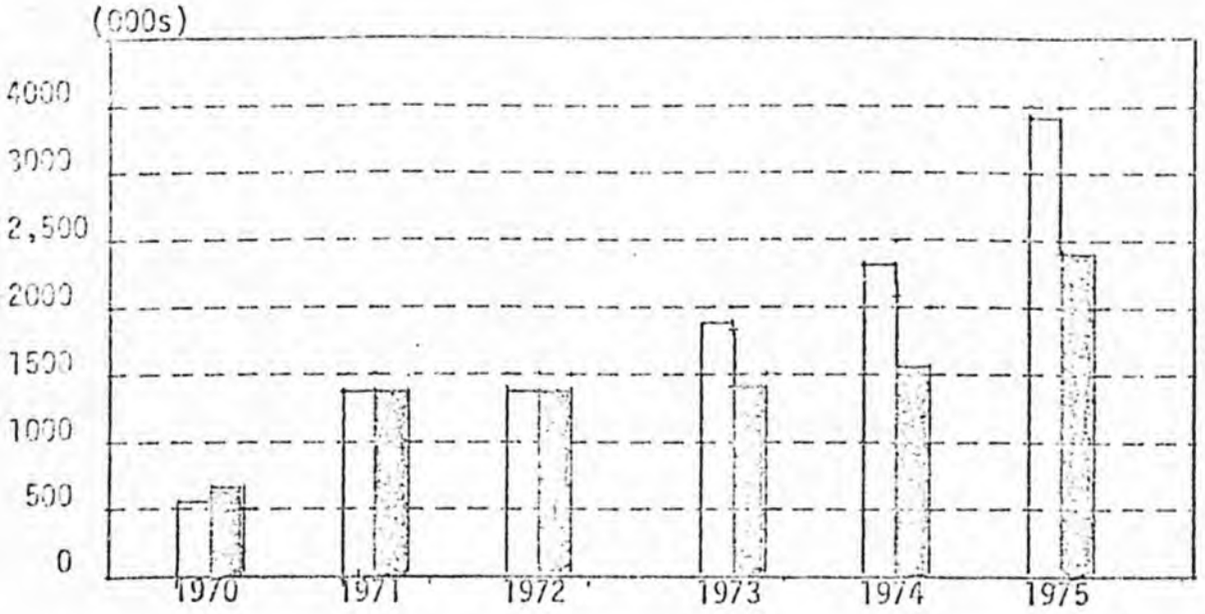
Other sources of direct aid from the state to school districts are also present. For example, at the beginning of the bonus money period the state enacted the State Impact Program, patterned after the federal impact program (PL874), and designed to compensate local school districts for the impact of state employees working in "tax exempt" facilities (industrial tax loss).

For example, a community such as Fairbanks annually collected approximately $500,000 in state impact aid, for a cumulative revenue between 1969 and 1974 of $2.5 million. In addition, local school districts have been fully compensated by the state for school bus costs. Again, using Fairbanks as a localized example, transportation aid in recent years has run about $1 million annually, for a cumulative between 1969 and 1974 of $5.7 million.

Additionally, local communities were receiving substantial state aid under the State General Revenue Sharing Programs, with aid being broken down by areas of responsibility (fire, police, hospital, etc.), being exercised by a city or borough.

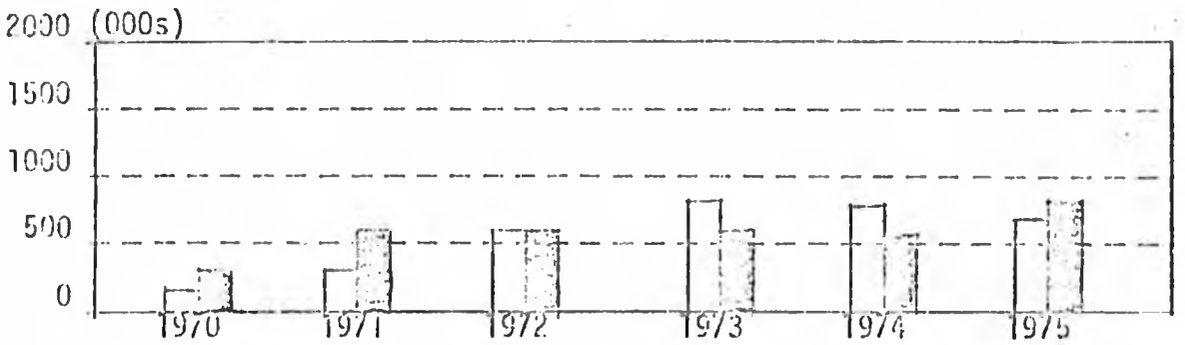
GENERAL MUNICIPAL REVENUE SHARING (in millions)	
1970	$ 2.0
1971	$ 6.3
1972	$ 7.5
1973	$ 7.8
1974	$ 8.3
1975	$12.4
1976	$ -
1977	$16.6

statewide figures



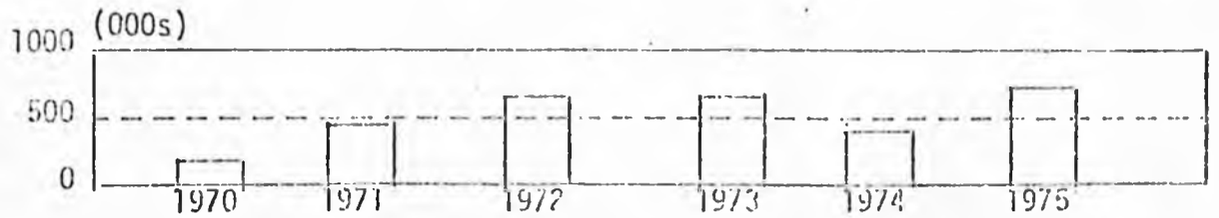
ANCHORAGE MUNICIPAL REVENUE SHARING 1970 - 1975

Borough City



FAIRBANKS MUNICIPAL REVENUE SHARING 1970 - 1975

Borough City



JUNEAU MUNICIPAL REVENUE SHARING 1970 - 1975

Borough (unified government)

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Alaska municipalities in 1969 were in something of a "double trouble" situation. Many were facing a growing restlessness among real property taxpayers, while at the same time they were under a tremendous pressure for expansion and improvements. Real property tax rates had moved generally upward in Alaska communities in the mid-1960s, in part to finance post-statehood growth and optimism, and secondly under the expanded ability to serve brought by the creation of boroughs.

Anchorage was particularly under pressure from growth expansion, with taxes running in the area of 20-mills total, while Fairbanks had experienced a run-up of taxes in the 1960s from fairly modest rates to a total of 26-mills (plus 5% sales tax).

Hence, the beginning of bonus money revenue sharing was both a potential source of tax relief for local taxpayers, and a means of financing the needs of community growth without tax increases. During the period many communities would have an expanding assessed value base to help finance growth, but that increasing assessed value also demonstrates the pressure the community was under. Other communities were simply struggling to catch-up with long unmet needs under the momentum and optimism of statehood. Anchorage perhaps typifies the growth impacted community, struggling to just finance growth needs without increasing taxes, while Fairbanks typified the community simply trying to finance needs for existing population and still experiencing a tax run-up.

The relationship of revenue sharing from the $900-Million can therefore be viewed from a perspective of:

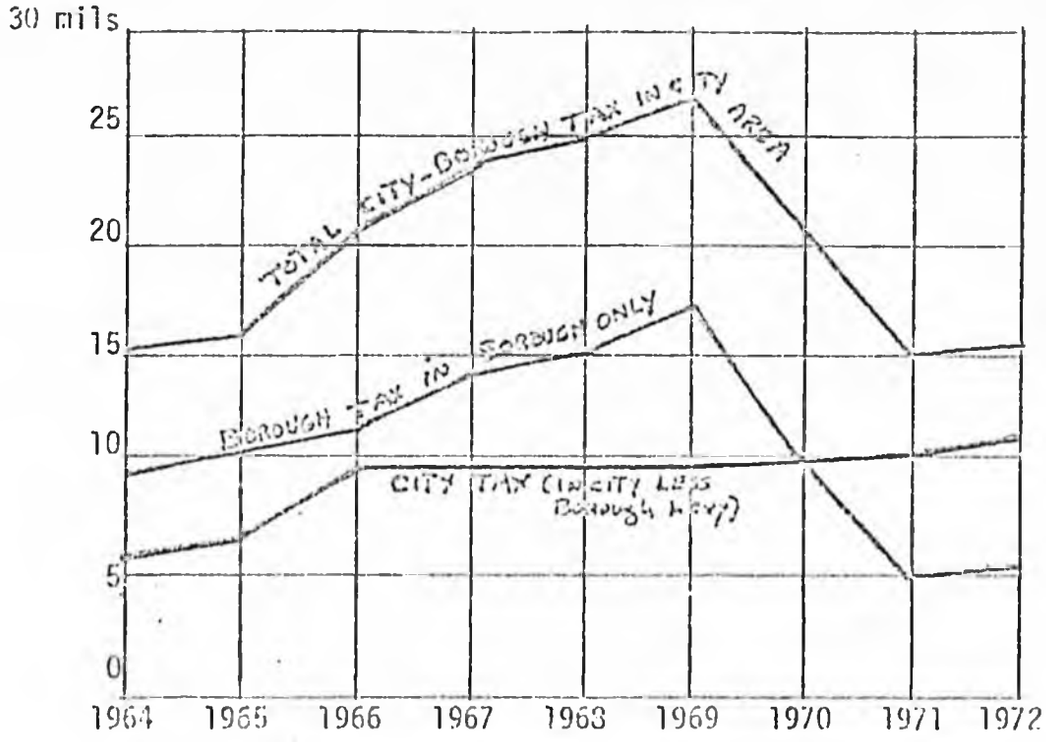
1) Tax reductions by local community

2) Increased services (evidenced by increases in employees)

3) Increased local assessment value as an indicator of local growth pressures.

The following charts focus primarily on Alaska's larger and more sophisticated urban communities, in part because they typify what was happening in the late '60s and early '70s to a majority of Alaskans, and because any attempt to analyze Alaskan local government in terms of an overall view is difficult --local curcumstances of grass roots government in Alaska varies so greatly individualized comparison is difficult if not impossible. However, the view of state action as a catalyst to local government policy by viewing individual communities, at least provides some opportunity for a comprehensive insight to the dramatic influence the state has through revenue sharing.

The following chart provides some insight to the experience of Fairbanks from a real property tax viewpoint in the mid-1960s and the early 1970s. The impact of the state revenue sharing efforts can be seen beginning in 1969.



FAIRBANKS REAL PROPERTY TAXES 1964 - 1972

The Fairbanks graph is perhaps the most dramatic in terms of visability of $900-Million revenue sharing impact. Initially the community optec to take its revenue sharing benefits in the form of real property tax reductions on the borough level. The business of the borough being primarily schools was in a position to take the most advantage in terms of benefits, being the recipient of the major share of revenue sharing through school foundation aid. The general municipal functions of the borough at the time were just beginning to develop.

The City of Fairbanks, which qualified only for general municipal revenue sharing, used revenues to keep its tax rate relatively "level," while expanding some operations at a revenue advantage by shifting powers to the borough, and also through a mildly increasing assessed evaluation base.

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However. Fairbanks by the end of the 1960s was undergoing a genuine tax crisis. The combined borough/city property taxes levied in the city area, grew from a traditional level of about 16-mills in the early 1960's, to a record high of 26-mills in 1969 --only 4-mills short of the state legal limit. The level of taxes in 1969, in fact, generated a "taxpayers revolt" in Fairbanks that did not subside until the middle 1970's, despite the fact that taxes dropped 40% in the city and 60% in the borough area by 1971.

The tax crisis of 1969 in Fairbanks forced the community to take its $900 million benefits largely in tax reductions rather than — expanded services. It was the borough which was able to cut taxes due to the state school support increases. The city on the other hand benefited greatly by the tax cut of the borough, since the relief granted city property owners from the borough cut "relieved tax pressure," and allowed the city to maintain its level of taxation. As a result the city was able to gradually expand services through: 1) increased state revenue sharing, 2) increasing assessed property values, 3) annexation of new areas (and assessed values), and 4) through the gradual shift of city services to the "broader" tax base of the borough.

Generally, the Fairbanks pattern was reflected throughout the state to some degree, with schools able to generate the tax break, so that cities, which generated most "homeowner" services, could expand their taxes and services beneath that shelter of relief.

Fairbanks represented the most extreme crisis of municipalities in 1969. The community had a 26-mill tax level in the city area, and also had a 5% sales tax in the city zone. However, even with such high tax levels the Fairbanks Community was still just struggling to fill out the needs of its basic pre-1964 structure. In other words, like alot of other communities, Fairbanks was simply struggling to "catch up" with needs.

During the period Fairbanks was growing slowly, with the assessed evaluation of the city growing from $90 million in 1964 to $179 million in 1972. The borough's value also doubled from a 1964 level of $150 million in 1964 to a 1972 level of $301 million. However, a large share of the value gains were simply reavaluation of existing properties, as compared with additions of new property values. However, between 1972 and 1974 Fairbanks added another $100 million in value, and with the addition of full pipeline assessed values the community has now soared over the billion dollar assessed value mark. The addition of the pipeline as a rich industrial tax base, has probably resolved Fairbanks' real property tax problems. In just two years Fairbanks went from a prime example of a tax-poor community to a prime example of a tax-rich community.

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The impact of state revenue sharing can also be seen by a quick comparison of the "changing relationships" of the larger revenue sources in the Fairbanks Borough.

FAIRBANKS BOROUGH REVENUE RELATIONSHIPS

State Foundation Act, Sales Tax, Property Tax

Revenue Source	68-69	69-70	70-71	71-72	73-74	74-75
State Fd. Act	$3.5(1)	$4.7(1)	$9.0(1)	$8.2(1)	$9.2(1)	$9.7(1)
Sales Tax	$1.6(3)	$2.0(3)	$2.1(3)	$2.2(2)	$2.6(2)	$3.0(2)
Property Tax	$3.3(2)	$3.3(2)	$2.2(2)	$1.3(3)	$2.2(3)	$2.7(3)

(*) Numbers reflect rank is predominant revenue earner

Viewing the three predominant revenue producers, state school support has been number one since back in the early 1960s, although at times it barely eclipsed property taxes as number two. Sales tax ran third.

However, in 1971-72 the state school support had widened its lead as number one to almost double sales tax and property taxes combined, and property taxes dropped behind sales taxes to third place.

Nor does the above chart show the whole picture. By 1978 the total revenue of the borough coming from other governments had increased to about 70% of total revenue, while traditional sales taxes and property taxes commanded about 25% of total revenue.

An alternate picture is what the impact of new state revenues did to employment by local governments. However, this is a somewhat difficult picture to show because it involves revenue "relief" that affected three inter-related governments, and it also was a period when services were gradually being transfered from the smaller population base or cities to the larger base of the relatively new borough governments.

The following chart shows Fairbanks combined city/borough employment totals. Combining the totals compensates for statistical error inherent in transfers of powers and services from the city to the borough.

TOTAL EMPLOYEES FAIRBANKS CITY AND BOROUGH[1]

1968 - 1975

Government	1968	1969	1970	1971	1972	1973	1974	1975	1976
Borough	40	45	53	69	85	117	137	174	172
Education	399	370	463	478	459	464	471	564	732
City	173	194	237	288	306	263	262	259	-
TOTAL ALL GOVT	612	609	753	835	850	844	870	997	

(1)Does not include School classified employees

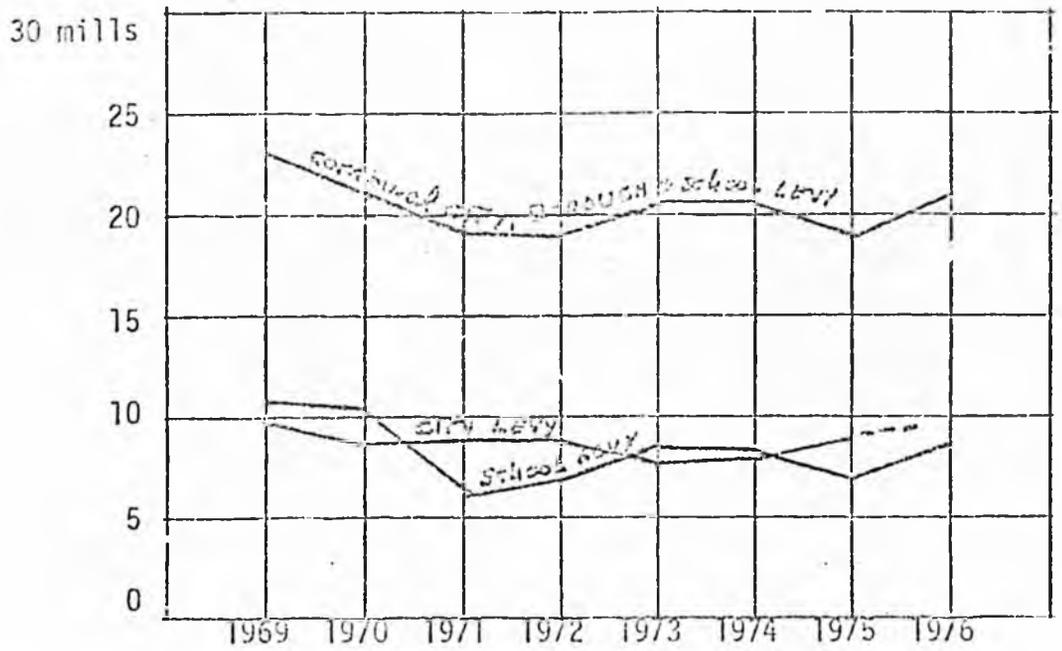
The previous chart shows some employment jumps in the 1969 - 1975 period, and then an increase in the pipeline period. However, during the period the borough's general government growth was in part due to a transfer of function from the city, and the jump in education between 1974 and 1975 was due to the transfer into the system of "on-base" schools (from the state).

THE ANCHORAGE PICTURE

The Anchorage impact due to state revenue transfers is less precise, in part because the expanding Anchorage community took their "relief" from the state largely in the form of expanded services. Anchorage during the period was undergoing a period of rapid expansion, and it is likely that the large infusions of state revenue simply enabled the community to meet new demands without a tax increase.

The Anchorage tax base also rests predominantly on real property taxes, supplemented by a personal property tax. The community does not have a sales tax, a luxury few Alaska municipalities have been able to afford.

The Borough was also much more aggressive in Anchorage in absorbing services (powers) from the city that would be more equitably provided on the expanded tax base of the borough. However, transfers of services tends to distort the indicators of "growing or falling" tax levies, total spending, and numbers of employees. Nevetheless the collective totals tend to show whatever pattern was prevalent. During the period Anchorage's assessed evaluation was also growing significantly, thus expanding the tax base of the community.



ANCHORAGE REAL PROPERTY TAXES 1969 - 1976

The above chart shows the infusion of state revenue sharing in 1969-1976 dropping basically school taxes, allowing the city to drop taxes slightly while increasing services.

ANCHORAGE BOROUGH REVENUE RELATIONSHIPS

Property Taxes and Other Governmental Revenue

Revenue Source	68-69	69-70	70-71	71-72	73-74	74-75
Revenue Other Gov't Sources	$17.4	$24.2	$38.6	$44.	$54.9	$68.1
Property Taxes	$15.8	$14.0	$11.6	$16.5	$33.0	$30.6

(in millions)

The above chart does not reflect total borough revenues. However, it does show the changing revenue relationship from 1968-'69, when property tax revenues almost equaled "other governmental transfers," until 1974-'75 when "other governmental transfers" double property taxes. Total revenues from the two sources went from $36-million (68-69) to $98-million (1974-75).

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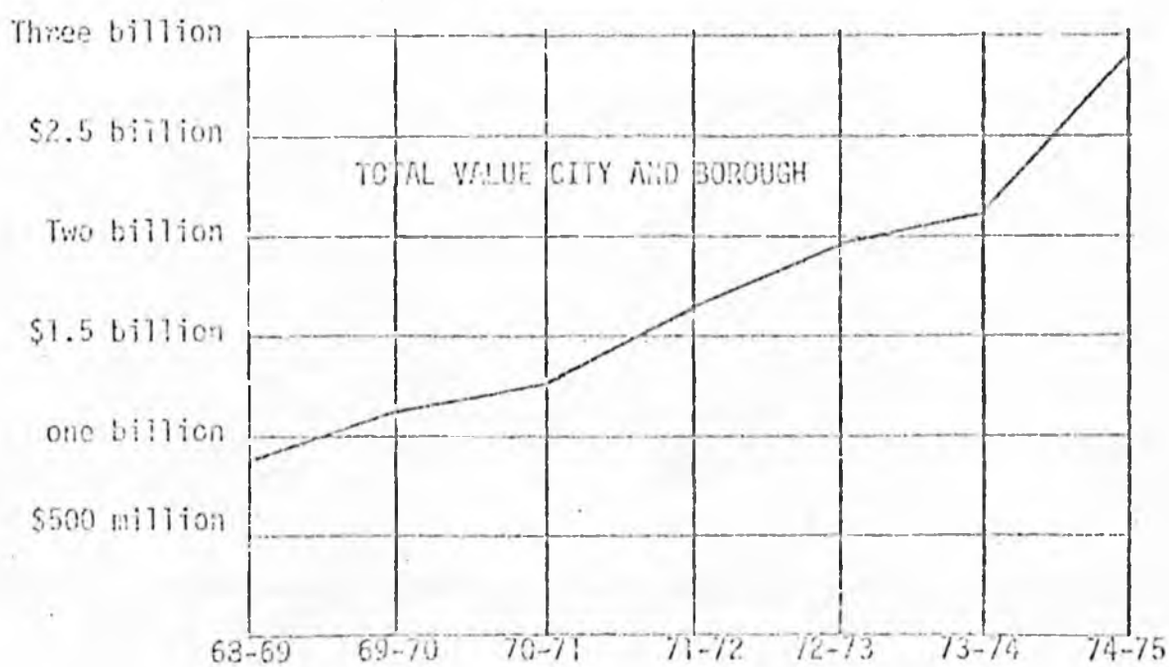
The total spending of the Anchorage Borough went from $34.8 million in 1968-69, to $104.9-million in 1974-'75. Since Anchorage chose rapid expansion of services during the 1963-'75 period, the following charts reflects growth by function and expenditure.

ANCHORAGE BOROUGH GROWTH BY SPENDING AND PROGRAM

1968-'69 to 1974-'75

Program	1968-'69	1971-'72	1974-'75
General Gov.	$2.1 (million)	$6.9 (million)	$13.3 (million)
Health	$409,000	$1.3 "	$ 3.4 "
Public Safety	$627,000	$2.4 "	$ 6.2 "
Consv. Nat. Rcs.	$ 11,740	$704,624	$ 2.0 "
Education	$21.2 (million)	$45.0 (million)	$64.2 (million)
Debt Service	$ 3.5 (million)	$ 8.5 (million)	$14.1 (million)
TOTAL SPENDING	$34.8 million	$65.3 million	$104.9 million



GROWTH ANCHORAGE EVALUATION 1969-'68 to 1974-'75

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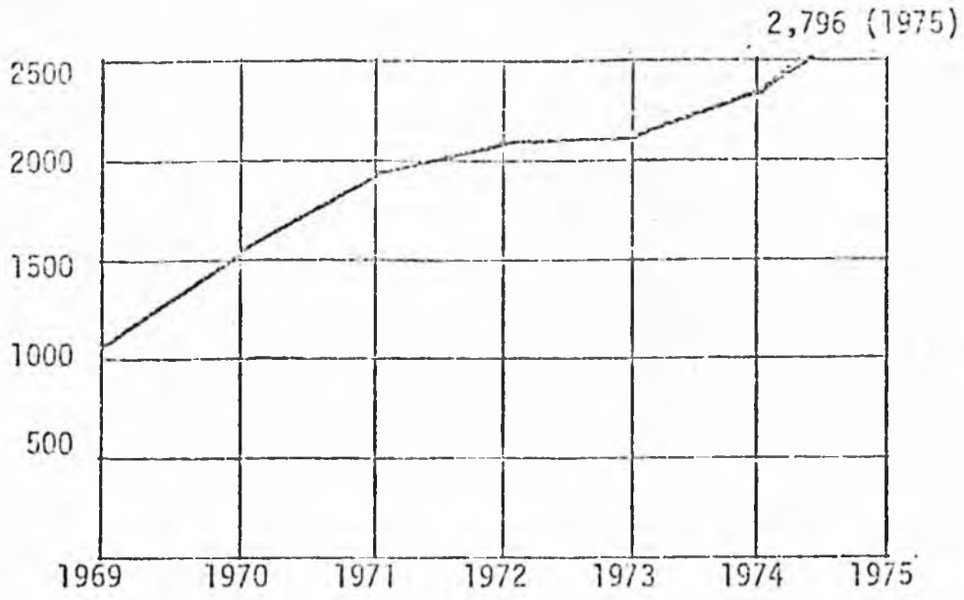

GROWTH BY EMPLOYEES ANCHORAGE CITY AND BOROUGH

The growth in the numbers of employees in the Anchorage city and borough reflected a rapid growth between 1969 and 1971, and then leveled off until 1974.

In general the uniformity of Anchorage real property taxes between 1969 and 1975, the increases in general spending, the growth in assessed value, and the growth in numbers of employees, all reflect a community that was in the midst of expansion. Hence, the impact of state revenue sharing for Anchorage was to moderate the costs of growth and expansion for local taxpayers.

The following schedule provides a history of the program as well as a projection of the total costs:

FY	AVAILABLE APPROPRIATION	FULL FORMULA FUNDING	NUMBER OF APPLICANTS PARTICIPATING
1970	$ 1,000,000 1,020,000 1/	$ 2,015,281	9 boroughs 54 cities
1971	6,500,000	6,333,708	1 unified government 80 cities 8 boroughs 5 fire protection groups
1972	7,085,000 415,000 2/	7,505,497	1 unified government 94 cities 8 boroughs 14 fire protection groups
1973	7,800,000 44,300 3/	8,501,575	2 unified governments 107 cities 7 boroughs 20 fire protection groups
1974	8,777,000	9,544,000	2 unified governments 109 cities 8 boroughs 44 fire protection groups
1975	12,929,000	12,458,626	2 unified governments 119 cities 8 boroughs 48 fire protection groups
1976	15,130,100	14,039,600	3 unified governments 138 cities 8 boroughs 38 fire protection groups
1977	15,113,600 4/	16,969,800 (est.)	3 unified governments 157 cities 8 boroughs 45 fire protection groups

1/ Supplemental appropriation provided by Chapter 1, SLA 1970.
2/ $413,930 of FY 1973 appropriation allocated by 1972 Legislature to provide additional funding for approved entitlements of FY 1972 applicants.
3/ Additional funds provided by Revised Program for health facilties initially determined to be non-qualifying.
4/ The proration factor between full funding and available funding would be approximately 89.06%.

BRU MUNICIPAL SERVICES REVENUE SHARING BRU CODE 07-73-02-01-01 REVISED

2 ANALYTIC STATEMENT

PROPOSED REVENUE SHARING (1977 DATA)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 22, 1978

COLA USED ONLY FOR MODIFYING NON-FER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25 (HOLD HARMLESS NOT APPLIED)
PAYOUT SET TO $25 MILLION (3.0837382) ($5,922,312)($6,737,140)

SN	LOCAL GOV'T	PROPERTY TAX	SALES TAX	PCI RATIO	PROPERTY RATIO	AVE RATIO	LOCAL EFFORT	POP.	PER CAPITA ENTITLEMENT	TOTAL (+ RHM)	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS											
1	ANCHORAGE (AW)	2.93	0.000	0.963	1.70	1.335	3.91	180,653	$2,180,394	$5,056,559	$8,378,557
2	CITY (SA)	7.07	0.000	0.894	1.63	1.266	8.96	67,014	$1,851,952	$1,851,952	$0
3	HILLSIDE (SA)	3.49	0.000	0.871	1.03	0.952	3.32	8,937	$91,671	$91,671	$0
4	SPENARD (SA)	7.34	0.000	0.887	1.50	1.195	8.78	38,816	$1,051,084	$1,051,084	$0
5	GIRDWOOD (SA)	3.35	0.000	0.796	0.82	0.811	2.72	600	$5,034	$5,034	$0
6	GLEN ALPS (SA)	3.37	0.000	0.796	0.80	0.801	2.70	65	$542	$542	$0
7	RICH. VISTA (SA)	7.24	0.000	1.096	11.68	6.389	25.00	1,105	$85,188	$85,188	$0
8	SAND LAKE (SA)	3.97	0.000	0.885	1.85	1.370	5.44	18,915	$317,851	$317,851	$0
9	MULDOON (SA)	4.70	0.000	0.955	2.76	1.861	8.76	23,345	$630,974	$630,974	$0
10	RABBIT CREEK (SA)	3.37	0.000	0.882	1.90	1.393	4.69	6,532	$94,619	$94,619	$0
11	EAGLE RIVER (SA)	2.28	0.000	0.998	2.08	1.541	3.51	7,182	$77,894	$77,894	$0
12	CHUGIAK (SA)	1.28	0.000	0.998	2.83	1.917	2.46	5,876	$44,691	$44,691	$0
13	OCEAN VIEW (SA)	4.86	0.000	0.882	1.78	1.333	6.48	1,894	$37,900	$37,900	$0
14	OTHER SA	0.52	0.000	0.963	0.54	0.752	0.39	372	$453	$453	$0
								TOTAL	$6,470,254	$9,346,419	$8,378,557
15	BRISTOL BAY BOROUGH (AW)	6.15	0.000	0.977	1.88	1.433	8.82	1,311	$35,668	$44,038	$32,370
16	SOUTH NAKNEK SA	1.47	0.000	0.977	0.92	0.950	1.40	175	$756	$756	$0
								TOTAL	$36,424	$44,795	$32,370
17	FAIRBANKS BOROUGH (AW)	1.11	2.000	0.747	1.62	1.186	6.77	60,227	$1,258,900	$1,371,919	$1,200,637
18	BALLAINE LAKE (SA)	0.81	0.000	0.747	4.62	2.686	2.19	168	$1,135	$1,135	$0
19	DIANE (SA)	1.22	0.000	0.747	2.97	1.860	2.28	66	$464	$464	$0
20	WILDVIEW ACRES (SA)	0.82	0.000	0.747	2.24	1.496	1.22	77	$291	$291	$0
21	SMITH RANCH (SA)	1.63	0.000	0.747	3.97	2.359	3.85	438	$5,206	$5,206	$0
22	ENGINEER CREEK (SA)	1.64	0.000	0.747	3.95	2.348	3.85	144	$1,712	$1,712	$0
23	ESTER LUMP (SA)	2.04	0.000	0.747	0.34	0.547	1.12	10	$34	$34	$0
24	NORTH STAR F.P. (SA)	0.87	0.000	0.747	2.07	1.412	1.23	6,500	$24,808	$24,808	$0
25	BECKER RIDGE (SA)	2.35	0.000	0.747	0.70	0.727	1.71	108	$570	$570	$0
26	FAIRBANKS (CITY)	6.94	3.000	0.658	2.40	1.533	21.22	30,462	$1,993,750	$2,506,384	$1,265,807
27	NORTH POLE (CITY)	4.36	3.000	1.197	1.30	1.252	14.10	461	$20,054	$38,546	$29,890
								TOTAL	$3,306,930	$3,951,075	$2,496,336
28	HAINES BOROUGH	1.42	1.000	1.210	2.39	1.803	6.71	1,924	$39,825	$39,825	$0
29	HAINES (CITY)	7.62	3.000	1.325	2.99	2.160	25.00	1,366	$105,309	$121,837	$65,721
								TOTAL	$145,135	$161,663	$65,721
30	JUNEAU (AW)	8.62	1.000	0.847	2.40	1.627	17.78	20,465	$1,122,162	$1,331,192	$751,062
31	JUNEAU SA1	2.78	2.000	0.847	2.30	1.576	11.64	7,259	$260,706	$260,706	$0
32	JUNEAU SA2	1.21	2.000	0.847	3.69	2.272	13.22	1,606	$65,484	$65,484	$0
33	JUNEAU SA3	0.79	0.000	0.847	1.11	0.982	0.77	197	$473	$473	$0
34	JUNEAU SA4	2.88	0.000	0.847	1.60	1.228	3.54	1,370	$14,974	$14,974	$0
35	JUNEAU SA5	2.35	0.000	0.847	2.78	1.816	4.26	8,369	$110,143	$110,143	$0
36	JUNEAU SA6	1.89	0.000	0.847	2.59	1.721	3.25	719	$7,223	$7,223	$0
37	JUNEAU SA7	1.41	0.000	0.847	1.98	1.418	2.00	427	$2,645	$2,645	$0
38	JUNEAU SA8	1.30	0.000	0.847	1.30	1.078	1.41	518	$2,255	$2,255	$0
								TOTAL	$1,586,070	$1,795,100	$751,062

39	KENAI BOROUGH (AW)	0.00	0.000	1.066	0.85	0.953		0.00	24,611	$0	$314,975	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.000	1.066	4.79	2.929		0.55	14,100	$24,201	$24,201	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	1.066	2.63	1.848		3.74	5,300	$61,242	$61,242	$0
42	NORTH KENAI FIRE (SA)	5.43	0.000	1.066	0.41	0.742		4.03	3,512	$43,667	$43,667	$0
43	NORTH KENAI REC (SA)	0.84	0.000	1.066	0.40	0.734		0.62	3,995	$7,686	$7,686	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	1.066	4.52	2.796		15.19	675	$31,623	$31,623	$0
45	HOMER (CITY)	10.82	4.000	1.004	1.80	1.402		25.00	1,802	$138,97	$152,677	$74,774
46	KACHEMAK (CITY)	1.75	0.000	1.872	1.24	1.559		2.72	151	$1,2	$1,271	$0
47	KENAI (CITY)	14.58	4.000	1.051	2.69	1.875		25.00	5,364	$413,529	$477,980	$246,090
48	SELDOVIA (CITY)	16.56	2.000	0.999	3.89	2.448		25.00	612	$47,181	$57,194	$26,132
49	SEWARD (CITY)	17.15	0.000	0.978	3.46	2.223		25.00	2,279	$175,695	$199,956	$96,533
50	SOLDOTNA (CITY)	10.41	3.000	1.074	2.55	1.816		25.00	2,586	$199,363	$238,499	$126,703
									TOTAL	$1,144,383	$1,610,974	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	1.500	1.201	1.81	1.509		12.08	11,490	$428,032	$428,032	$84,555
52	SHORELINE (SA)	1.00	0.000	1.201	3.18	2.195		2.20	550	$3,742	$3,742	$0
53	KETCHIKAN (CITY,	9.67	2.500	1.232	2.18	1.709		25.00	7,928	$611,196	$770,952	$393,632
54	SAXMAN (CITY)	0.00	0.000	2.051	2.85	2.454	(EST)	0.00	272	$0	$4,350	$8,294
									TOTAL	$1,042,971	$1,207,077	$486,481
55	KODIAK BOROUGH (AW)	1.93	0.000	0.934	1.22	1.081		2.09	7,901	$50,973	$217,922	$207,791
56	FIRE DISTRICT (SA)	2.21	0.000	0.934	3.60	2.271		5.02	1,546	$23,975	$23,975	$0
57	ROAD DISTRICT (SA)	0.64	0.000	0.934	3.27	2.106		1.35	312	$1,298	$1,298	$0
58	KODIAK (CITY)	8.82	3.000	0.845	1.49	1.172		18.44	4,960	$282,076	$305,102	$190,984
59	AKHIOK (CITY)	0.00	0.000	2.167	8.57	5.371	(EST)	0.00	102	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	1.132	4.28	2.709	(EST)	0.00	137	$0	$0	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	2.062	4.28	3.174	(EST)	0.00	327	$0	$6,208	$17,281
62	OUZINKIE (CITY)	0.00	3.000	1.768	8.57	5.171	(EST)	25.00	170	$13,105	$13,105	$2,284
63	PORT LIONS (CITY)	0.00	0.000	1.027	4.28	2.657	(EST)	0.00	227	$0	$3,934	$11,133
									TOTAL	$371,430	$571,549	$431,316
64	MAT-SU BOROUGH (AW)	3.17	0.000	1.413	1.29	1.355		4.30	16,724	$221,799	$355,590	$295,973
65	WASILLA FIRE (SA)	0.79	0.000	1.413	3.16	2.286		1.81	3,101	$17,385	$17,385	$0
66	BUTTE FIRE (SA)	0.59	0.000	1.413	2.43	1.926		1.15	1,818	$6,458	$6,458	$0
67	GREATER PALMER (SA)	0.17	0.000	1.413	2.37	1.895		0.32	2,593	$2,637	$2,637	$0
68	SUTTON FIRE (SA)	1.93	0.000	1.413	5.21	3.313		6.40	534	$11,737	$11,737	$0
69	OTHER AREA (SA)	0.18	0.000	1.413	0.79	1.106		0.20	6,231	$3,847	$3,847	$0
70	TALKEETNA FLOOD (SA)	1.99	0.000	1.413	3.99	2.702		5.38	223	$3,702	$3,702	$0
71	GARDEN TERRACE (SA)	4.19	0.000	1.413	1.96	1.690		7.08	57	$1,245	$1,245	$0
72	GODDARD (SA)	1.01	0.000	1.413	1.76	1.587		1.60	29	$143	$143	$0
73	WOODSIDE (SA)	0.95	0.000	1.413	2.25	1.834		1.74	139	$747	$747	$0
74	WILDERNESS VALLEY (SA)	0.94	0.000	1.413	0.94	1.180		1.11	16	$54	$54	$0
75	HOUSTON (CITY)	0.00	0.000	2.093	1.18	1.637		0.00	375	$0	$36,494	$41,357
76	PALMER (CITY)	4.38	2.000	1.326	2.22	1.774		15.93	1,859	$91,370	$117,593	$86,977
77	WASILLA (CITY)	0.81	0.000	1.423	1.83	1.630		1.32	1,566	$6,386	$72,200	$73,937
									TOTAL	$367,517	$629,839	$498,246
78	NORTH SLOPE BOROUGH (AW)	5.99	0.000	1.834	0.10	0.972		5.82	9,139	$164,121	$229,632	$308,193
79	ANAKTUVUK PASS (CITY)	0.00	0.000	7.234	12.24	9.741	(EST)	0.00	150	$0	$0	$0
80	BARROW (CITY)	0.00	3.000	2.840	6.12	4.482	(EST)	25.00	2,306	$177,777	$177,777	$38,553
81	KAKTOVIK (CITY)	0.00	0.000	1.296	12.24	6.772	(EST)	0.00	123	$0	$0	$2,057
82	NUIQSUT (CITY)	0.00	0.000	7.208	12.24	9.728	(EST)	0.00	152	$0	$0	$0
83	POINT HOPE (CITY)	0.00	3.000	3.463	12.24	7.856	(EST)	25.00	384	$29,603	$29,603	$0
84	WAINWRIGHT (CITY)	0.00	2.000	4.191	12.24	8.220	(EST)	25.00	341	$26,288	$26,288	$0
									TOTAL	$397,792	$463,302	$348,803
85	SITKA BOROUGH	2.10	4.000	0.978	1.82	1.402		15.84	7,650	$373,870	$507,853	$383,994
FIRST CLASS CITIES												
86	CORDOVA	8.51	3.000	1.048	3.12	2.085		25.00	2,406	$185,486	$304,525	$211,729
87	CRAIG	5.83	3.000	1.211	3.78	2.495		25.00	467	$36,002	$46,407	$26,050

88	DILLINGHAM	15.12	2.600	0.782	3.17	1.978	25.00	1,269	$97,831	$104,914	$60,754
89	GALENA	0.00	2.700	1.362	10.12	5.745	25.00	631	$48,645	$67,780	$41,499
90	HOONAH	0.00	3.000	2.143	6.81	4.480	25.00	848	$65,375	$65,375	$28,715
91	HYDABURG	0.00	2.500	4.162	11.32	7.744	25.00	380	$29,295	$36,535	$14,650
92	KAKE	0.00	3.000	2.978	12.15	7.567	25.00	679	$52,346	$53,933	$20,256
93	KING COVE	2.00	1.000	1.744	6.10	3.926	16.88	408	$21,243	$26,293	$21,275
94	KLAWOCK	0.00	1.500	2.477	13.49	7.987	25.00	323	$24,901	$31,436	$14,449
95	NENANA	9.16	0.000	1.460	3.93	2.696	24.70	521	$39,689	$60,671	$40,963
96	NOME	17.39	3.000	0.776	3.28	2.030	25.00	2,585	$199,286	$389,406	$283,132
97	PELICAN	3.20	3.000	2.258	1.56	1.909	19.29	169	$10,054	$16,128	$9,616
98	PETERSBURG	12.81	3.750	1.041	2.67	1.859	25.00	2,126	$163,900	$264,016	$169,595
99	SAINT MARY'S	0.00	0.000	5.348	12.57	8.961	0.00	415	$0	$5,200	$22,194
100	SKAGWAY	9.40	3.000	0.905	1.22	1.066	17.38	854	$45,789	$65,408	$48,537
101	UNALASKA	9.59	1.000	0.942	1.31	1.130	13.44	510	$21,146	$106,529	$102,445
102	VALDEZ	4.43	0.000	0.476	0.26	0.370	1.64	7,483	$37,949	$157,430	$417,165
103	ZONE I	1.88	0.000	0.476	4.10	2.292	4.32	6,683	$89,141	$89,141	$0
104	ZONE II	0.57	0.000	0.476	1.21	0.843	0.48	700	$1,050	$1,050	$0
								TOTAL	$128,141	$247,623	$417,165
105	WRANGELL	5.87	2.556	1.071	3.59	2.332	25.00	3,152	$242,998	$342,457	$209,010
106	ZONE II	2.02	0.000	1.071	3.64	2.360	4.78	797	$11,764	$11,764	$0
107	ZONE III	4.11	0.000	1.071	1.28	1.179	4.85	100	$1,496	$1,496	$0
108	ZONE IV	5.40	0.000	1.071	3.88	2.478	13.39	2,250	$92,928	$92,928	$0
								TOTAL	$349,187	$448,646	$209,010
109	YAKUTAT	11.60	1.500	1.983	1.86	1.925	25.00	442	$34,075	$34,075	$0
	SECOND CLASS CITIES										
110	AKIACHAK	0.00	0.000	3.132	12.24	7.690 (EST)	0.00	354	$0	$19,630	$30,904
111	AKIAK	0.00	0.000	3.625	12.24	7.937 (EST)	0.00	165	$0	$0	$1,072
112	AKOLMIUT	0.00	1.000	3.078	12.24	7.663 (EST)	17.62	608	$33,048	$95,806	$82,122
113	ALAKANUK	0.00	1.000	6.192	12.24	9.220 (EST)	21.20	527	$34,465	$46,945	$29,265
114	ALEKNAGIK	0.00	0.000	3.261	12.24	7.755 (EST)	0.00	227	$0	$0	$0
115	ALLAKAKET	0.00	0.000	2.856	12.24	7.552 (EST)	0.00	164	$0	$0	$2,741
116	AMBLER	.00	2.000	3.267	12.24	7.758 (EST)	25.00	217	$16,729	$31,568	$22,531
117	ANDERSON	0.00	3.000	1.1[illegible]	12.24	6.691 (EST)	25.00	470	$36,233	$49,238	$31,548
118	ANGOON	0.00	2.000	4.[illegible]7	12.24	8.493 (EST)	25.00	287	$22,125	$30,187	$18,036
119	ANIAK	0.00	0.000	6.168	12.24	9.208 (EST)	0.00	323	$0	$13,575	$24,160
120	ANVIK	0.00	0.000	5.848	12.24	9.048 (EST)	0.00	87	$0	$0	$0
121	ATMAUTLUAK	0.00	0.000	2.284	12.24	7.266 (EST)	0.00	169	$0	$5,200	$10,583
122	BETHEL	0.00	3.000	0.767	6.12	3.446 (EST)	23.77	3,409	$249,975	$366,000	$264,487
123	BREVIG MISSION	0.00	3.000	2.734	12.24	7.491 (EST)	25.00	120	$9,251	$14,831	$8,534
124	BUCKLAND	0.00	2.000	2.719	12.24	7.484 (EST)	25.00	172	$13,260	$13,260	$0
125	CHEFORNAK	0.00	0.000	1.785	12.24	7.017 (EST)	0.00	192	$0	$0	$1,872
126	CHEVAK	0.00	2.000	3.628	12.24	7.938 (EST)	25.00	447	$34,460	$34,460	$9,878
127	CHUATHBALUK	0.00	0.000	7.074	12.24	9.661 (EST)	0.00	118	$0	$5,350	$9,216
128	CLARK'S POINT	0.00	0.000	0.764	12.24	6.507 (EST)	0.00	98	$0	$0	$0
129	DEERING	0.00	3.000	1.511	12.24	6.880 (EST)	25.00	100	$7,709	$13,059	$8,626
130	DELTA JUNCTION	0.00	0.000	1.238	2.85	2.048 (EST)	0.00	892	$0	$18,779	$31,602
131	DIOMEDE	0.00	0.000	2.059	12.24	7.154 (EST)	0.00	135	$0	$5,050	$6,328
132	EAGLE	2.21	0.000	2.993	4.39	3.695	8.19	145	$3,663	$7,734	$4,904
133	EEK	0.00	2.000	2.846	12.24	7.547 (EST)	25.00	195	$15,033	$15,033	$6,211
134	EKWOK	0.00	0.000	1.921	12.24	7.085 (EST)	0.00	109	$0	$0	$0
135	ELIM	0.00	2.000	1.938	12.24	7.093 (EST)	25.00	205	$15,804	$20,854	$11,909
136	EMMONAK	0.00	2.000	7.598	12.24	9.923 (EST)	25.00	545	$42,015	$46,715	$16,744
137	FORT YUKON	0.00	3.000	1.657	12.24	6.953 (EST)	25.00	637	$49,108	$79,964	$53,434
138	FORTUNA LEDGE	0.00	0.000	3.906	12.24	8.077 (EST)	0.00	200	$0	$5,200	$10,270
139	GAMBELL	0.00	3.000	2.012	12.24	7.130 (EST)	25.00	412	$31,762	$31,762	$6,241
140	GOLOVIN	0.00	0.000	2.347	12.24	7.298 (EST)	0.00	118	$0	$0	$0
141	GOODNEWS BAY	0.00	3.000	2.098	12.24	7.173 (EST)	25.00	248	$19,119	$19,119	$4,674
142	GRAYLING	0.00	0.000	4.994	12.24	8.621 (EST)	0.00	167	$0	$0	$2,402
143	HOLY CROSS	0.00	0.000	7.484	12.24	9.866 (EST)	0.00	212	$0	$13,375	$17,486
144	HOOPER BAY	0.00	2.000	4.200	12.24	8.224 (EST)	25.00	590	$45,485	$45,485	$0

0	145	HUGHES	0.00	0.000	2.842	12.24	7.545	(EST)	0.00	98	$0	$0	$1,638
2	146	HUSLIA	0.00	0.000	4.132	12.24	8.190	(EST)	0.00	216	$0	$36,587	$40,776
3	147	KALTAG	0.00	0.000	3.613	12.24	7.931	(EST)	0.00	240	$0	$2,226	$6,881
4	148	KASAAN	0.00	0.000	1.262	12.24	6.755	(EST)	0.00	38	$0	$4,000	$4,475
4	149	KIANA	0.00	0.000	1.954	12.24	7.101	(EST)	0.00	314	$0	$10,405	$17,545
4	150	KIVALINA	0.00	2.000	2.544	12.24	7.396	(EST)	25.00	208	$16,035	$23,391	$14,172
1	151	KOBUK	0.00	0.000	2.910	12.24	7.579	(EST)	0.00	60	$0	$5,350	$5,951
2	152	KOTLIK	0.00	2.000	6.478	12.24	9.363	(EST)	25.00	284	$21,894	$27,094	$11,476
6	153	KOTZEBUE	0.00	3.000	1.063	6.12	3.593	(EST)	24.79	2,526	$193,167	$196,350	$116,363
1	154	KOYUK	0.00	2.000	3.777	12.24	8.013	(EST)	25.00	160	$12,334	$17,384	$9,999
0	155	KOYUKUK	0.00	0.000	1.254	12.24	6.751	(EST)	0.00	124	$0	$5,350	$6,179
0	156	KUPREANOF	0.00	0.000	1.118	12.24	6.683	(EST)	0.00	42	$0	$0	$0
5	157	KWETHLUK	0.00	0.000	3.256	12.24	7.752	(EST)	0.00	444	$0	$5,200	$16,455
2	158	LOWER KALSKAG	0.00	0.000	7.945	12.24	10.097	(EST)	0.00	195	$0	$5,350	$12,262
2	159	MANOKOTAK	0.00	2.000	3.150	12.24	7.699	(EST)	25.00	225	$17,346	$17,346	$5,539
6	160	MCGRATH	0.00	0.000	1.469	12.24	6.859	(EST)	0.00	296	$0	$11,816	$21,516
5	161	MEKORYUK	0.00	2.000	2.124	12.24	7.186	(EST)	25.00	184	$14,185	$19,385	$11,538
4	162	MOUNTAIN VILLAGE	0.00	2.000	3.885	12.24	8.067	(EST)	25.00	513	$39,548	$44,748	$22,873
3	163	NAPAKIAK	0.00	2.000	1.647	12.24	6.948	(EST)	25.00	276	$21,277	$31,313	$18,826
1	164	NAPASKIAK	0.00	0.000	1.340	12.24	6.794	(EST)	0.00	210	$0	$0	$5,323
1	165	NEWHALEN	0.00	0.000	1.364	12.24	6.806	(EST)	0.00	89	$0	$0	$0
1	166	NEW STUYAHOK	0.00	0.000	4.627	12.24	8.438	(EST)	0.00	230	$0	$0	$0
0	167	NEWTOK	0.00	0.000	1.987	12.24	7.118	(EST)	0.00	124	$0	$0	$0
2	168	NIGHTMUTE	0.00	2.000	2.626	12.24	7.437	(EST)	25.00	123	$9,482	$9,482	$799
2	169	NIKOLAI	0.00	0.000	6.309	12.24	9.279	(EST)	0.00	85	$0	$7,195	$7,764
2	170	NONDALTON	0.00	0.000	1.852	12.24	7.051	(EST)	0.00	226	$0	$0	$0
4	171	NOORVIK	0.00	2.000	2.058	12.24	7.154	(EST)	25.00	527	$40,628	$50,392	$28,443
0	172	NULATO	0.00	0.000	2.438	12.24	7.343	(EST)	0.00	331	$0	$8,225	$10,439
5	173	PILOT STATION	0.00	0.000	7.320	12.24	9.784	(EST)	0.00	301	$0	$1,950	$12,320
0	174	PLATINUM	0.00	0.000	1.333	12.24	6.791	(EST)	0.00	59	$0	$0	$1,879
2	175	PORT ALEXANDER	0.00	2.000	0.814	12.24	6.531	(EST)	25.00	51	$3,931	$3,931	$661
1	176	PORT HEIDEN	0.00	0.000	1.968	12.24	7.108	(EST)	0.00	89	$0	$50,373	$51,778
	177	QUINHAGAK	0.00	1.000	2.362	12.24	7.305	(EST)	16.80	395	$20,467	$25,979	$15,525
	178	RUBY	0.00	0.000	2.002	12.24	7.125	(EST)	0.00	219	$0	$0	$3,662
	179	RUSSIAN MISSION	0.00	0.000	0.980	12.24	6.614	(EST)	0.00	158	$0	$1,716	$2,126
	180	SAINT MICHAEL	0.00	2.000	2.114	12.24	7.181	(EST)	25.00	206	$15,881	$20,931	$10,121
	181	SAINT PAUL	0.00	3.000	1.221	12.24	6.735	(EST)	25.00	550	$42,401	$111,400	$85,410
	182	SAND POINT	0.00	3.000	0.659	4.28	2.473	(EST)	17.06	544	$28,627	$54,319	$40,458
	183	SAVOONGA	0.00	2.000	1.861	12.24	7.055	(EST)	25.00	409	$31,531	$36,581	$17,701
	184	SCAMMON BAY	0.00	2.000	5.988	12.24	9.118	(EST)	25.00	193	$14,879	$14,879	$6,147
	185	SELAWIK	0.00	3.000	2.415	17.86	10.139		25.00	521	$40,165	$40,165	$17,073
	186	SHAGELUK	0.00	0.000	4.500	12.24	8.374	(EST)	0.00	169	$0	$12,070	$14,897
	187	SHAKTOOLIK	0.00	2.000	2.591	12.24	7.420	(EST)	25.00	160	$12,334	$12,334	$0
	188	SHELDON POINT	0.00	0.000	8.206	12.24	10.227	(EST)	0.00	136	$0	$0	$0
	189	SHISHMAREF	0.00	1.000	2.437	12.24	7.343	(EST)	16.88	326	$16,979	$25,513	$19,441
	190	SHUNGNAK	0.00	2.000	2.034	12.24	7.141	(EST)	25.00	182	$14,031	$19,381	$9,488
	191	STEBBINS	0.00	2.000	2.530	12.24	7.389	(EST)	25.00	298	$22,973	$22,973	$9,217
	192	TANANA	0.00	1.000	1.061	12.24	6.655	(EST)	15.30	499	$23,555	$45,724	$25,506
	193	TELLER	0.00	3.000	2.812	12.24	7.530	(EST)	25.00	219	$16,883	$27,027	$14,844
	194	TENAKEE SPRINGS	0.00	0.000	4.698	12.24	8.473	(EST)	0.00	140	$0	$1,556	$6,131
	195	TOGIAK	0.00	2.000	2.569	12.24	7.409	(EST)	25.00	419	$32,302	$32,302	$10,315
	196	TOKSOOK BAY	0.00	2.000	4.249	12.24	8.249	(EST)	25.00	317	$24,438	$29,638	$16,121
	197	TULUKSAK	0.00	0.000	1.886	12.24	7.067	(EST)	0.00	202	$0	$0	$0
	198	TUNUNAK	0.00	2.000	2.780	12.24	7.514	(EST)	25.00	299	$23,050	$28,250	$12,780
	199	UNALAKLEET	0.00	0.000	1.451	12.24	6.850	(EST)	0.00	630	$0	$22,510	$33,645
	200	UPPER KALSKAG	0.00	0.000	8.584	12.24	10.416	(EST)	0.00	164	$0	$0	$2,741
	201	WALES	0.00	0.000	2.331	12.24	7.290	(EST)	0.00	109	$0	$0	$0
	202	WHITE MOUNTAIN	0.00	1.000	2.555	12.24	7.402	(EST)	17.02	98	$5,145	$5,145	$0
	203	WHITTIER	0.00	3.000	0.593	3.57	2.083	(EST)	14.37	292	$12,943	$35,655	$33,961
	204	EXT FIRE AREAS	0.00	0.000	#.###	##.##	##.###		0.00	0	$0	$66,341	$66,341
										TOTAL	$18,262,861	$25,000,000	$18,321,095

HOUSE BILL NO. 843 (1977 DATA)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 23, 1978

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25
PAYOUT SET TO $25 MILLION (3.0837382) (.98213292)

	LOCAL GOV'T	PROPERTY TAX	SALES TAX	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	SECTION 9 ADD ON	HB843 ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS									
1	ANCHORAGE (AW)	2.93	0.000	180,653	$2,180,394	$2,876,165	$0	$4,966,213	$8,378,557
2	CITY (SA)	7.07	0.000	67,014	$1,851,952	$0	$0	$1,818,863	$0
3	HILLSIDE (SA)	3.49	0.000	8,937	$91,671	$0	$0	$90,033	$0
4	SPENARD (SA)	7.34	0.000	38,816	$1,051,084	$0	$0	$1,032,305	$0
5	GIRDWOOD (SA)	3.35	0.000	600	$5,034	$0	$0	$4,944	$0
6	GLEN ALPS (SA)	3.37	0.000	65	$542	$0	$0	$532	$0
7	RICH. VISTA (SA)	7.24	0.000	1,105	$85,188	$0	$0	$83,666	$0
8	SAND LAKE (SA)	3.97	0.000	18,915	$317,851	$0	$0	$312,172	$0
9	MULDOON (SA)	4.70	0.000	23,345	$630,974	$0	$0	$619,701	$0
10	RABBIT CREEK (SA)	3.37	0.000	6,532	$94,619	$0	$0	$92,928	$0
11	EAGLE RIVER (SA)	2.28	0.000	7,182	$77,894	$0	$0	$76,503	$0
12	CHUGIAK (SA)	1.28	0.000	5,876	$44,691	$0	$0	$43,893	$0
13	OCEAN VIEW (SA)	4.86	0.000	1,894	$37,900	$0	$0	$37,223	$0
14	OTHER SA	0.52	0.000	372	$453	$0	$0	$445	$0
				TOTAL	$6,470,254	$2,876 165		$9,179,426	$8,378,557
15	BRISTOL BAY BOROUGH (AW)	6.15	0.000	1,311	$35,668	$8,370	$0	$43,251	$32,370
16	SOUTH NAKNEK SA	1.47	0.000	175	$756	$0	$0	$743	$0
				TOTAL	$36,424	$8,370		$43,994	$32,370
17	FAIRBANKS BOROUGH (AW)	1.11	2.000	60,227	$1,258,900	$113,018	$0	$1,347,406	$1,200,637
18	BALLAINE LAKE (SA)	0.81	0.000	168	$1,135	$0	$0	$1,115	$0
19	DIANE (SA)	1.22	0.000	66	$464	$0	$0	$456	$0
20	WILDVIEW ACRES (SA)	0.82	0.000	77	$291	$0	$0	$286	$0
21	SMITH RANCH (SA)	1.63	0.000	438	$5,206	$0	$0	$5,113	$0
22	ENGINEER CREEK (SA)	1.64	0.000	144	$1,712	$0	$0	$1,682	$0
23	ESTER LUMP (SA)	2.04	0.000	10	$34	$0	$0	$33	$0
24	NORTH STAR F.P. (SA)	0.87	0.000	6,500	$24,808	$0	$0	$24,364	$0
25	BECKER RIDGE (SA)	2.35	0.000	108	$570	$0	$0	$560	$0
26	FAIRBANKS (CITY)	6.94	3.000	30,462	$1,993,750	$512,634	$0	$2,461,602	$1,265,807
27	NORTH POLE (CITY)	4.36	3.000	461	$20,054	$18,492	$0	$37,858	$29,890
				TOTAL	$3,306,930	$644,144		$3,880,480	$2,496,336
28	HAINES BOROUGH	1.42	1.000	1,924	$39,825	$0	$0	$39,114	$0
29	HAINES (CITY)	7.62	3.000	1,366	$105,309	$16,528	$0	$119,660	$65,721
				TOTAL	$145,135	$16,528		$158,775	$65,721
30	JUNEAU (AW)	8.62	1.000	20,465	$1,122,162	$209,030	$0	$1,307,408	$751,062
31	JUNEAU SA1	2.78	2.000	7,259	$260,706	$0	$0	$256,048	$0
32	JUNEAU SA2	1.21	2.000	1,606	$65,484	$0	$0	$64,314	$0
33	JUNEAU SA3	0.79	0.000	197	$473	$0	$0	$465	$0
34	JUNEAU SA4	2.88	0.000	1,370	$14,974	$0	$0	$14,707	$0
35	JUNEAU SA5	2.35	0.000	8,369	$110,143	$0	$0	$108,175	$0
36	JUNEAU SA6	1.89	0.000	719	$7,223	$0	$0	$7,094	$0
37	JUNEAU SA7	1.41	0.000	427	$2,645	$0	$0	$2,597	$0
38	JUNEAU SA8	1.30	0.000	518	$2,255	$0	$0	$2,215	$0
				TOTAL	$1,586,070	$209,030		$1,763,026	$751,062

39	KENAI BOROUGH (AW)	0.00	0.000	24,611	$0	$314,975	$0	$309,347	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.000	14,100	$24,201	$0	$0	$23,768	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	5,300	$61,242	$0	$0	$60,148	$0
42	NORTH KENAI FIRE (SA)	5.43	0.000	3,512	$43,667	$0	$0	$42,887	$0
43	NORTH KENAI REC (SA)	0.84	0.000	3,995	$7,686	$0	$0	$7,548	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	675	$31,623	$0	$0	$31,057	$0
45	HOMER (CITY)	10.82	4.000	1,802	$138,922	$13,754	$0	$149,949	$74,774
46	KACHEMAK (CITY)	1.75	0.000	151	$1,271	$0	$0	$1,248	$0
47	KENAI (CITY)	14.58	4.000	5,364	$413,529	$64,451	$0	$469,440	$246,090
48	SELDOVIA (CITY)	16.56	2.000	612	$47,181	$10,013	$0	$56,172	$26,132
49	SEWARD (CITY)	17.15	0.000	2,279	$175,695	$24,260	$0	$196,383	$96,533
50	SOLDOTNA (CITY)	10.41	3.000	2,586	$199,363	$39,135	$0	$234,237	$126,703
				TOTAL	$1,144,383	$466,590		$1,582,190	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	1.500	11,490	$428,032	$0	$0	$420,384	$84,555
52	SHORELINE (SA)	1.00	0.000	550	$3,742	$0	$0	$3,675	$0
53	KETCHIKAN (CITY)	9.67	2.500	7,928	$611,196	$159,756	$0	$757,178	$393,632
54	SAXMAN (CITY)	0.00	0.000	272	$0	$4,350	$3,944	$8,145	$8,294
				TOTAL	$1,042,971	$164,106		$1,189,384	$486,481
55	KODIAK BOROUGH (AW)	1.93	0.000	7,901	$50,973	$166,949	$0	$214,029	$207,791
56	FIRE DISTRICT (SA)	2.21	0.000	1,546	$23,975	$0	$0	$23,547	$0
57	ROAD DISTRICT (SA)	0.64	0.000	312	$1,298	$0	$0	$1,275	$0
58	KODIAK (CITY)	8.82	3.000	4,960	$282,076	$23,026	$0	$299,651	$190,984
59	AKHIOK (CITY)	0.00	0.000	102	$0	$0	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	137	$0	$0	$1,841	$1,808	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	327	$0	$6,208	$11,073	$16,972	$17,281
62	OUZINKIE (CITY)	0.00	3.000	170	$13,105	$0	$0	$12,871	$2,284
63	PORT LIONS (CITY)	0.00	0.000	227	$0	$3,934	$7,199	$10,934	$11,133
				TOTAL	$371,430	$200,118		$581,092	$431,316
64	MAT-SU BOROUGH (AW)	3.17	0.000	16,724	$221,799	$133,790	$0	$349,236	$295,973
65	WASILLA FIRE (SA)	0.79	0.000	3,101	$17,385	$0	$0	$17,075	$0
66	BUTTE FIRE (SA)	0.59	0.000	1,818	$6,458	$0	$0	$6,343	$0
67	GREATER PALMER (SA)	0.17	0.000	2,593	$2,637	$0	$0	$2,590	$0
68	SUTTON FIRE (SA)	1.93	0.000	594	$11,737	$0	$0	$11,528	$0
69	OTHER AREA (SA)	0.18	0.000	6,231	$3,847	$0	$0	$3,779	$0
70	TALKEETNA FLOOD (SA)	1.99	0.000	223	$3,702	$0	$0	$3,636	$0
71	GARDEN TERRACE (SA)	4.19	0.000	57	$1,245	$0	$0	$1,223	$0
72	GODDARD (SA)	1.01	0.000	29	$143	$0	$0	$141	$0
73	WOODSIDE (SA)	0.95	0.000	139	$747	$0	$0	$734	$0
74	WILDERNESS VALLEY (SA)	0.94	0.000	16	$54	$0	$0	$53	$0
75	HOUSTON (CITY)	0.00	0.000	375	$0	$36,494	$4,863	$40,618	$41,357
76	PALMER (CITY)	4.38	2.000	1,859	$91,370	$26,222	$0	$115,492	$86,977
77	WASILLA (CITY)	0.81	0.000	1,566	$6,386	$65,813	$1,737	$72,616	$73,937
				TOTAL	$367,517	$262,321		$625,069	$498,246
78	NORTH SLOPE BOROUGH (AW)	5.99	0.000	9,139	$164,121	$65,510	$78,560	$302,686	$308,193
79	ANAKTUVUK PASS (CITY)	0.00	0.000	150	$0	$0	$0	$0	$0
80	BARROW (CITY)	0.00	3.000	2,306	$177,777	$0	$0	$174,601	$38,553
81	KAKTOVIK (CITY)	0.00	0.000	123	$0	$0	$2,057	$2,020	$2,057
82	NUIQSUT (CITY)	0.00	0.000	152	$0	$0	$0	$0	$0
83	POINT HOPE (CITY)	0.00	3.000	384	$29,603	$0	$0	$29,074	$0
84	WAINWRIGHT (CITY)	0.00	2.000	341	$26,288	$0	$0	$25,819	$0
				TOTAL	$397,792	$65,510		$534,202	$348,803
85	SITKA BOROUGH	2.10	4.000	7,650	$373,870	$133,982	$0	$498,779	$383,994
	FIRST CLASS CITIES								
86	CORDOVA	8.51	3.000	2,406	$185,486	$119,038	$0	$299,084	$211,729
87	CRAIG	5.83	3.000	467	$36,002	$10,405	$0	$45,578	$26,050

88	DILLINGHAM	15.12	2.600	1,269	$97,831	$7,082	$0	$103,039	$60,754
89	GALENA	0.00	2.700	631	$48,645	$19,134	$0	$66,569	$41,499
90	HOONAH	0.00	3.000	848	$65,375	$0	$0	$64,207	$28,715
91	HYDABURG	0.00	2.500	380	$29,295	$7,240	$0	$35,882	$14,650
92	KAKE	0.00	3.000	679	$52,346	$1,587	$0	$52,970	$20,256
93	KING COVE	2.00	1.000	408	$21,243	$5,050	$0	$25,823	$21,275
94	KLAWOCK	0.00	1.500	323	$24,901	$6,535	$0	$30,874	$14,449
95	NENANA	9.16	0.000	521	$39,683	$20,982	$0	$59,587	$40,963
96	NOME	17.39	3.000	2,585	$199,286	$190,119	$0	$382,448	$283,132
97	PELICAN	3.20	3.000	169	$10,054	$6,073	$0	$15,840	$9,616
98	PETERSBURG	12.81	3.750	2,126	$163,900	$100,115	$0	$259,299	$169,595
99	SAINT MARY'S	0.00	0.000	415	$0	$5,200	$16,994	$21,798	$22,194
100	SKAGWAY	9.40	3.000	854	$45,789	$19,618	$0	$64,240	$48,537
101	UNALASKA	9.59	1.000	510	$21,146	$85,382	$0	$104,625	$102,445
102	VALDEZ	4.43	0.000	7,483	$37,949	$119,481	$169,542	$321,130	$417,165
103	ZONE I	1.88	0.000	6,683	$89,141	$0	$0	$87,548	$0
104	ZONE II	0.57	0.000	700	$1,050	$0	$0	$1,031	$0
				TOTAL	$128,141	$119,481		$409,711	$417,165
105	WRANGELL	5.87	2.556	3,15	$242,998	$99,458	$0	$336,338	$209,010
106	ZONE II	2.02	0.000	79	$11,764	$0	$0	$11,553	$0
107	ZONE III	4.11	0.000	100	$1,496	$0	$0	$1,469	$0
108	ZONE IV	5.40	0.000	2,250	$92,928	$0	$0	$91,268	$0
				TOTAL	$349,187	$99,458		$440,630	$209,010
109	YAKUTAT	11.60	1.500	442	$34,075	$0	$0	$33,466	$0
	SECOND CLASS CITIES								
110	AKIACHAK	0.00	0.000	354	$0	$19,630	$11,274	$30,352	$30,904
111	AKIAK	0.00	0.000	165	$0	$0 ✓	$1,072	$1,053	$1,072
112	AKOLMIUT	0.00	1.000	608	$33,048	$62,757	$0	$94,094	$82,122
113	ALAKANUK	0.00	1.000	527	$34,465	$12,480	$0	$46,107	$29,265
114	ALEKNAGIK	0.00	0.000	227	$0	$0	$0	$0	$0
115	ALLAKAKET	0.00	0.000	164	$0	$0	$2,741	$2,692	$2,741
116	AMBLER	0.00	2.000	217	$16,729	$14,839	$0	$31,004	$22,531
117	ANDERSON	0.00	3.000	470	$36,233	$13,004	$0	$48,358	$31,548
118	ANGOON	0.00	2.000	287	$22,125	$8,061	$0	$29,647	$18,036
119	ANIAK	0.00	0.000	323	$0	$13,575	$10,584	$23,728	$24,160
120	ANVIK	0.00	0.000	87	$0	$0	$0	$0	$0
121	ATMAUTLUAK	0.00	0.000	169	$0	$5,200	$5,383	$10,394	$10,583
122	BETHEL	0.00	3.000	3,409	$249,975	$116,025	$0	$359,461	$264,487
123	BREVIG MISSION	0.00	3.000	120	$9,251	$5,580	$0	$14,566	$8,534
124	BUCKLAND	0.00	2.000	172	$13,260	$0	$0	$13,023	$0
125	CHEFORNAK	0.00	0.000	192	$0	$0	$1,872	$1,838	$1,872
126	CHEVAK	0.00	2.000	447	$34,460	$0	$0	$33,845	$9,878
127	CHUATHBALUK	0.00	0.000	118	$0	$5,350	$3,866	$9,052	$9,216
128	CLARK'S POINT	0.00	0.000	98	$0	$0	$0	$0	$0
129	DEERING	0.00	3.000	100	$7,709	$5,350	$0	$12,826	$8,626
130	DELTA JUNCTION	0.00	0.000	892	$0	$18,779	$12,822	$31,037	$31,602
131	DIOMEDE	0.00	0.000	135	$0	$5,050	$1,278	$6,215	$6,328
132	EAGLE	2.21	0.000	145	$3,663	$4,071	$0	$7,596	$4,904
133	EEK	0.00	2.000	195	$15,033	$0	$0	$14,764	$6,211
134	EKWOK	0.00	0.000	109	$0	$0	$0	$0	$0
135	ELIM	0.00	2.000	205	$15,804	$5,050	$0	$20,481	$11,909
136	EMMONAK	0.00	2.000	545	$42,015	$4,699	$0	$45,880	$16,744
137	FORT YUKON	0.00	3.000	637	$49,108	$30,856	$0	$78,535	$53,434
138	FORTUNA LEDGE	0.00	0.000	200	$0	$5,200	$5,070	$10,086	$10,270
139	GAMBELL	0.00	3.000	412	$31,762	$0	$0	$31,195	$6,241
140	GOLOVIN	0.00	0.000	118	$0	$0	$0	$0	$0
141	GOODNEWS BAY	0.00	3.000	248	$19,119	$0	$0	$18,777	$4,674
142	GRAYLING	0.00	0.000	167	$0	$0	$2,402	$2,359	$2,402
143	HOLY CROSS	0.00	0.000	212	$0	$13,375	$4,111	$17,174	$17,486
144	HOOPER BAY	0.00	2.000	590	$45,485	$0	$0	$44,672	$0

145	HUGHES	0.00	0.000	98	$0	$0	$1,638	$1,609	$1,638
146	HUSLIA	0.00	0.000	216	$0	$36,587	$4,189	$40,047	$40,776
147	KALTAG	0.00	0.000	240	$0	$2,226	$4,654	$6,758	$6,881
148	KASAAN	0.00	0.000	38	$0	$4,000	$475	$4,395	$4,475
149	KIANA	0.00	0.000	314	$0	$10,405	$7,139	$17,231	$17,545
150	KIVALINA	0.00	2.000	208	$16,035	$7,356	$0	$22,973	$14,172
151	KOBUK	0.00	0.000	60	$0	$5,350	$601	$5,845	$5,951
152	KOTLIK	0.00	2.000	284	$21,894	$5,200	$0	$26,610	$11,476
153	KOTZEBUE	0.00	3.000	2,526	$193,167	$3,183	$0	$192,842	$116,363
154	KOYUK	0.00	2.000	160	$12,334	$5,050	$0	$17,074	$9,999
155	KOYUKUK	0.00	0.000	124	$0	$5,350	$829	$6,068	$6,179
156	KUPREANOF	0.00	0.000	42	$0	$0	$0	$0	$0
157	KWETHLUK	0.00	0.000	444	$0	$5,200	$11,255	$16,161	$16,455
158	LOWER KALSKAG	0.00	0.000	195	$0	$5,350	$6,912	$12,043	$12,262
159	MANOKOTAK	0.00	2.000	225	$17,346	$0	$0	$17,036	$5,539
160	MCGRATH	0.00	0.000	296	$0	$11,816	$9,699	$21,131	$21,516
161	MEKORYUK	0.00	2.000	184	$14,185	$5,200	$0	$19,038	$11,538
162	MOUNTAIN VILLAGE	0.00	2.000	513	$39,548	$5,200	$0	$43,949	$22,873
163	NAPAKIAK	0.00	2.000	276	$21,277	$10,036	$0	$30,754	$18,826
164	NAPASKIAK	0.00	0.000	210	$0	$0	$5,323	$5,228	$5,323
165	NEWHALEN	0.00	0.000	89	$0	$0	$0	$0	$0
166	NEW STUYAHOK	0.00	0.000	230	$0	$0	$0	$0	$0
167	NEWTOK	0.00	0.000	124	$0	$0	$0	$0	$0
168	NIGHTMUTE	0.00	2.000	123	$9,482	$0	$0	$9,313	$799
169	NIKOLAI	0.00	0.000	85	$0	$7,195	$568	$7,625	$7,764
170	NONDALTON	0.00	0.000	226	$0	$0	$0	$0	$0
171	NOORVIK	0.00	2.000	527	$40,628	$9,763	$0	$49,491	$28,443
172	NULATO	0.00	0.000	331	$0	$8,225	$2,213	$10,252	$10,439
173	PILOT STATION	0.00	0.000	301	$0	$1,950	$10,370	$12,099	$12,320
174	PLATINUM	0.00	0.000	59	$0	$0	$1,879	$1,846	$1,879
175	PORT ALEXANDER	0.00	2.000	51	$3,931	$0	$0	$3,861	$661
176	PORT HEIDEN	0.00	0.000	89	$0	$50,373	$1,405	$50,853	$51,778
177	QUINHAGAK	0.00	1.000	395	$20,467	$5,512	$0	$25,515	$15,525
178	RUBY	0.00	0.000	219	$0	$0	$3,662	$3,596	$3,662
179	RUSSIAN MISSION	0.00	0.000	158	$0	$1,716	$410	$2,088	$2,126
180	SAINT MICHAEL	0.00	2.000	206	$15,881	$5,050	$0	$20,557	$10,121
181	SAINT PAUL	0.00	3.000	550	$42,401	$68,999	$0	$109,410	$85,410
182	SAND POINT	0.00	3.000	544	$28,627	$25,691	$0	$53,349	$40,458
183	SAVOONGA	0.00	2.000	409	$31,531	$5,050	$0	$35,927	$17,701
184	SCAMMON BAY	0.00	2.000	193	$14,879	$0	$0	$14,613	$6,147
185	SELAWIK	0.00	3.000	521	$40,165	$0	$0	$39,448	$17,073
186	SHAGELUK	0.00	0.000	169	$0	$12,070	$2,826	$14,630	$14,897
187	SHAKTOOLIK	0.00	2.000	160	$12,334	$0	$0	$12,114	$0
188	SHELDON POINT	0.00	0.000	136	$0	$0	$0	$0	$0
189	SHISHMAREF	0.00	1.000	326	$16,979	$8,534	$0	$25,058	$19,441
190	SHUNGNAK	0.00	2.000	182	$14,031	$5,350	$0	$19,034	$9,488
191	STEBBINS	0.00	2.000	298	$22,973	$0	$0	$22,563	$9,217
192	TANANA	0.00	1.000	499	$23,555	$22,169	$0	$44,907	$25,506
193	TELLER	0.00	3.000	219	$16,883	$10,144	$0	$26,544	$14,844
194	TENAKEE SPRINGS	0.00	0.000	140	$0	$1,556	$4,575	$6,022	$6,131
195	TOGIAK	0.00	2.000	419	$32,302	$0	$0	$31,725	$10,315
196	TOKSOOK BAY	0.00	2.000	317	$24,438	$5,200	$0	$29,109	$16,121
197	TULUKSAK	0.00	0.000	202	$0	$0	$0	$0	$0
198	TUNUNAK	0.00	2.000	299	$23,050	$5,200	$0	$27,746	$12,780
199	UNALAKLEET	0.00	0.000	630	$0	$22,510	$11,135	$33,044	$33,645
200	UPPER KALSKAG	0.00	0.000	164	$0	$0	$2,741	$2,692	$2,741
201	WALES	0.00	0.000	109	$0	$0	$0	$0	$0
202	WHITE MOUNTAIN	0.00	1.000	98	$5,145	$0	$0	$5,053	$0
203	WHITTIER	0.00	3.000	292	$12,943	$22,712	$0	$35,018	$33,961
204	EXT FIRE AREAS	0.00	0.000	0	$0	$66,341	$0	$65,155	$66,341
			TOTAL		$18,262,861	$6,737,139		$25,000,000	$18,321,095

PRESENT REVENUE SHARING (1977 DATA)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 22, 1978

SN	LOCAL GOV'T	PER CAPITA EXISTING	R,H,M	TOTAL ENTITLEMENT	POP	PER CAPITA PROP. VALUE	1976 PCI	PROP. TAX	SALES TAX	COLA
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS										
1	ANCHORAGE (AW)	$5,502,392	$2,876,165	=8,378,557	180,653	$25,117.5	$8,301	2.931	0.000	100.00
2	CITY (SA)	$0	$0	$0	67,014	$26,162.8	$8,943	7.075	0.000	100.00
3	HILLSIDE (SA)	$0	$0	$0	8,937	$41,509.8	$9,178	3.493	0.000	100.00
4	SPENARD (SA)	$0	$0	$0	38,816	$28,505.6	$9,013	7.343	0.000	100.00
5	GIRDWOOD (SA)	$0	$0	$0	600	$51,907.4	$10,042	3.354	0.000	100.00
6	GLEN ALPS (SA)	$0	$0	$0	65	$53,210.9	$10,042	3.377	0.000	100.00
7	RICH. VISTA (SA)	$0	$0	$0	1,105	$3,669.7	$7,297	7.244	0.000	100.00
8	SAND LAKE (SA)	$0	$0	$0	18,915	$23,109.7	$9,031	3.976	0.000	100.00
9	MULDOON (SA)	$0	$0	$0	23,345	$15,486.4	$8,378	4.708	0.000	100.00
10	RABBIT CREEK (SA)	$0	$0	$0	6,532	$22,507.3	$9,070	3.371	0.000	100.00
11	EAGLE RIVER (SA)	$0	$0	$0	7,182	$20,561.2	$8,011	2.281	0.000	100.00
12	CHUGIAK (SA)	$0	$0	$0	5,876	$15,111.4	$8,011	1.286	0.000	100.00
13	OCEAN VIEW (SA)	$0	$0	$0	1,894	$24,024.9	$9,070	4.867	0.000	100.00
14	OTHER SA	$0	$0	$0	372	$79,121.5	$8,301	0.525	0.000	100.00
			TOTAL	$8,378,557						
15	BRISTOL BAY BOROUGH (AW)	$24,000	$8,370	$32,370	1,311	$22,691.7	$8,189	6.156	0.000	126.25
16	SOUTH NAKNEK SA	$0	$0	$0	175	$46,446.7	$8,189	1.476	0.000	126.25
			TOTAL	$32,370						
17	FAIRBANKS BOROUGH (AW)	$1,087,619	$113,018	$1,200,637	60,227	$26,387.4	$10,699	1.114	2.000	115.00
18	BALLAINE LAKE (SA)	$0	$0	$0	168	$9,268.1	$10,699	0.816	0.000	115.00
19	DIANE (SA)	$0	$0	$0	66	$14,424.2	$10,699	1.228	0.000	115.00
20	WILDVIEW ACRES (SA)	$0	$0	$0	77	$19,100.5	$10,699	0.820	0.000	115.00
21	SMITH RANCH (SA)	$0	$0	$0	438	$10,798.2	$10,699	1.634	0.000	115.00
22	ENGINEER CREEK (SA)	$0	$0	$0	144	$10,853.4	$10,699	1.642	0.000	115.00
23	ESTER LUMP (SA)	$0	$0	$0	10	$123,241.5	$10,699	2.046	0.000	115.00
24	NORTH STAR F.P. (SA)	$0	$0	$0	6,500	$20,632.4	$10,699	0.876	0.000	115.00
25	BECKER RIDGE (SA)	$0	$0	$0	108	$60,692.8	$10,699	2.356	0.000	115.00
26	FAIRBANKS (CITY)	$753,172	$512,634	$1,265,807	30,462	$17,801.2	$12,150	6.941	3.000	115.00
27	NORTH POLE (CITY)	$11,398	$18,492	$29,890	461	$32,806.0	$6,681	4.366	3.000	115.00
			TOTAL	$2,496,336						
28	HAINES BOROUGH	$0	$0	$0	1,924	$17,879.5	$6,612	1.421	1.000	107.50
29	HAINES (CITY)	$49,193	$16,528	$65,721	1,366	$14,312.9	$6,034	7.623	3.000	107.50
			TOTAL	$65,721						
30	JUNEAU (AW)	$542,032	$209,030	$751,062	20,465	$17,813.8	$9,436	8.627	1.000	100.00
31	JUNEAU SA1	$0	$0	$0	7,259	$18,593.3	$9,436	2.786	2.000	100.00
32	JUNEAU SA2	$0	$0	$0	1,606	$11,534.9	$9,436	1.218	2.000	100.00
33	JUNEAU SA3	$0	$0	$0	197	$38,352.9	$9,436	0.793	0.000	100.00
34	JUNEAU SA4	$0	$0	$0	1,370	$26,653.4	$9,436	2.886	0.000	100.00
35	JUNEAU SA5	$0	$0	$0	8,369	$15,397.8	$9,436	2.350	0.000	100.00
36	JUNEAU SA6	$0	$0	$0	719	$16,515.9	$9,436	1.892	0.000	100.00
37	JUNEAU SA7	$0	$0	$0	427	$21,549.0	$9,436	1.416	0.000	100.00
38	JUNEAU SA8	$0	$0	$0	518	$32,735.5	$9,436	1.309	0.000	100.00
			TOTAL	$751,062						
39	KENAI BOROUGH (AW)	$155,615	$314,975	$470,590	24,611	$50,351.2	$7,500	0.000	0.000	107.50

40	CENTRAL HOSPITAL (SA)	$0	$0	$0	14,100	$8,946.4		$7,500	0.190	0.000	107.50
41	SOUTH HOSPITAL (SA)	$0	$0	$0	5,300	$16,298.5		$7,500	2.027	0.000	107.50
42	NORTH KENAI FIRE (SA)	$0	$0	$0	3,512	$102,691.8		$7,500	5.433	0.000	107.50
43	NORTH KENAI REC (SA)	$0	$0	$0	3,995	$106,408.3		$7,500	0.849	0.000	107.50
44	BEAR CREEK FIRE (SA)	$0	$0	$0	675	$9,472.8		$7,500	5.433	0.000	107.50
45	HOMER (CITY)	$61,020	$13,754	$74,774	1,802	$23,817.0		$7,965	10.825	4.000	107.50
46	KACHEMAK (CITY)	$0	$0	$0	151	$34,371.2		$4,273	1.750	0.000	107.50
47	KENAI (CITY)	$181,638	$64,451	$246,090	5,364	$15,879.6		$7,610	14.588	4.000	107.50
48	SELDOVIA (CITY)	$16,118	$10,013	$26,132	612	$11,001.7		$8,003	16.569	2.000	107.50
49	SEWARD (CITY)	$72,273	$24,260	$96,533	2,279	$12,360.8		$8,177	17.152	0.000	107.50
50	SOLDOTNA (CITY)	$87,568	$39,135	$126,703	2,586	$16,765.8		$7,443	10.411	3.000	107.50
			TOTAL	$1,040,825							
51	KETCHIKAN BOROUGH (AW)	$84,555	$0	$84,555	11,490	$23,581.9		$6,658	4.551	1.500	100.00
52	SHORELINE (SA)	$0	$0	$0	550	$13,442.0		$6,658	1.005	0.000	100.00
53	KETCHIKAN (CITY)	$233,876	$159,756	$393,632	7,928	$19,614.0		$6,493	9.670	2.500	100.00
54	SAXMAN (CITY)	$3,944	$4,350	$8,294	272	$15,000.0	(EST)	$3,900	0.000	0.000	100.00
			TOTAL	$486,481							
55	KODIAK BOROUGH (AW)	$40,841	$166,949	$207,791	7,901	$34,905.3		$8,565	1.935	0.000	107.50
56	FIRE DISTRICT (SA)	$0	$0	$0	1,546	$11,879.8		$8,565	2.214	0.000	107.50
57	ROAD DISTRICT (SA)	$0	$0	$0	312	$13,076.9		$8,565	0.641	0.000	107.50
58	KODIAK (CITY)	$167,958	$23,026	$190,984	4,960	$28,589.2		$9,461	8.827	3.000	107.50
59	AKHIOK (CITY)	$0	$0	$0	102	$5,000.0	(EST)	$3,691	0.000	0.000	107.50
60	LARSEN BAY (CITY)	$1,841	$0	$1,841	137	$10,000.0	(EST)	$7,068	0.000	0.000	107.50
61	OLD HARBOR (CITY)	$11,073	$6,208	$17,281	327	$10,000.0	(EST)	$3,880	0.000	0.000	107.50
62	OUZINKIE (CITY)	$2,284	$0	$2,284	170	$5,000.0	(EST)	$4,523	0.000	3.000	107.50
63	PORT LIONS (CITY)	$7,199	$3,934	$11,133	227	$10,000.0	(EST)	$7,787	0.000	0.000	107.50
			TOTAL	$431,316							
64	MAT-SU BOROUGH (AW)	$162,183	$133,790	$295,973	16,724	$33,042.4		$5,661	3.173	0.000	103.75
65	WASILLA FIRE (SA)	$0	$0	$0	3,101	$13,565.1		$5,661	0.795	0.000	103.75
66	BUTTE FIRE (SA)	$0	$0	$0	1,818	$17,573.8		$5,661	0.598	0.000	103.75
67	GREATER PALMER (SA)	$0	$0	$0	2,593	$18,031.6		$5,661	0.174	0.000	103.75
68	SUTTON FIRE (SA)	$0	$0	$0	594	$8,223.5		$5,661	1.934	0.000	103.75
69	OTHER AREA (SA)	$0	$0	$0	6,231	$53,633.2		$5,661	0.181	0.000	103.75
70	TALKEETNA FLOOD (SA)	$0	$0	$0	223	$10,738.3		$5,661	1.992	0.000	103.75
71	GARDEN TERRACE (SA)	$0	$0	$0	57	$21,795.3		$5,661	4.193	0.000	103.75
72	GODDARD (SA)	$0	$0	$0	29	$24,324.0		$5,661	1.013	0.000	103.75
73	WOODSIDE (SA)	$0	$0	$0	139	$19,006.9		$5,661	0.951	0.000	103.75
74	WILDERNESS VALLEY (SA)	$0	$0	$0	16	$45,248.1		$5,661	0.941	0.000	103.75
75	HOUSTON (CITY)	$4,863	$36,494	$41,357	375	$36,299.8		$3,821	0.000	0.000	103.75
76	PALMER (CITY)	$60,754	$26,222	$86,977	1,859	$19,296.5		$6,030	4.383	2.000	103.75
77	WASILLA (CITY)	$8,123	$65,813	$73,937	1,566	$23,326.7		$5,621	0.811	0.000	103.75
			TOTAL	$498,246							
78	NORTH SLOPE BOROUGH (AW)	$242,682	$65,510	$308,193	9,139	$390,582.5		$4,361	5.990	0.000	133.75
79	ANAKTUVUK PASS (CITY)	$0	$0	$0	150	$3,500.0	(EST)	$1,106	0.000	0.000	133.75
80	BARROW (CITY)	$38,553	$0	$38,553	2,306	$7,000.0	(EST)	$2,817	0.000	3.000	133.75
81	KAKTOVIK (CITY)	$2,057	$0	$2,057	123	$3,500.0	(EST)	$6,173	0.000	0.000	133.75
82	NUIQSUT (CITY)	$0	$0	$0	152	$3,500.0	(EST)	$1,110	0.000	0.000	133.75
83	POINT HOPE (CITY)	$0	$0	$0	384	$3,500.0	(EST)	$2,310	0.000	3.000	133.75
84	WAINWRIGHT (CITY)	$0	$0	$0	341	$3,500.0	(EST)	$1,909	0.000	2.000	133.75
			TOTAL	$348,803							
85	SITKA BOROUGH	$250,011	$133,982	$383,994	7,650	$23,482.9		$8,178	2.104	4.000	103.75
FIRST CLASS CITIES											
86	CORDOVA	$92,691	$119,038	$211,729	2,406	$13,735.5		$7,629	8.515	3.000	115.00
87	CRAIG	$15,645	$10,405	$26,050	467	$11,339.7		$6,606	5.839	3.000	100.00
88	DILLINGHAM	$53,671	$7,082	$60,754	1,269	$13,507.4		$10,220	15.122	2.600	126.25

89	GALENA	$22,365	$19,134	$41,499	631	$4,232.6	$5,871	0.000	2.700	133.75
90	HOONAH	$28,715	$0	$28,715	848	$6,288.7	$3,732	0.000	3.000	107.50
91	HYDABURG	$7,410	$7,240	$14,650	380	$3,785.3	$1,922	0.000	2.500	100.00
92	KAKE	$18,668	$1,587	$20,256	679	$3,526.8	$2,686	0.000	3.000	103.75
93	KING COVE	$16,225	$5,050	$21,275	408	$7,018.4	$4,586	2.000	1.000	126.25
94	KLAWOCK	$7,914	$6,535	$14,449	323	$3,176.0	$3,230	0.000	1.500	100.00
95	NENANA	$19,981	$20,982	$40,963	521	$10,900.6	$5,477	9.160	0.000	130.00
96	NOME	$93,012	$190,119	$283,132	2,585	$13,055.2	$10,301	17.393	3.000	126.25
97	PELICAN	$3,543	$6,073	$9,616	169	$27,451.3	$3,543	3.201	3.000	107.50
98	PETERSBURG	$69,480	$100,115	$169,595	2,126	$16,015.1	$7,683	12.817	3.750	103.75
99	SAINT MARY'S	$16,994	$5,200	$22,194	415	$3,409.6	$1,496	0.000	0.000	130.00
100	SKAGWAY	$28,918	$19,618	$48,537	854	$34,953.4	$8,834	9.409	3.000	107.50
101	UNALASKA	$17,062	$85,382	$102,445	510	$32,493.2	$8,491	9.590	1.000	126.25
102	VALDEZ	$297,683	$119,481	$417,165	7,483	$161,308.5	$16,785	4.436	0.000	118.75
103	ZONE I	$0	$0	$0	6,683	$10,436.7	$16,785	1.887	0.000	118.75
104	ZONE II	$0	$0	$0	700	$35,421.8	$16,785	0.577	0.000	118.75
			TOTAL	$417,165						
105	WRANGELL	$109,551	$99,458	$209,010	3,152	$11,928.8	$7,470	5.877	2.556	103.75
106	ZONE II	$0	$0	$0	797	$11,747.6	$7,470	2.028	0.000	103.75
107	ZONE III	$0	$0	$0	100	$33,298.7	$7,470	4.114	0.000	103.75
108	ZONE IV	$0	$0	$0	2,250	$11,030.5	$7,470	5.403	0.000	103.75
			TOTAL	$209,010						
109	YAKUTAT	$0	$0	$0	442	$22,962.1	$4,034	11.600	1.500	107.50
	SECOND CLASS CITIES									
110	AKIACHAK	$11,274	$19,630	$30,904	354	$3,500.0 (EST)	$2,554	0.000	0.000	130.00
111	AKIAK	$1,072	$0	$1,072	165	$3,500.0 (EST)	$2,207	0.000	0.000	130.00
112	AKOLMIUT	$19,364	$62,757	$82,122	608	$3,500.0 (EST)	$2,599	0.000	1.000	130.00
113	ALAKANUK	$16,785	$12,480	$29,265	527	$3,500.0 (EST)	$1,292	0.000	1.000	130.00
114	ALEKNAGIK	$0	$0	$0	227	$3,500.0 (EST)	$2,453	0.000	0.000	126.25
115	ALLAKAKET	$2,741	$0	$2,741	164	$3,500.0 (EST)	$2,801	0.000	0.000	133.75
116	AMBLER	$7,691	$14,839	$22,531	217	$3,500.0 (EST)	$2,449	0.000	2.000	133.75
117	ANDERSON	$18,544	$13,004	$31,548	470	$3,500.0 (EST)	$7,060	0.000	3.000	133.75
118	ANGOON	$9,975	$8,061	$18,036	287	$3,500.0 (EST)	$1,689	0.000	2.000	103.75
119	ANIAK	$10,584	$13,575	$24,160	323	$3,500.0 (EST)	$1,297	0.000	0.000	133.75
120	ANVIK	$0	$0	$0	87	$3,500.0 (EST)	$1,368	0.000	0.000	133.75
121	ATMAUTLUAK	$5,383	$5,200	$10,583	169	$3,500.0 (EST)	$3,503	0.000	0.000	130.00
122	BETHEL	$148,462	$116,025	$264,487	3,409	$7,000.0 (EST)	$10,419	0.000	3.000	130.00
123	BREVIG MISSION	$2,954	$5,580	$8,534	120	$3,500.0 (EST)	$2,926	0.000	3.000	126.25
124	BUCKLAND	$0	$0	$0	172	$3,500.0 (EST)	$2,942	0.000	2.000	133.75
125	CHEFORNAK	$1,872	$0	$1,872	192	$3,500.0 (EST)	$4,482	0.000	0.000	130.00
126	CHEVAK	$9,878	$0	$9,878	447	$3,500.0 (EST)	$2,205	0.000	2.000	130.00
127	CHUATHBALUK	$3,866	$5,350	$9,216	118	$3,500.0 (EST)	$1,131	0.000	0.000	133.75
128	CLARK'S POINT	$0	$0	$0	98	$3,500.0 (EST)	$10,459	0.000	0.000	126.25
129	DEERING	$3,276	$5,350	$8,626	100	$3,500.0 (EST)	$5,292	0.000	3.000	133.75
130	DELTA JUNCTION	$12,822	$18,779	$31,602	892	$15,000.0 (EST)	$6,461	0.000	0.000	115.00
131	DIOMEDE	$1,278	$5,050	$6,328	135	$3,500.0 (EST)	$3,885	0.000	0.000	126.25
132	EAGLE	$833	$4,071	$4,904	145	$9,746.6	$2,673	2.217	0.000	115.00
133	EEK	$6,211	$0	$6,211	195	$3,500.0 (EST)	$2,811	0.000	2.000	130.00
134	EKWOK	$0	$0	$0	109	$3,500.0 (EST)	$4,163	0.000	0.000	126.25
135	ELIM	$6,859	$5,050	$11,909	205	$3,500.0 (EST)	$4,128	0.000	2.000	126.25
136	EMMONAK	$12,044	$4,699	$16,744	545	$3,500.0 (EST)	$1,053	0.000	2.000	130.00
137	FORT YUKON	$22,578	$30,856	$53,434	637	$3,500.0 (EST)	$4,828	0.000	3.000	133.75
138	FORTUNA LEDGE	$5,070	$5,200	$10,270	200	$3,500.0 (EST)	$2,048	0.000	0.000	130.00
139	GAMBELL	$6,241	$0	$6,241	412	$3,500.0 (EST)	$3,976	0.000	3.000	126.25
140	GOLOVIN	$0	$0	$0	118	$3,500.0 (EST)	$3,409	0.000	0.000	126.25
141	GOODNEWS BAY	$4,674	$0	$4,674	248	$3,500.0 (EST)	$3,812	0.000	3.000	130.00
142	GRAYLING	$2,402	$0	$2,402	167	$3,500.0 (EST)	$1,602	0.000	0.000	133.75
143	HOLY CROSS	$4,111	$13,375	$17,486	212	$3,500.0 (EST)	$1,069	0.000	0.000	133.75
144	HOOPER BAY	$0	$0	$0	590	$3,500.0 (EST)	$1,905	0.000	2.000	130.00
145	HUGHES	$1,638	$0	$1,638	98	$3,500.0 (EST)	$2,815	0.000	0.000	133.75

146	HUSLIA	$4,189	$36,587	$40,776	216	$3,500.0 (EST)	$1,936	0.000	0.000	133.75
147	KALTAG	$4,654	$2,226	$6,881	240	$3,500.0 (EST)	$2,214	0.000	0.000	133.75
148	KASAAN	$475	$4,000	$4,475	38	$3,500.0 (EST)	$6,339	0.000	0.000	100.00
149	KIANA	$7,139	$10,405	$17,545	314	$3,500.0 (EST)	$4,094	0.000	0.000	133.75
150	KIVALINA	$6,815	$7,356	$14,172	208	$3,500.0 (EST)	$3,145	0.000	7.000	133.75
151	KOBUK	$601	$5,350	$5,951	60	$3,500.0 (EST)	$2,749	0.000	0.000	133.75
152	KOTLIK	$6,276	$5,200	$11,476	284	$3,500.0 (EST)	$1,235	0.000	2.000	130.00
153	KOTZEBUE	$113,180	$3,183	$116,363	2,526	$7,000.0 (EST)	$7,524	0.000	3.000	133.75
154	KOYUK	$4,949	$5,050	$9,999	160	$3,500.0 (EST)	$2,118	0.000	2.000	126.25
155	KOYUKUK	$829	$5,350	$6,179	124	$3,500.0 (EST)	$6,380	0.000	0.000	133.75
156	KUPREANOF	$0	$0	$0	42	$3,500.0 (EST)	$7,154	0.000	0.000	103.75
157	KWETHLUK	$11,255	$5,200	$16,455	444	$3,500.0 (EST)	$2,457	0.000	0.000	130.00
158	LOWER KALSKAG	$6,912	$5,350	$12,262	195	$3,500.0 (EST)	$1,007	0.000	0.000	133.75
159	MANOKOTAK	$5,539	$0	$5,539	225	$3,500.0 (EST)	$2,540	0.000	2.000	126.25
160	MCGRATH	$9,699	$11,816	$21,516	296	$3,500.0 (EST)	$5,445	0.000	0.000	133.75
161	MEKORYUK	$6,338	$5,200	$11,538	184	$3,500.0 (EST)	$3,766	0.000	2.000	130.00
162	MOUNTAIN VILLAGE	$17,673	$5,200	$22,873	513	$3,500.0 (EST)	$2,059	0.000	2.000	130.00
163	NAPAKIAK	$8,790	$10,036	$18,826	276	$3,500.0 (EST)	$4,856	0.000	2.000	130.00
164	NAPASKIAK	$5,323	$0	$5,323	210	$3,500.0 (EST)	$5,969	0.000	0.000	130.00
165	NEWHALEN	$0	$0	$0	89	$3,500.0 (EST)	$5,865	0.000	0.000	126.25
166	NEW STUYAHOK	$0	$0	$0	230	$3,500.0 (EST)	$1,729	0.000	0.000	126.25
167	NEWTOK	$0	$0	$0	124	$3,500.0 (EST)	$4,025	0.000	0.000	130.00
168	NIGHTMUTE	$799	$0	$799	123	$3,500.0 (EST)	$3,046	0.000	2.000	130.00
169	NIKOLAI	$568	$7,195	$7,764	85	$3,500.0 (EST)	$1,268	0.000	0.000	133.75
170	NONDALTON	$0	$0	$0	226	$3,500.0 (EST)	$4,318	0.000	0.000	126.25
171	NOORVIK	$18,679	$9,763	$28,443	527	$3,500.0 (EST)	$3,886	0.000	2.000	133.75
172	NULATO	$2,213	$8,225	$10,439	331	$3,500.0 (EST)	$3,281	0.000	0.000	133.75
173	PILOT STATION	$10,370	$1,950	$12,320	301	$3,500.0 (EST)	$1,093	0.000	0.000	130.00
174	PLATINUM	$1,879	$0	$1,879	59	$3,500.0 (EST)	$6,000	0.000	0.000	130.00
175	PORT ALEXANDER	$661	$0	$661	51	$3,500.0 (EST)	$9,824	0.000	2.000	103.75
176	PORT HEIDEN	$1,405	$50,373	$51,778	89	$3,500.0 (EST)	$4,065	0.000	0.000	126.25
177	QUINHAGAK	$10,013	$5,512	$15,525	395	$3,500.0 (EST)	$3,387	0.000	1.000	130.00
178	RUBY	$3,662	$0	$3,662	219	$3,500.0 (EST)	$3,996	0.000	0.000	133.75
179	RUSSIAN MISSION	$410	$1,716	$2,126	158	$3,500.0 (EST)	$8,161	0.000	0.000	130.00
180	SAINT MICHAEL	$5,071	$5,050	$10,121	206	$3,500.0 (EST)	$3,784	0.000	2.000	126.25
181	SAINT PAUL	$16,411	$68,999	$85,410	550	$3,500.0 (EST)	$6,548	0.000	3.000	126.25
182	SAND POINT	$14,766	$25,691	$40,458	544	$10,000.0 (EST)	$12,136	0.000	3.000	126.25
183	SAVOONGA	$12,651	$5,050	$17,701	409	$3,500.0 (EST)	$4,299	0.000	2.000	126.25
184	SCAMMON BAY	$6,147	$0	$6,147	193	$3,500.0 (EST)	$1,336	0.000	2.000	130.00
185	SELAWIK	$17,073	$0	$17,073	521	$2,399.9	$3,312	0.000	3.000	133.75
186	SHAGELUK	$2,826	$12,070	$14,897	169	$3,500.0 (EST)	$1,778	0.000	0.000	133.75
187	SHAKTOOLIK	$0	$0	$0	160	$3,500.0 (EST)	$3,087	0.000	2.000	126.25
188	SHELDON POINT	$0	$0	$0	136	$3,500.0 (EST)	$975	0.000	0.000	130.00
189	SHISHMAREF	$10,906	$8,534	$19,441	326	$3,500.0 (EST)	$3,282	0.000	1.000	126.25
190	SHUNGNAK	$4,138	$5,350	$9,488	182	$3,500.0 (EST)	$3,932	0.000	2.000	133.75
191	STEBBINS	$9,217	$0	$9,217	298	$3,500.0 (EST)	$3,162	0.000	2.000	126.25
192	TANANA	$3,337	$22,169	$25,506	499	$3,500.0 (EST)	$7,534	0.000	1.000	133.75
193	TELLER	$4,700	$10,144	$14,844	219	$3,500.0 (EST)	$2,845	0.000	3.000	126.25
194	TENAKEE SPRINGS	$4,575	$1,556	$6,131	140	$3,500.0 (EST)	$1,703	0.000	0.000	103.75
195	TOGIAK	$10,315	$0	$10,315	419	$3,500.0 (EST)	$3,114	0.000	2.000	126.25
196	TOKSOOK BAY	$10,921	$5,200	$16,121	317	$3,500.0 (EST)	$1,883	0.000	2.000	130.00
197	TULUKSAK	$0	$0	$0	202	$3,500.0 (EST)	$4,241	0.000	0.000	130.00
198	TUNUNAK	$7,580	$5,200	$12,780	299	$3,500.0 (EST)	$2,878	0.000	2.000	130.00
199	UNALAKLEET	$11,135	$22,510	$33,645	630	$3,500.0 (EST)	$5,512	0.000	0.000	126.25
200	UPPER KALSKAG	$2,741	$0	$2,741	164	$3,500.0 (EST)	$932	0.000	0.000	133.75
201	WALES	$0	$0	$0	109	$3,500.0 (EST)	$3,431	0.000	0.000	126.25
202	WHITE MOUNTAIN	$0	$0	$0	98	$3,500.0 (EST)	$3,131	0.000	1.000	126.25
203	WHITTIER	$11,249	$22,712	$33,961	292	$12,000.0 (EST)	$13,475	0.000	3.000	115.00
204	EXT FIRE AREAS	$0	$66,341	$66,341	0	$1.0	$1	0.000	0.000	100.00
TOTALS		$11,583,955	$6,737,139	$18,321,095						

'NEW' VERSION HOUSE BILL NO. 843 (1977 DATA)

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 25, 1978

COLA USED ONLY FOR MODIFYING NON-PER CAPITA ENTITLEMENTS
LOCAL EFFORT LIMIT SET TO 25
PAYOUT SET TO $25 MILLION (3.3516427)
ADD ON TOTALS $809,987
PRORATION DOWN AFTER SECTION 9 ADD ON ADDITIONS IS .96861730

LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	SECTION 9 ADD ON	HB843 ENTITLEMENT	PRESENT ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS								
1 ANCHORAGE (AW)	2.93	0.244	180,653	$2,567,383	$2,876,165	$0	$5,272,715	$8,378,557
2 CITY (SA)	7.07	0.000	67,014	$2,012,843	$0	$0	$1,949,674	$0
3 HILLSIDE (SA)	3.49	0.000	8,937	$99,635	$0	$0	$96,508	$0
4 SPENARD (SA)	7.34	0.000	38,816	$1,142,399	$0	$0	$1,106,547	$0
5 GIRDWOOD (SA)	3.35	0.000	600	$5,472	$0	$0	$5,300	$0
6 GLEN ALPS (SA)	3.37	0.000	65	$589	$0	$0	$570	$0
7 RICH. VISTA (SA)	7.24	0.000	1,105	$92,589	$0	$0	$89,683	$0
8 SAND LAKE (SA)	3.97	0.000	18,915	$345,464	$0	$0	$334,623	$0
9 MULDOON (SA)	4.70	0.000	23,345	$685,791	$0	$0	$664,269	$0
10 RABBIT CREEK (SA)	3.37	0.000	6,532	$102,839	$0	$0	$99,611	$0
11 EAGLE RIVER (SA)	2.28	0.000	7,182	$84,662	$0	$0	$82,005	$0
12 CHUGIAK (SA)	1.28	0.000	5,876	$48,574	$0	$0	$47,049	$0
13 OCEAN VIEW (SA)	4.86	0.000	1,894	$41,193	$0	$0	$39,900	$0
14 OTHER SA	0.52	0.000	372	$492	$0	$0	$477	$0
			TOTAL	$7,229,932	$2,876,165		$9,788,940	$8,378,557
15 BRISTOL BAY BOROUGH (AW)	6.15	8.203	1,311	$90,426	$8,370	$0	$95,696	$32,370
16 SOUTH NAKNEK SA	1.47	0.000	175	$823	$0	$0	$796	$0
			TOTAL	$91,249	$8,370		$96,493	$32,370
17 FAIRBANKS BOROUGH (AW)	1.19	2.227	60,227	$820,245	$113,018	$230,179	$1,126,931	$1,200,637
18 BALLAINE LAKE (SA)	0.81	0.000	168	$1,234	$0	$0	$1,195	$0
19 DIANE (SA)	1.22	0.000	66	$505	$0	$0	$489	$0
20 WILDVIEW ACRES (SA)	0.82	0.000	77	$316	$0	$0	$306	$0
21 SMITH RANCH (SA)	1.63	0.000	438	$5,658	$0	$0	$5,481	$0
22 ENGINEER CREEK (SA)	1.64	0.000	144	$1,861	$0	$0	$1,803	$0
23 ESTER LUMP (SA)	2.04	0.000	10	$37	$0	$0	$36	$0
24 NORTH STAR F.P. (SA)	0.87	0.000	6,500	$26,963	$0	$0	$26,117	$0
25 BECKER RIDGE (SA)	2.35	0.000	108	$620	$0	$0	$600	$0
26 FAIRBANKS (CITY)	6.94	4.603	30,462	$1,807,470	$512,634	$0	$2,247,293	$1,265,807
27 NORTH POLE (CITY)	4.36	9.184	461	$26,217	$18,492	$0	$43,306	$29,890
			TOTAL	$2,691,132	$644,144		$3,453,562	$2,496,336
28 HAINES BOROUGH	1.42	0.000	1,924	$16,530	$0	$0	$16,011	$0
29 HAINES (CITY)	7.62	5.588	1,366	$114,458	$16,528	$0	$126,876	$65,721
			TOTAL	$130,988	$16,528		$142,887	$65,721
30 JUNEAU (AW)	8.62	0.000	20,465	$962,930	$209,030	$0	$1,135,181	$751,062
31 JUNEAU SA1	2.78	9.135	7,259	$457,354	$0	$0	$443,001	$0
32 JUNEAU SA2	1.21	4.128	1,606	$65,404	$0	$0	$63,351	$0
33 JUNEAU SA3	0.79	0.000	197	$514	$0	$0	$498	$0
34 JUNEAU SA4	2.88	0.000	1,370	$16,275	$0	$0	$15,765	$0
35 JUNEAU SA5	2.35	0.000	8,369	$119,712	$0	$0	$115,955	$0
36 JUNEAU SA6	1.89	0.000	719	$7,850	$0	$0	$7,604	$0
37 JUNEAU SA7	1.41	0.000	427	$2,875	$0	$0	$2,784	$0
38 JUNEAU SA8	1.30	0.000	518	$2,451	$0	$0	$2,374	$0

				TOTAL	$1,633,369	$209,030		$1,786,517	$751,062
39	KENAI BOROUGH (AW)	0.00	0.000	24,611	$0	$314,975	$0	$305,090	$470,590
40	CENTRAL HOSPITAL (SA)	0.19	0.000	14,100	$26,303	$0	$0	$25,478	$0
41	SOUTH HOSPITAL (SA)	2.02	0.000	5,300	$66,562	$0	$0	$64,473	$0
42	NORTH KENAI FIRE (SA)	5.45	0.000	3,512	$47,627	$0	$0	$46,132	$0
43	NORTH KENAI REC (SA)	0.84	0.000	3,995	$8,353	$0	$0	$8,091	$0
44	BEAR CREEK FIRE (SA)	5.43	0.000	675	$34,370	$0	$0	$33,291	$0
45	HOMER (CITY)	11.26	5.742	1,802	$144,003	$13,754	$0	$152,807	$74,774
46	KACHEMAK (CITY)	1.75	0.000	151	$1,381	$0	$0	$1,338	$0
47	KENAI (CITY)	14.58	7.952	5,364	$449,455	$64,451	$0	$497,779	$246,090
48	SELDOVIA (CITY)	14.48	2.589	612	$51,280	$10,013	$0	$59,370	$26,132
49	SEWARD (CITY)	17.58	0.000	2,279	$190,959	$24,260	$0	$208,466	$96,533
50	SOLDOTNA (CITY)	10.24	7.470	2,586	$216,683	$39,135	$0	$247,790	$126,703
				TOTAL	$1,236,981	$466,590		$1,650,110	$1,040,825
51	KETCHIKAN BOROUGH (AW)	4.55	3.439	11,490	$464,610	$0	$0	$450,029	$84,555
52	SHORELINE (SA)	1.00	0.000	550	$4,067	$0	$0	$3,939	$0
53	KETCHIKAN (CITY)	9.67	8.902	7,928	$664,295	$159,756	$0	$798,190	$393,632
54	SAXMAN (CITY)	0.00	0.000	272	$0	$4,350	$3,944	$8,033	$8,294
				TOTAL	$1,132,973	$164,106		$1,260,193	$486,481
55	KODIAK BOROUGH (AW)	1.83	0.000	7,901	$52,624	$166,949	$0	$212,683	$207,791
56	FIRE DISTRICT (SA)	2.31	0.000	1,546	$27,247	$0	$0	$26,392	$0
57	ROAD DISTRICT (SA)	0.64	0.000	312	$1,422	$0	$0	$1,378	$0
58	KODIAK (CITY)	8.19	6.044	4,960	$277,638	$23,026	$0	$291,228	$190,984
59	AKHIOK (CITY)	0.00	0.000	102	$0	$0	$0	$0	$0
60	LARSEN BAY (CITY)	0.00	0.000	137	$0	$0	$1,841	$1,783	$1,841
61	OLD HARBOR (CITY)	0.00	0.000	327	$0	$6,208	$11,073	$16,739	$17,281
62	OUZINKIE (CITY)	0.00	6.484	170	$14,244	$0	$0	$13,797	$2,284
63	PORT LIONS (CITY)	0.00	0.000	227	$0	$3,934	$7,199	$10,784	$11,133
				TOTAL	$373,177	$200,118		$574,787	$431,316
64	MAT-SU BOROUGH (AW)	3.12	0.000	16,724	$237,421	$133,790	$0	$359,562	$295,973
65	WASILLA F(1,8,9,10,11)	0.77	0.000	4,908	$25,058	$0	$0	$24,271	$0
66	BUTTE FIRE (SA)	0.59	0.000	1,818	$6,949	$0	$0	$6,731	$0
67	SUTTON FIRE (SA)	1.71	0.000	594	$11,319	$0	$0	$10,964	$0
68	OTHER AREA (SA)	0.17	0.000	12,924	$11,925	$0	$0	$11,551	$0
69	TALKEETNA FLOOD (SA)	1.99	0.000	223	$4,024	$0	$0	$3,897	$0
70	GARDEN TERRACE (SA)	3.08	0.000	57	$995	$0	$0	$964	$0
71	HOUSTON (CITY)	0.00	0.000	375	$0	$36,494	$4,863	$40,059	$41,357
72	PALMER (CITY)	4.25	8.690	1,859	$143,061	$26,222	$0	$163,972	$86,977
73	WASILLA (CITY)	0.00	0.000	1,566	$0	$65,813	$8,123	$71,617	$73,937
				TOTAL	$440,756	$262,321		$693,592	$498,246
74	NORTH SLOPE BOROUGH (AW)	5.55	0.110	9,139	$168,562	$65,510	$74,120	$298,521	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.000	150	$0	$0	$0	$0	$0
76	BARROW (CITY)	0.00	13.319	2,306	$193,222	$0	$0	$187,158	$38,553
77	KAKTOVIK (CITY)	0.00	0.000	123	$0	$0	$2,057	$1,992	$2,057
78	NUIQSUT (CITY)	0.00	0.000	152	$0	$0	$0	$0	$0
79	POINT HOPE (CITY)	0.00	6.696	384	$32,175	$0	$0	$31,166	$0
80	WAINWRIGHT (CITY)	0.00	7.540	341	$28,572	$0	$0	$27,676	$0
				TOTAL	$422,532	$65,510		$546,514	$348,803
81	SITKA BOROUGH	2.10	3.866	7,650	$214,631	$133,982	$35,380	$371,943	$383,994
	FIRST CLASS CITIES								
82	CORDOVA	8.51	12.045	2,406	$201,601	$119,038	$0	$310,577	$211,729
83	CRAIG	5.83	8.783	467	$39,130	$10,405	$0	$47,980	$26,050
84	DILLINGHAM	15.12	10.142	1,269	$106,330	$7,082	$0	$109,854	$60,754
85	GALENA	0.00	14.025	631	$52,872	$19,134	$0	$69,746	$41,499

86 HOONAH	0.00	8.623	848	$71,054	$0	$0	$68,824	$28,715
87 HYDABURG	0.00	15.989	380	$31,840	$7,240	$0	$37,854	$14,650
88 KAKE	0.00	1.142	679	$19,676	$1,587	$0	$20,596	$20,256
89 KING COVE	2.00	2.917	408	$26,405	$5,050	$0	$30,468	$21,275
90 KLAWOCK	0.00	3.411	323	$27,064	$6,535	$0	$32,545	$14,449
91 NENANA	9.16	6.097	521	$43,655	$20,982	$0	$62,608	$40,963
92 NOME	17.39	9.808	2,585	$216,599	$190,119	$0	$393,955	$283,132
93 PELICAN	3.20	9.915	169	$14,160	$6,073	$0	$19,599	$9,616
94 PETERSBURG	12.81	1.231	2,126	$178,139	$100,115	$0	$269,523	$169,595
95 SAINT MARY'S	0.00	0.000	415	$0	$5,200	$16,994	$21,498	$22,194
96 SKAGWAY	9.40	3.402	854	$39,096	$19,618	$0	$56,872	$48,537
97 UNALASKA	9.59	21.412	510	$42,733	$85,382	$0	$124,095	$102,445
98 VALDEZ	4.43	0.000	7,483	$41,246	$119,481	$158,410	$309,122	$417,165
99 ZONE I	1.88	0.000	6,683	$96,885	$0	$0	$93,845	$0
100 ZONE II	0.57	0.000	700	$1,141	$0	$0	$1,106	$0
			TOTAL	$139,274	$119,481		$404,073	$417,165
101 WRANGELL	5.87	9.307	3,152	$264,109	$99,458	$0	$352,158	$209,010
102 ZONE II	2.02	0.000	797	$12,786	$0	$0	$12,384	$0
103 ZONE III	4.11	0.000	100	$1,626	$0	$0	$1,575	$0
104 ZONE IV	5.40	0.000	2,250	$101,001	$0	$0	$97,832	$0
			TOTAL	$379,523	$99,458		$463,950	$209,010
105 YAKUTAT	11.60	4.567	442	$37,035	$0	$0	$35,873	$0
SECOND CLASS CITIES								
106 AKIACHAK	0.00	0.000	354	$0	$19,630	$11,274	$29,935	$30,904
107 AKIAK	0.00	0.000	165	$0	$0	$1,072	$1,038	$1,072
108 AKOLMIUT	0.00	0.544	608	$4,186	$62,757	$15,178	$79,545	$82,122
109 ALAKANUK	0.00	1.312	527	$12,356	$12,480	$4,429	$28,347	$29,265
110 ALEKNAGIK	0.00	0.000	227	$0	$0	$0	$0	$0
111 ALLAKAKET	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
112 AMBLER	0.00	0.915	217	$2,574	$14,839	$5,117	$21,824	$22,531
113 ANDERSON	0.00	2.240	470	$9,879	$13,004	$8,664	$30,558	$31,548
114 ANGOON	0.00	2.822	287	$12,493	$8,061	$0	$19,910	$18,036
115 ANIAK	0.00	0.000	323	$0	$13,575	$10,584	$23,402	$24,160
116 ANVIK	0.00	0.000	87	$0	$0	$0	$0	$0
117 ATMAUTLUAK	0.00	0.000	169	$0	$5,200	$5,383	$10,251	$10,583
118 BETHEL	0.00	12.613	3,409	$265,643	$116,025	$0	$389,063	$264,487
119 BREVIG MISSION	0.00	0.000	120	$0	$5,580	$2,954	$8,266	$8,534
120 BUCKLAND	0.00	1.998	172	$4,139	$0	$0	$4,009	$0
121 CHEFORNAK	0.00	0.000	192	$0	$0	$1,872	$1,813	$1,872
122 CHEVAK	0.00	1.864	447	$11,303	$0	$0	$10,949	$9,878
123 CHUATHBALUK	0.00	0.000	118	$0	$5,350	$3,866	$8,927	$9,216
124 CLARK'S POINT	0.00	0.000	98	$0	$0	$0	$0	$0
125 DEERING	0.00	3.534	100	$3,540	$5,350	$0	$8,611	$8,626
126 DELTA JUNCTION	0.00	0.000	892	$0	$18,779	$12,822	$30,610	$31,602
127 DIOMEDE	0.00	0.000	135	$0	$5,050	$1,278	$6,130	$6,328
128 EAGLE	2.21	0.000	145	$3,982	$4,071	$0	$7,800	$4,904
129 EEK	0.00	1.602	195	$3,829	$0	$2,382	$6,016	$6,211
130 EKWOK	0.00	0.000	109	$0	$0	$0	$0	$0
131 ELIM	0.00	1.919	205	$4,223	$5,050	$2,635	$11,535	$11,909
132 EMMONAK	0.00	4.460	545	$45,666	$4,699	$0	$48,785	$16,744
133 FORT YUKON	0.00	8.339	637	$53,374	$30,856	$0	$81,587	$53,434
134 FORTUNA LEDGE	0.00	0.000	200	$0	$5,200	$5,070	$9,947	$10,270
135 GAMBELL	0.00	2.682	412	$11,996	$0	$0	$11,619	$6,241
136 GOLOVIN	0.00	0.000	118	$0	$0	$0	$0	$0
137 GOODNEWS BAY	0.00	1.245	248	$3,398	$0	$1,275	$4,528	$4,674
138 GRAYLING	0.00	0.000	167	$0	$0	$2,402	$2,326	$2,402
139 HOLY CROSS	0.00	0.000	212	$0	$13,375	$4,111	$16,937	$17,486
140 HOOPER BAY	0.00	2.528	590	$21,667	$0	$0	$20,987	$0
141 HUGHES	0.00	0.000	98	$0	$0	$1,638	$1,587	$1,638
142 HUSLIA	0.00	0.000	216	$0	$36,587	$4,189	$39,496	$40,776

143	KALTAG	0.00	0.000	240	$0	$2,226	$4,654	$6,665	$6,881
144	KASAAN	0.00	0.000	38	$0	$4,000	$475	$4,334	$4,475
145	KIANA	0.00	0.000	314	$0	$10,405	$7,139	$16,994	$17,545
146	KIVALINA	0.00	1.869	208	$4,569	$7,356	$2,246	$13,727	$14,172
147	KOBUK	0.00	0.000	60	$0	$5,350	$601	$5,765	$5,951
148	KOTLIK	0.00	1.943	284	$10,125	$5,200	$0	$14,844	$11,476
149	KOTZEBUE	0.00	11.586	2,526	$211,656	$3,183	$0	$208,097	$116,363
150	KOYUK	0.00	0.335	160	$741	$5,050	$4,207	$9,685	$9,999
151	KOYUKUK	0.00	0.000	124	$0	$5,350	$829	$5,985	$6,179
152	KUPREANOF	0.00	0.000	42	$0	$0	$0	$0	$0
153	KWETHLUK	0.00	0.000	444	$0	$5,200	$11,255	$15,938	$16,455
154	LOWER KALSKAG	0.00	0.000	195	$0	$5,350	$6,912	$11,877	$12,262
155	MANOKOTAK	0.00	0.901	225	$2,588	$0	$2,951	$5,365	$5,539
156	MCGRATH	0.00	0.000	296	$0	$11,816	$9,699	$20,841	$21,516
157	MEKORYUK	0.00	1.290	184	$2,621	$5,200	$3,716	$11,176	$11,538
158	MOUNTAIN VILLAGE	0.00	4.799	513	$34,462	$5,200	$0	$38,417	$22,873
159	NAPAKIAK	0.00	6.644	276	$18,786	$10,036	$0	$27,918	$18,826
160	NAPASKIAK	0.00	0.000	210	$0	$0	$5,323	$5,156	$5,323
161	NEWHALEN	0.00	0.000	89	$0	$0	$0	$0	$0
162	NEW STUYAHOK	0.00	0.000	230	$0	$0	$0	$0	$0
163	NEWTOK	0.00	0.000	124	$0	$0	$0	$0	$0
164	NIGHTMUTE	0.00	2.540	123	$3,714	$0	$0	$3,597	$799
165	NIKOLAI	0.00	0.000	85	$0	$7,195	$568	$7,520	$7,764
166	NONDALTON	0.00	0.000	226	$0	$0	$0	$0	$0
167	NOORVIK	0.00	2.264	527	$13,050	$9,763	$5,628	$27,550	$28,443
168	NULATO	0.00	0.000	331	$0	$8,225	$2,213	$10,111	$10,439
169	PILOT STATION	0.00	0.257	301	$1,528	$1,950	$8,841	$11,933	$12,320
170	PLATINUM	0.00	0.000	59	$0	$0	$1,879	$1,820	$1,879
171	PORT ALEXANDER	0.00	2.526	51	$1,140	$0	$0	$1,104	$661
172	PORT HEIDEN	0.00	0.000	89	$0	$50,373	$1,405	$50,153	$51,778
173	QUINHAGAK	0.00	1.037	395	$4,691	$5,512	$5,322	$15,038	$15,525
174	RUBY	0.00	0.000	219	$0	$0	$3,662	$3,547	$3,662
175	RUSSIAN MISSION	0.00	0.000	158	$0	$1,716	$410	$2,060	$2,126
176	SAINT MICHAEL	0.00	0.000	206	$0	$5,050	$5,071	$9,803	$10,121
177	SAINT PAUL	0.00	5.751	550	$30,152	$68,999	$0	$96,040	$85,410
178	SAND POINT	0.00	12.392	544	$45,582	$25,691	$0	$69,037	$40,458
179	SAVOONGA	0.00	0.652	409	$2,828	$5,050	$9,822	$17,145	$17,701
180	SCAMMON BAY	0.00	1.422	193	$4,810	$0	$1,336	$5,954	$6,147
181	SELAWIK	0.00	12.526	521	$43,655	$0	$0	$42,285	$17,073
182	SHAGELUK	0.00	0.000	169	$0	$12,070	$2,826	$14,429	$14,897
183	SHAKTOOLIK	0.00	0.966	160	$1,828	$0	$0	$1,770	$0
184	SHELDON POINT	0.00	0.000	136	$0	$0	$0	$0	$0
185	SHISHMAREF	0.00	2.183	326	$8,237	$8,534	$2,669	$18,831	$19,441
186	SHUNGNAK	0.00	2.184	182	$4,330	$5,350	$0	$9,376	$9,488
187	STEBBINS	0.00	1.035	298	$3,618	$0	$5,598	$8,928	$9,217
188	TANANA	0.00	1.610	499	$7,445	$22,169	$0	$28,685	$25,506
189	TELLER	0.00	1.090	219	$2,911	$10,144	$1,788	$14,378	$14,844
190	TENAKEE SPRINGS	0.00	0.000	140	$0	$1,556	$4,575	$5,939	$6,131
191	TOGIAK	0.00	2.850	419	$14,082	$0	$0	$13,640	$10,315
192	TOKSOOK BAY	0.00	2.168	317	$10,037	$5,200	$883	$15,615	$16,121
193	TULUKSAK	0.00	0.000	202	$0	$0	$0	$0	$0
194	TUNUNAK	0.00	0.523	299	$1,901	$5,200	$5,679	$12,379	$12,780
195	UNALAKLEET	0.00	0.000	630	$0	$22,510	$11,135	$32,589	$33,645
196	UPPER KALSKAG	0.00	0.000	164	$0	$0	$2,741	$2,655	$2,741
197	WALES	0.00	0.896	109	$1,113	$0	$0	$1,078	$0
198	WHITE MOUNTAIN	0.00	0.000	98	$0	$0	$0	$0	$0
199	WHITTIER	0.00	5.136	292	$10,473	$22,712	$776	$32,895	$33,961
200	EXT FIRE AREAS	0.00	0.000	1	$0	$66,341	$0	$64,259	$66,341
			TOTAL		$18,262,861	$6,737,139		$25,000,000	$18,321,095

COMPARISON OF REVENUE SHARING OPTIONS

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
APRIL 6, 1978

ESTIMATED PAYOUTS IN 1977

	LOCAL GOVERNMENT	POP	HB 843	PER CENT	EXIST.LAW	PER CENT	HB 70	PER CENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS								
1	ANCHORAGE (AW)	180,653	$5,121,008		$8,378,557		$11,269,005	
2	CITY (SA)	67,014	$1,953,352		$0		$0	
3	HILLSIDE (SA)	8,937	$96,690		$0		$0	
4	SPENARD (SA)	38,816	$1,108,634		$0		$0	
5	GIRDWOOD (SA)	600	$5,310		$0		$0	
6	GLEN ALPS (SA)	65	$572		$0		$0	
7	RICH. VISTA (SA)	1,105	$89,852		$0		$0	
8	SAND LAKE (SA)	18,915	$335,254		$0		$0	
9	MULDOON (SA)	23,345	$665,522		$0		$0	
10	RABBIT CREEK (SA)	6,532	$99,799		$0		$0	
11	EAGLE RIVER (SA)	7,182	$82,159		$0		$0	
12	CHUGIAK (SA)	5,876	$47,138		$0		$0	
13	OCEAN VIEW (SA)	1,894	$39,976		$0		$0	
14	OTHER SA	372	$478		$0		$0	
		TOTAL	$9,645,751	35.72%	$8,378,557	45.66%	$11,269,005	46.09%
15	BRISTOL BAY BOROUGH (AW)	1,311	$95,964		$32,370		$32,370	
16	SOUTH NAKNEK SA	175	$798		$0		$0	
		TOTAL	$96,762	0.35%	$32,370	0.17%	$32,370	0.13%
17	FAIRBANKS BOROUGH (AW)	60,227	$1,141,607		$1,200,637		$1,339,160	
18	BALLAINE LAKE (SA)	168	$1,198		$0		$0	
19	DIANE (SA)	66	$490		$0		$0	
20	WILDVIEW ACRES (SA)	77	$307		$0		$0	
21	SMITH RANCH (SA)	438	$5,491		$0		$0	
22	ENGINEER CREEK (SA)	144	$1,806		$0		$0	
23	ESTER LUMP (SA)	10	$36		$0		$0	
24	NORTH STAR F.P. (SA)	6,500	$26,166		$0		$0	
25	BECKER RIDGE (SA)	108	$601		$0		$0	
26	FAIRBANKS (CITY)	30,462	$2,256,892		$1,265,807		$1,335,869	
27	NORTH POLE (CITY)	461	$43,581		$29,890		$30,951	
		TOTAL	$3,478,180	12.88%	$2,496,336	13.60%	$2,705,981	11.06%
28	HAINES BOROUGH	1,924	$26,361		$0		$26,875	
29	HAINES (CITY)	1,366	$127,288		$65,721		$68,658	
		TOTAL	$153,649	0.56%	$65,721	0.35%	$95,533	0.39%
30	JUNEAU (AW)	20,465	$1,139,507		$751,062		$1,037,572	
31	JUNEAU SA1	7,259	$443,836		$0		$0	
32	JUNEAU SA2	1,606	$63,471		$0		$0	
33	JUNEAU SA3	197	$499		$0		$0	
34	JUNEAU SA4	1,370	$15,794		$0		$0	
35	JUNEAU SA5	8,369	$116,174		$0		$0	
36	JUNEAU SA6	719	$7,618		$0		$0	
37	JUNEAU SA7	427	$2,790		$0		$0	
38	JUNEAU SA8	512	$2,379		$0		$0	
		TOTAL	$1,792,072	6.63%	$751,062	4.09%	$1,037,572	4.24%
39	KENAI BOROUGH (AW)	24,611	$308,959		$470,590		$576,418	
40	CENTRAL HOSPITAL (SA)	14,100	$25,526		$0		$0	

41	SOUTH HOSPITAL (SA)	5,300	$64,595		$0		$0		
42	NORTH KENAI FIRE (SA)	3,512	$46,219		$0		$0		
43	NORTH KENAI REC (SA)	3,995	$8,106		$0		$0		
44	BEAR CREEK FIRE (SA)	675	$33,354		$0		$0		
45	HOMER (CITY)	1,802	$153,239		$74,774		$74,774		
46	KACHEMAK (CITY)	151	$26,361		$0		$26,875		
47	KENAI (CITY)	5,364	$499,391		$246,090		$274,921		
48	SELDOVIA (CITY)	612	$59,586		$26,132		$26,132		
49	SEWARD (CITY)	2,279	$209,113		$96,533		$96,533		
50	SOLDOTNA (CITY)	2,586	$248,667		$126,703		$140,603		
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		TOTAL	$1,683,121	6.23%	$1,040,825	5.67%	$1,216,259	4.97%	
51	KETCHIKAN BOROUGH (AW)	11,490	$450,878		$84,555		$130,515		
52	SHORELINE (SA)	550	$3,947		$0		$0		
53	KETCHIKAN (CITY)	7,928	$801,366		$393,632		$425,344		
54	SAXMAN (CITY)	272	$24,522		$8,294		$25,000		
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		TOTAL	$1,280,714	4.74%	$486,481	2.65%	$580,859	2.37%	
55	KODIAK BOROUGH (AW)	7,901	$214,830		$207,791		$224,778		
56	FIRE DISTRICT (SA)	1,546	$26,442		$0		$0		
57	ROAD DISTRICT (SA)	312	$1,380		$0		$0		
58	KODIAK (CITY)	4,960	$292,018		$190,984		$212,312		
59	AKHIOK (CITY)	102	$26,361		$0		$26,875		
60	LARSEN BAY (CITY)	137	$26,361		$1,841		$26,875		
61	OLD HARBOR (CITY)	327	$26,361		$17,281		$26,875		
62	OUZINKIE (CITY)	170	$26,361		$2,284		$26,875		
63	PORT LIONS (CITY)	227	$26,361		$11,133		$26,875		
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		TOTAL	$666,480	2.46%	$431,316	2.35%	$571,465	2.33%	
64	MAT-SU BOROUGH (AW)	16,724	$361,640		$295,973		$365,378		
65	WASILLA F(1,8,9,10,11)	4,908	$24,317		$0		$0		
66	BUTTE FIRE (SA)	1,818	$6,743		$0		$0		
67	SUTTON FIRE (SA)	594	$10,984		$0		$0		
68	OTHER AREA (SA)	12,924	$11,573		$0		$0		
69	TALKEETNA FLOOD (SA)	223	$3,905		$0		$0		
70	GARDEN TERRACE (SA)	57	$96[illegible]		$0		$0		
71	HOUSTON (CITY)	375	$40,56[illegible]		$41,357		$41,357		
72	PALMER (CITY)	1,859	$164,5[illegible]		$86,977		$86,977		
73	WASILLA (CITY)	1,566	$72,5[illegible]		$73,937		$73,937		
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		TOTAL	$697,779	2.58%	$498,246	2.71%	$567,651	2.32%	
74	NORTH SLOPE BOROUGH (AW)	9,139	$302,306		$308,193		$308,193		
75	ANAKTUVUK PASS (CITY)	150	$32,798		$0		$33,437		
76	BARROW (CITY)	2,306	$187,511		$38,553		$38,553		
77	KAKTOVIK (CITY)	123	$32,798		$2,057		$33,437		
78	NUIQSUT (CITY)	152	$32,798		$0		$33,437		
79	POINT HOPE (CITY)	384	$32,798		$0		$33,437		
80	WAINWRIGHT (CITY)	341	$32,798		$0		$33,437		
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		TOTAL	$653,812	2.42%	$348,803	1.90%	$513,934	2.10%	
81	SITKA BOROUGH	7,650	$376,660	1.39%	$383,994	2.09%	$455,426	1.86%	
FIRST CLASS CITIES									
82	CORDOVA	2,406	$312,407	1.15%	$211,729	1.15%	$222,797	0.91%	
83	CRAIG	467	$48,180	0.17%	$26,050	0.14%	$26,050	0.10%	
84	DILLINGHAM	1,269	$110,135	0.40%	$60,754	0.33%	$60,754	0.24%	
85	GALENA	631	$70,078	0.25%	$41,499	0.22%	$41,499	0.16%	
86	HOONAH	848	$68,954	0.25%	$28,715	0.15%	$28,715	0.11%	
87	HYDABURG	380	$38,001	0.14%	$14,650	0.07%	$14,650	0.05%	
88	KAKE	679	$25,442	0.09%	$20,256	0.11%	$25,937	0.10%	
89	KING COVE	408	$30,578	0.11%	$21,275	0.11%	$21,275	0.08%	

90	KLAWOCK	323	$32,674	0.12%	$14,449	0.07%	$14,449	0.05%
91	NENANA	521	$62,946	0.23%	$40,963	0.22%	$42,317	0.17%
92	NOME	2,585	$396,686	1.46%	$283,132	1.54%	$283,132	1.15%
93	PELICAN	169	$26,361	0.09%	$9,616	0.05%	$26,875	0.10%
94	PETERSBURG	2,126	$271,078	1.00%	$169,595	0.92%	$174,007	0.71%
95	SAINT MARY'S	415	$31,879	0.11%	$22,194	0.12%	$32,500	0.13%
96	SKAGWAY	854	$57,184	0.21%	$48,537	0.26%	$50,373	0.20%
97	UNALASKA	510	$125,222	0.46%	$102,445	0.55%	$102,445	0.41%
98	VALDEZ	7,483	$314,067		$417,165		$452,709	
99	ZONE I	6,683	$94,022		$0		$0	
100	ZONE II	700	$1,108		$0		$0	
		TOTAL	$409,197	1.51%	$417,165	2.27%	$452,709	1.85%
101	WRANGELL	3,152	$353,862		$209,010		$215,551	
102	ZONE II	797	$12,408		$0		$0	
103	ZONE III	100	$1,578		$0		$0	
104	ZONE IV	2,250	$98,016		$0		$0	
		TOTAL	$465,865	1.72%	$209,010	1.13%	$215,551	0.88%
105	YAKUTAT	442	$35,941	0.13%	$0	0.00%	$0	0.00%
	SECOND CLASS CITIES							
106	AKIACHAK	354	$31,879	0.11%	$30,904	0.16%	$32,500	0.13%
107	AKIAK	165	$31,879	0.11%	$1,072	0.00%	$32,500	0.13%
108	AKOLMIUT	608	$80,553	0.29%	$82,122	0.44%	$82,122	0.33%
109	ALAKANUK	527	$31,879	0.11%	$29,265	0.15%	$32,500	0.13%
110	ALEKNAGIK	227	$30,959	0.11%	$0	0.00%	$31,562	0.12%
111	ALLAKAKET	164	$32,798	0.12%	$2,741	0.01%	$33,437	0.13%
112	AMBLER	217	$32,798	0.12%	$22,531	0.12%	$33,437	0.13%
113	ANDERSON	470	$32,798	0.12%	$31,548	0.17%	$33,437	0.13%
114	ANGOON	287	$25,442	0.09%	$18,036	0.09%	$25,937	0.10%
115	ANIAK	323	$32,798	0.12%	$24,160	0.13%	$33,437	0.13%
116	ANVIK	87	$32,798	0.12%	$0	0.00%	$33,437	0.13%
117	ATMAUTLUAK	169	$31,879	0.11%	$10,583	0.05%	$32,500	0.13%
118	BETHEL	3,409	$391,010	1.44%	$264,487	1.44%	$273,351	1.11%
119	BREVIG MISSION	120	$30,959	0.11%	$8,534	0.04%	$31,562	0.12%
120	BUCKLAND	172	$32,798	0.12%	$0	0.00%	$33,437	0.13%
121	CHEFORNAK	192	$31,879	0.11%	$1,872	0.01%	$32,500	0.13%
122	CHEVAK	447	$31,879	0.11%	$9,878	0.05%	$32,500	0.13%
123	CHUATHBALUK	118	$32,798	0.12%	$9,216	0.05%	$33,437	0.13%
124	CLARK'S POINT	98	$30,959	0.11%	$0	0.00%	$31,562	0.12%
125	DEERING	100	$32,798	0.12%	$8,626	0.04%	$33,437	0.13%
126	DELTA JUNCTION	892	$30,998	0.11%	$31,602	0.17%	$35,705	0.14%
127	DIOMEDE	135	$30,959	0.11%	$6,328	0.03%	$31,562	0.12%
128	EAGLE	145	$28,200	0.10%	$4,904	0.02%	$28,750	0.11%
129	EEK	195	$31,879	0.11%	$6,211	0.03%	$32,500	0.13%
130	EKWOK	109	$30,959	0.11%	$0	0.00%	$31,562	0.12%
131	ELIM	205	$30,959	0.11%	$11,909	0.06%	$31,562	0.12%
132	EMMONAK	545	$48,926	0.18%	$16,744	0.09%	$16,744	0.06%
133	FORT YUKON	637	$82,064	0.30%	$53,434	0.29%	$53,434	0.21%
134	FORTUNA LEDGE	200	$31,879	0.11%	$10,270	0.05%	$32,500	0.13%
135	GAMBELL	412	$30,959	0.11%	$6,241	0.03%	$31,562	0.12%
136	GOLOVIN	118	$30,959	0.11%	$0	0.00%	$31,562	0.12%
137	GOODNEWS BAY	248	$31,879	0.11%	$4,674	0.02%	$32,500	0.13%
138	GRAYLING	167	$32,798	0.12%	$2,402	0.01%	$33,437	0.13%
139	HOLY CROSS	212	$32,798	0.12%	$17,486	0.09%	$33,437	0.13%
140	HOOPER BAY	590	$31,879	0.11%	$0	0.00%	$32,500	0.13%
141	HUGHES	98	$32,798	0.12%	$1,638	0.00%	$33,437	0.13%
142	HUSLIA	216	$39,997	0.14%	$40,776	0.22%	$40,776	0.16%
143	KALTAG	240	$32,798	0.12%	$6,881	0.03%	$33,437	0.13%
144	KASAAN	38	$24,522	0.09%	$4,475	0.02%	$25,000	0.10%
145	KIANA	314	$32,798	0.12%	$17,545	0.09%	$33,437	0.13%
146	KIVALINA	208	$32,798	0.12%	$14,172	0.07%	$33,437	0.13%

147	KUBUK	60	$32,798	0.12%	$5,951	0.03%	$33,437	0.13%
148	KOTLIK	284	$31,879	0.11%	$11,476	0.06%	$32,500	0.13%
149	KOTZEBUE	2,526	$235,942	0.87%	$144,317	0.78%	$144,317	0.59%
150	KOYUK	160	$30,959	0.11%	$9,999	0.05%	$31,562	0.12%
151	KOYUKUK	124	$32,798	0.12%	$6,179	0.03%	$33,437	0.13%
152	KUPREANOF	42	$25,442	0.09%	$0	0.00%	$25,937	0.10%
153	KWETHLUK	444	$31,879	0.11%	$16,455	0.08%	$32,500	0.13%
154	LOWER KALSKAG	195	$32,798	0.12%	$12,262	0.06%	$33,437	0.13%
155	MANOKOTAK	225	$30,959	0.11%	$5,539	0.03%	$31,562	0.12%
156	MCGRATH	296	$32,798	0.12%	$21,516	0.11%	$33,437	0.13%
157	MEKORYUK	184	$31,879	0.11%	$11,538	0.06%	$32,500	0.13%
158	MOUNTAIN VILLAGE	513	$38,544	0.14%	$22,873	0.12%	$22,873	0.09%
159	NAPAKIAK	276	$31,879	0.11%	$18,826	0.10%	$32,500	0.13%
160	NAPASKIAK	210	$31,879	0.11%	$5,323	0.02%	$32,500	0.13%
161	NEWHALEN	89	$30,959	0.11%	$0	0.00%	$31,562	0.12%
162	NEW STUYAHOK	230	$30,959	0.11%	$0	0.00%	$31,562	0.12%
163	NEWTOK	124	$31,879	0.11%	$0	0.00%	$32,500	0.13%
164	NIGHTMUTE	123	$31,879	0.11%	$799	0.00%	$32,500	0.13%
165	NIKOLAI	85	$32,798	0.12%	$7,764	0.04%	$33,437	0.13%
166	NONDALTON	226	$30,959	0.11%	$0	0.00%	$31,562	0.12%
167	NOORVIK	527	$32,798	0.12%	$28,443	0.15%	$33,437	0.13%
168	NULATO	331	$32,798	0.12%	$10,439	0.05%	$33,437	0.13%
169	PILOT STATION	301	$31,879	0.11%	$12,320	0.06%	$32,500	0.13%
170	PLATINUM	59	$31,879	0.11%	$1,879	0.01%	$32,500	0.13%
171	PORT ALEXANDER	51	$25,442	0.09%	$661	0.00%	$25,937	0.10%
172	PORT HEIDEN	89	$50,789	0.18%	$51,778	0.28%	$51,778	0.21%
173	QUINHAGAK	395	$31,879	0.11%	$15,525	0.08%	$32,500	0.13%
174	RUBY	219	$32,798	0.12%	$3,662	0.01%	$33,437	0.13%
175	RUSSIAN MISSION	158	$31,879	0.11%	$2,126	0.01%	$32,500	0.13%
176	SAINT MICHAEL	206	$30,959	0.11%	$10,121	0.05%	$31,562	0.12%
177	SAINT PAUL	550	$96,942	0.35%	$85,410	0.46%	$85,410	0.34%
178	SAND POINT	544	$69,436	0.25%	$40,458	0.22%	$40,458	0.16%
179	SAVOONGA	409	$30,959	0.11%	$17,701	0.09%	$31,562	0.12%
180	SCAMMON BAY	193	$31,879	0.11%	$6,147	0.03%	$32,500	0.13%
181	SELAWIK	521	$42,364	0.15%	$17,073	0.09%	$17,073	0.06%
182	SHAGELUK	169	$32,798	0.12%	$14,897	0.08%	$33,437	0.13%
183	SHAKTOOLIK	160	$30,959	0.11%	$0	0.00%	$31,562	0.12%
184	SHELDON POINT	136	$31,879	0.11%	$0	0.00%	$32,500	0.13%
185	SHISHMAREF	326	$30,959	0.11%	$19,441	0.10%	$31,562	0.12%
186	SHUNGNAK	182	$32,798	0.12%	$9,488	0.05%	$33,437	0.13%
187	STEBBINS	298	$30,959	0.11%	$9,217	0.05%	$31,562	0.12%
188	TANANA	499	$32,798	0.12%	$25,506	0.13%	$33,437	0.13%
189	TELLER	219	$30,959	0.11%	$14,844	0.08%	$31,562	0.12%
190	TENAKEE SPRINGS	140	$25,442	0.09%	$6,131	0.03%	$25,937	0.10%
191	TOGIAK	419	$30,959	0.11%	$10,315	0.05%	$31,562	0.12%
192	TOKSOOK BAY	317	$31,879	0.11%	$16,121	0.08%	$32,500	0.13%
193	TULUKSAK	202	$31,879	0.11%	$0	0.00%	$32,500	0.13%
194	TUNUNAK	299	$31,879	0.11%	$12,780	0.06%	$32,500	0.13%
195	UNALAKLEET	630	$33,002	0.12%	$33,645	0.18%	$33,645	0.13%
196	UPPER KALSKAG	164	$32,798	0.12%	$2,741	0.01%	$33,437	0.13%
197	WALES	109	$30,959	0.11%	$0	0.00%	$31,562	0.12%
198	WHITE MOUNTAIN	98	$30,959	0.11%	$0	0.00%	$31,562	0.12%
199	WHITTIER	292	$33,313	0.12%	$33,961	0.18%	$33,961	0.13%
200	EXT FIRE AREAS	1	$65,073	0.24%	$66,341	0.36%	$66,341	0.27%
	TOTAL		$26,999,999		$18,349,049		$24,446,341	

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 843

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
APRIL 6, 1978

LOCAL EFFORT LIMIT SET TO 25
CHAPTER 88 PRORATION FACTOR IS 3.315918 (CHAPTER 88 PLUS MINIMUM ENTITLEMENTS)
PRORATION FACTOR FOR SECTION 10 IS .9809001

	LOCAL GOV'T	PROPERTY TAX	S. T. EQUIV	POP	CHAPTER 88 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MIN ENT	SECTION 10 ADD ON	HB 843 ENTITLEMENT	PRESENT ENTITLEMENT	'77 HB 70 ENTITLEMENT
BOROUGHS AND INTERNAL DIFFERENTIAL TAX UNITS											
1	ANCHORAGE (AW)	2.93	0.00	180,653	$2,344,559	$2,876,165	$0	$0	$5,121,008	$8,378,557	$11,269,005
2	CITY (SA)	7.07	0.00	67,014	$1,991,387	$0	$0	$0	$1,953,352	$0	$0
3	HILLSIDE (SA)	3.49	0.00	8,937	$98,573	$0	$0	$0	$96,690	$0	$0
4	SPENARD (SA)	7.34	0.00	38,816	$1,130,222	$0	$0	$0	$1,108,634	$0	$0
5	GIRDWOOD (SA)	3.35	0.00	600	$5,414	$0	$0	$0	$5,310	$0	$0
6	GLEN ALPS (SA)	3.37	0.00	65	$583	$0	$0	$0	$572	$0	$0
7	RICH. VISTA (SA)	7.24	0.00	1,105	$91,602	$0	$0	$0	$89,852	$0	$0
8	SAND LAKE (SA)	3.97	0.00	18,915	$341,782	$0	$0	$0	$335,254	$0	$0
9	MULDOON (SA)	4.70	0.00	23,345	$678,481	$0	$0	$0	$665,522	$0	$0
10	RABBIT CREEK (SA)	3.37	0.00	6,532	$101,743	$0	$0	$0	$99,799	$0	$0
11	EAGLE RIVER (SA)	2.28	0.00	7,182	$83,759	$0	$0	$0	$82,159	$0	$0
12	CHUGIAK (SA)	1.28	0.00	5,876	$48,056	$0	$0	$0	$47,138	$0	$0
13	OCEAN VIEW (SA)	4.86	0.00	1,894	$40,754	$0	$0	$0	$39,976	$0	$0
14	OTHER SA	0.52	0.00	372	$487	$0	$0	$0	$478	$0	$0
				TOTAL	$6,957,407	$2,876,165			$9,645,751	$8,378,557	$11,269,005
15	BRISTOL BAY BOROUGH (AW)	6.15	8.20	1,311	$89,463	$8,370	$0	$0	$95,964	$32,370	$32,370
16	SOUTH NAKNEK SA	1.47	0.00	175	$813	$0	$0	$0	$798	$0	$0
				TOTAL	$90,276	$8,370			$96,762	$32,370	$32,370
17	FAIRBANKS BOROUGH (AW)	1.19	2.22	60,227	$811,502	$113,018	$0	$239,315	$1,141,607	$1,200,637	$1,339,160
18	BALLAINE LAKE (SA)	0.81	0.00	168	$1,221	$0	$0	$0	$1,198	$0	$0
19	DIANE (SA)	1.22	0.00	66	$499	$0	$0	$0	$490	$0	$0
20	WILDVIEW ACRES (SA)	0.82	0.00	77	$313	$0	$0	$0	$307	$0	$0
21	SMITH RANCH (SA)	1.63	0.00	438	$5,598	$0	$0	$0	$5,491	$0	$0
22	ENGINEER CREEK (SA)	1.64	0.00	144	$1,841	$0	$0	$0	$1,806	$0	$0
23	ESTER LUMP (SA)	2.04	0.00	10	$37	$0	$0	$0	$36	$0	$0
24	NORTH STAR F.P. (SA)	0.87	0.00	6,500	$26,675	$0	$0	$0	$26,166	$0	$0
25	BECKER RIDGE (SA)	2.35	0.00	108	$613	$0	$0	$0	$601	$0	$0
26	FAIRBANKS (CITY)	6.94	4.60	30,462	$1,788,203	$512,634	$0	$0	$2,256,892	$1,265,807	$1,335,869
27	NORTH POLE (CITY)	4.36	9.18	461	$25,938	$18,492	$0	$0	$43,581	$29,890	$30,951
				TOTAL	$2,662,446	$644,144			$3,478,180	$2,496,336	$2,705,981
28	HAINES BOROUGH	1.42	0.00	1,924	$16,354	$0	$10,520	$0	$26,361	$0	$26,875
29	HAINES (CITY)	7.62	5.58	1,366	$113,238	$16,528	$0	$0	$127,288	$65,721	$68,658
				TOTAL	$129,592	$16,528			$153,649	$65,721	$95,533
30	JUNEAU (AW)	8.62	0.00	20,465	$952,666	$209,030	$0	$0	$1,139,507	$751,062	$1,037,572
31	JUNEAU SA1	2.78	9.13	7,259	$452,478	$0	$0	$0	$443,836	$0	$0
32	JUNEAU SA2	1.21	4.12	1,606	$64,707	$0	$0	$0	$63,471	$0	$0
33	JUNEAU SA3	0.79	0.00	197	$509	$0	$0	$0	$499	$0	$0
34	JUNEAU SA4	2.88	0.00	1,370	$16,102	$0	$0	$0	$15,794	$0	$0
35	JUNEAU SA5	2.35	0.00	8,369	$118,436	$0	$0	$0	$116,174	$0	$0
36	JUNEAU SA6	1.89	0.00	719	$7,766	$0	$0	$0	$7,618	$0	$0
37	JUNEAU SA7	1.41	0.00	427	$2,844	$0	$0	$0	$2,790	$0	$0
38	JUNEAU SA8	1.30	0.00	518	$2,425	$0	$0	$0	$2,379	$0	$0

			TOTAL	$1,617,937	$209,030			$1,792,072	$751,062	$1,037,572
39	KENAI BOROUGH (AW)	0.00	0.00	24,611	$0	$314,975	$0	$0	$308,959	$470,590	$576,418
40	CENTRAL HOSPITAL (SA)	0.19	0.00	14,100	$26,023	$0	$0	$0	$25,526	$0	$0
41	SOUTH HOSPITAL (SA)	2.02	0.00	5,300	$65,853	$0	$0	$0	$64,595	$0	$0
42	NORTH KENAI FIRE (SA)	5.45	0.00	3,512	$47,119	$0	$0	$0	$46,219	$0	$0
43	NORTH KENAI REC (SA)	0.84	0.00	3,995	$8,264	$0	$0	$0	$8,106	$0	$0
44	BEAR CREEK FIRE (SA)	5.43	0.00	675	$34,003	$0	$0	$0	$33,354	$0	$0
45	HOMER (CITY)	11.26	5.74	1,802	$142,468	$13,754	$0	$0	$153,239	$74,774	$74,774
46	KACHEMAK (CITY)	1.75	0.00	151	$1,366	$0	$25,508	$0	$26,361	$0	$26,875
47	KENAI (CITY)	14.58	7.95	5,364	$444,664	$64,451	$0	$0	$499,391	$246,090	$274,921
48	SELDOVIA (CITY)	14.48	2.58	612	$50,733	$10,013	$0	$0	$59,586	$26,132	$26,132
49	SEWARD (CITY)	17.58	0.00	2,279	$188,924	$24,260	$0	$0	$209,113	$96,533	$96,533
50	SOLDOTNA (CITY)	10.24	7.47	2,586	$214,373	$39,135	$0	$0	$248,667	$126,703	$140,603
			TOTAL		$1,223,796	$466,590			$1,683,121	$1,040,825	$1,216,259
51	KETCHIKAN BOROUGH (AW)	4.55	3.43	11,490	$459,657	$0	$0	$0	$450,878	$84,555	$130,515
52	SHORELINE (SA)	1.00	0.00	550	$4,024	$0	$0	$0	$3,947	$0	$0
53	KETCHIKAN (CITY)	9.67	8.90	7,928	$657,214	$159,756	$0	$0	$801,366	$393,632	$425,344
54	SAXMAN (CITY)	0.00	0.00	272	$0	$4,350	$20,650	$0	$24,522	$8,294	$25,000
			TOTAL		$1,120,896	$164,106			$1,280,714	$486,481	$580,859
55	KODIAK BOROUGH (AW)	1.83	0.00	7,901	$52,063	$166,949	$0	$0	$214,830	$207,791	$224,778
56	FIRE DISTRICT (SA)	2.31	0.00	1,546	$26,957	$0	$0	$0	$26,442	$0	$0
57	ROAD DISTRICT (SA)	0.64	0.00	312	$1,407	$0	$0	$0	$1,380	$0	$0
58	KODIAK (CITY)	8.19	6.04	4,960	$274,678	$23,026	$0	$0	$292,018	$190,984	$212,312
59	AKHIOK (CITY)	0.00	0.00	102	$0	$0	$26,875	$0	$26,361	$0	$26,875
60	LARSEN BAY (CITY)	0.00	0.00	137	$0	$0	$26,875	$0	$26,361	$1,841	$26,875
61	OLD HARBOR (CITY)	0.00	0.00	327	$0	$6,208	$20,666	$0	$26,361	$17,281	$26,875
62	OUZINKIE (CITY)	0.00	368.44	170	$14,092	$0	$12,782	$0	$26,361	$2,284	$26,875
63	PORT LIONS (CITY)	0.00	0.00	227	$0	$3,934	$22,940	$0	$26,361	$11,133	$26,875
			TOTAL		$369,199	$200,118			$666,480	$431,316	$571,465
64	MAT-SU BOROUGH (AW)	3.12	0.00	16,724	$234,891	$133,790	$0	$0	$361,640	$295,973	$365,378
65	WASILLA F(1,8,9,10,11)	0.77	0.00	4,908	$24,791	$0	$0	$0	$24,317	$0	$0
66	BUTTE FIRE (SA)	0.59	0.00	1,818	$6,875	$0	$0	$0	$6,743	$0	$0
67	SUTTON FIRE (SA)	1.71	0.00	594	$11,198	$0	$0	$0	$10,984	$0	$0
68	OTHER AREA (SA)	0.17	0.00	12,924	$11,798	$0	$0	$0	$11,573	$0	$0
69	TALKEETNA FLOOD (SA)	1.99	0.00	223	$3,981	$0	$0	$0	$3,905	$0	$0
70	GARDEN TERRACE (SA)	3.08	0.00	57	$984	$0	$0	$0	$966	$0	$0
71	HOUSTON (CITY)	0.00	0.00	375	$0	$36,494	$0	$4,863	$40,567	$41,357	$41,357
72	PALMER (CITY)	4.25	8.69	1,859	$141,536	$26,222	$0	$0	$164,555	$86,977	$86,977
73	WASILLA (CITY)	0.00	0.00	1,566	$0	$65,813	$0	$8,123	$72,525	$73,937	$73,937
			TOTAL		$436,057	$262,321			$697,779	$498,246	$567,651
74	NORTH SLOPE BOROUGH (AW)	5.55	0.11	9,139	$166,765	$65,510	$0	$75,917	$302,306	$308,193	$308,193
75	ANAKTUVUK PASS (CITY)	0.00	0.00	150	$0	$0	$33,437	$0	$32,798	$0	$33,437
76	BARROW (CITY)	0.00	52.37	2,306	$191,162	$0	$0	$0	$187,511	$38,553	$38,553
77	KAKTOVIK (CITY)	0.00	0.00	123	$0	$0	$33,437	$0	$32,798	$2,057	$33,437
78	NUIQSUT (CITY)	0.00	0.00	152	$0	$0	$33,437	$0	$32,798	$0	$33,437
79	POINT HOPE (CITY)	0.00	13.18	384	$31,832	$0	$1,604	$0	$32,798	$0	$33,437
80	WAINWRIGHT (CITY)	0.00	33.34	341	$28,268	$0	$5,169	$0	$32,798	$0	$33,437
			TOTAL		$418,028	$65,510			$653,812	$348,803	$513,934
81	SITKA BOROUGH	2.10	3.86	7,650	$212,343	$133,982	$0	$37,668	$376,660	$383,994	$455,426
	FIRST CLASS CITIES										
82	CORDOVA	8.51	12.04	2,406	$199,452	$119,038	$0	$0	$312,407	$211,729	$222,797
83	CRAIG	5.83	8.78	467	$38,713	$10,405	$0	$0	$48,180	$26,050	$26,050
84	DILLINGHAM	15.12	10.14	1,269	$105,197	$7,082	$0	$0	$110,135	$60,754	$60,754
85	GALENA	0.00	14.02	631	$52,308	$19,134	$0	$0	$70,078	$41,499	$41,499

86	HOONAH	0.00	8.62	848	$70,297	$0	$0	$0	$68,954	$28,715	$[illegible]
87	HYDABURG	0.00	15.98	380	$31,501	$7,240	$0	$0	$38,001	$14,650	$14,[illegible]
88	KAKE	0.00	1.14	679	$19,466	$1,587	$4,883	$0	$25,442	$20,256	$25,937
89	KING COVE	2.00	2.91	408	$26,124	$5,050	$0	$0	$30,578	$21,275	$21,275
90	KLAWOCK	0.00	3.41	323	$26,776	$6,535	$0	$0	$32,674	$14,449	$14,449
91	NENANA	9.16	6.09	521	$43,189	$20,982	$0	$0	$62,946	$40,963	$42,317
92	NOME	17.39	9.80	2,585	$214,291	$190,119	$0	$0	$396,686	$283,132	$283,132
93	PELICAN	3.20	9.91	169	$14,009	$6,073	$6,791	$0	$26,361	$9,616	$26,875
94	PETERSBURG	12.81	1.23	2,126	$176,240	$100,115	$0	$0	$271,078	$169,595	$174,007
95	SAINT MARY'S	0.00	0.00	415	$0	$5,200	$27,300	$0	$31,879	$22,194	$32,500
96	SKAGWAY	9.40	3.40	854	$38,679	$19,618	$0	$0	$57,184	$48,537	$50,373
97	UNALASKA	9.59	21.41	510	$42,277	$85,382	$0	$0	$125,222	$102,445	$102,445
98	VALDEZ	4.43	0.00	7,483	$40,806	$119,481	$0	$159,894	$314,067	$417,165	$452,709
99	ZONE I	1.88	0.00	6,683	$95,853	$0	$0	$0	$94,022	$0	$0
100	ZONE II	0.57	0.00	700	$1,129	$0	$0	$0	$1,108	$0	$0
				TOTAL	$137,789	$119,481			$409,197	$417,165	$452,709
101	WRANGELL	5.87	9.30	3,152	$261,294	$99,458	$0	$0	$353,862	$209,010	$215,551
102	ZONE II	2.02	0.00	797	$12,649	$0	$0	$0	$12,408	$0	$0
103	ZONE III	4.11	0.00	100	$1,608	$0	$0	$0	$1,578	$0	$0
104	ZONE IV	5.40	0.00	2,250	$99,925	$0	$0	$0	$98,016	$0	$0
				TOTAL	$375,478	$99,458			$465,865	$209,010	$215,551
105	YAKUTAT	11.60	4.56	442	$36,640	$0	$0	$0	$35,941	$0	$0
	SECOND CLASS CITIES										
106	AKIACHAK	0.00	0.00	354	$0	$19,630	$12,870	$0	$31,879	$30,904	$32,500
107	AKIAK	0.00	0.00	165	$0	$0	$32,500	$0	$31,879	$1,072	$32,500
108	AKOLMIUT	0.00	0.54	608	$4,142	$62,757	$0	$15,222	$80,553	$82,122	$82,122
109	ALAKANUK	0.00	1.31	527	$12,224	$12,480	$7,795	$0	$31,879	$29,265	$32,500
110	ALEKNAGIK	0.00	0.00	227	$0	$0	$31,562	$0	$30,959	$0	$31,562
111	ALLAKAKET	0.00	0.00	164	$0	$0	$33,437	$0	$32,798	$2,741	$33,437
112	AMBLER	0.00	0.91	217	$2,546	$14,839	$16,051	$0	$32,798	$22,531	$33,437
113	ANDERSON	0.00	2.24	470	$9,774	$13,004	$10,658	$0	$32,798	$31,548	$33,437
114	ANGOON	0.00	2.82	287	$12,360	$8,061	$5,515	$0	$25,442	$18,036	$25,937
115	ANIAK	0.00	0.00	323	$0	$13,575	$19,861	$0	$32,798	$24,160	$33,437
116	ANVIK	0.00	0.00	87	$0	$0	$33,437	$0	$32,798	$0	$33,437
117	ATMAUTLUAK	0.00	0.00	169	$0	$5,200	$27,300	$0	$31,879	$10,583	$32,500
118	BETHEL	0.00	12.61	3,409	$282,598	$116,025	$0	$0	$391,010	$264,487	$273,351
119	BREVIG MISSION	0.00	0.00	120	$0	$5,580	$25,982	$0	$30,959	$8,534	$31,562
120	BUCKLAND	0.00	1.99	172	$4,095	$0	$29,342	$0	$32,798	$0	$33,437
121	CHEFORNAK	0.00	0.00	192	$0	$0	$32,500	$0	$31,879	$1,872	$32,500
122	CHEVAK	0.00	1.86	447	$11,183	$0	$21,316	$0	$31,879	$9,878	$32,500
123	CHUATHBALUK	0.00	0.00	118	$0	$5,350	$28,087	$0	$32,798	$9,216	$33,437
124	CLARK'S POINT	0.00	0.00	98	$0	$0	$31,562	$0	$30,959	$0	$31,562
125	DEERING	0.00	3.53	100	$3,502	$5,350	$24,584	$0	$32,798	$8,626	$33,437
126	DELTA JUNCTION	0.00	0.00	892	$0	$18,779	$9,970	$2,852	$30,998	$31,602	$35,705
127	DIOMEDE	0.00	0.00	135	$0	$5,050	$26,512	$0	$30,959	$6,328	$31,562
128	EAGLE	2.21	0.00	145	$3,939	$4,071	$20,739	$0	$28,200	$4,904	$28,750
129	EEK	0.00	1.60	195	$3,788	$0	$28,711	$0	$31,879	$6,211	$32,500
130	EKWOK	0.00	0.00	109	$0	$0	$31,562	$0	$30,959	$0	$31,562
131	ELIM	0.00	1.91	205	$4,178	$5,050	$22,334	$0	$30,959	$11,909	$31,562
132	EMMONAK	0.00	4.46	545	$45,179	$4,699	$0	$0	$48,926	$16,744	$16,744
133	FORT YUKON	0.00	8.33	637	$52,805	$30,856	$0	$0	$82,064	$53,434	$53,434
134	FORTUNA LEDGE	0.00	0.00	200	$0	$5,200	$27,300	$0	$31,879	$10,270	$32,500
135	GAMBELL	0.00	2.68	412	$11,868	$0	$19,694	$0	$30,959	$6,241	$31,562
136	GOLOVIN	0.00	0.00	118	$0	$0	$31,562	$0	$30,959	$0	$31,562
137	GOODNEWS BAY	0.00	1.24	248	$3,362	$0	$29,137	$0	$31,879	$4,674	$32,500
138	GRAYLING	0.00	0.00	167	$0	$0	$33,437	$0	$32,798	$2,402	$33,437
139	HOLY CROSS	0.00	0.00	212	$0	$13,375	$20,062	$0	$32,798	$17,486	$33,437
140	HOOPER BAY	0.00	2.52	590	$21,436	$0	$11,063	$0	$31,879	$0	$32,500
141	HUGHES	0.00	0.00	98	$0	$0	$33,437	$0	$32,798	$1,638	$33,437
142	HUSLIA	0.00	0.00	216	$0	$36,587	$0	$4,189	$39,997	$40,776	$40,776

143	RALTAG	0.00	0.00	240	$0	$2,226	$31,210	$0	$32,798	$6,881	$33,437
144	KASAAN	0.00	0.00	38	$0	$4,000	$21,000	$0	$24,522	$4,475	$25,000
145	KIANA	0.00	0.00	314	$0	$10,405	$23,031	$0	$32,798	$17,545	$33,437
146	KIVALINA	0.00	1.86	208	$4,520	$7,356	$21,560	$0	$32,798	$14,172	$33,437
147	KOBUK	0.00	0.00	60	$0	$5,350	$28,087	$0	$32,798	$5,951	$33,437
148	KOTLIK	0.00	1.94	284	$10,017	$5,200	$17,282	$0	$31,879	$11,476	$32,500
149	KOTZEBUE	0.00	11.58	2,526	$209,400	$31,137	$0	$0	$235,942	$144,317	$144,317
150	KOYUK	0.00	0.33	160	$733	$5,050	$25,779	$0	$30,959	$9,999	$31,562
151	KOYUKUK	0.00	0.00	124	$0	$5,350	$28,087	$0	$32,798	$6,179	$33,437
152	KUPREANOF	0.00	0.00	42	$0	$0	$25,937	$0	$25,442	$0	$25,937
153	KWETHLUK	0.00	0.00	444	$0	$5,200	$27,300	$0	$31,879	$16,455	$32,500
154	LOWER KALSKAG	0.00	0.00	195	$0	$5,350	$28,087	$0	$32,798	$12,262	$33,437
155	MANOKOTAK	0.00	0.90	225	$2,560	$0	$29,001	$0	$30,959	$5,539	$31,562
156	MCGRATH	0.00	0.00	296	$0	$11,816	$21,620	$0	$32,798	$21,516	$33,437
157	MEKORYUK	0.00	1.29	184	$2,593	$5,200	$24,706	$0	$31,879	$11,538	$32,500
158	MOUNTAIN VILLAGE	0.00	4.79	513	$34,094	$5,200	$0	$0	$38,544	$22,873	$22,873
159	NAPAKIAK	0.00	6.64	276	$18,586	$10,036	$3,877	$0	$31,879	$18,826	$32,500
160	NAPASKIAK	0.00	0.00	210	$0	$0	$32,500	$0	$31,879	$5,323	$32,500
161	NEWHALEN	0.00	0.00	89	$0	$0	$31,562	$0	$30,959	$0	$31,562
162	NEW STUYAHOK	0.00	0.00	230	$0	$0	$31,562	$0	$30,959	$0	$31,562
163	NEWTOK	0.00	0.00	124	$0	$0	$32,500	$0	$31,879	$0	$32,500
164	NIGHTMUTE	0.00	2.54	123	$3,674	$0	$28,825	$0	$31,879	$799	$32,500
165	NIKOLAI	0.00	0.00	85	$0	$7,195	$26,241	$0	$32,798	$7,764	$33,437
166	NONDALTON	0.00	0.00	226	$0	$0	$31,562	$0	$30,959	$0	$31,562
167	NOORVIK	0.00	2.26	527	$12,911	$9,763	$10,762	$0	$32,798	$28,443	$33,437
168	NULATO	0.00	0.00	331	$0	$8,225	$25,211	$0	$32,798	$10,439	$33,437
169	PILOT STATION	0.00	0.25	301	$1,512	$1,950	$29,037	$0	$31,879	$12,320	$32,500
170	PLATINUM	0.00	0.00	59	$0	$0	$32,500	$0	$31,879	$1,879	$32,500
171	PORT ALEXANDER	0.00	2.52	51	$1,128	$0	$24,809	$0	$25,442	$661	$25,937
172	PORT HEIDEN	0.00	0.00	89	$0	$50,373	$0	$1,405	$50,789	$51,778	$51,778
173	QUINHAGAK	0.00	1.03	395	$4,641	$5,512	$22,346	$0	$31,879	$15,525	$32,500
174	RUBY	0.00	0.00	219	$0	$0	$33,437	$0	$32,798	$3,662	$33,437
175	RUSSIAN MISSION	0.00	0.00	158	$0	$1,716	$30,784	$0	$31,879	$2,126	$32,500
176	SAINT MICHAEL	0.00	0.00	206	$0	$5,050	$26,512	$0	$30,959	$10,121	$31,562
177	SAINT PAUL	0.00	5.75	550	$29,831	$68,999	$0	$0	$96,942	$85,410	$85,410
178	SAND POINT	0.00	18.57	544	$45,096	$25,691	$0	$0	$69,436	$40,458	$40,458
179	SAVOONGA	0.00	0.65	409	$2,798	$5,050	$23,714	$0	$30,959	$17,701	$31,562
180	SCAMMON BAY	0.00	1.42	193	$4,759	$0	$27,740	$0	$31,879	$6,147	$32,500
181	SELAWIK	0.00	12.52	521	$43,189	$0	$0	$0	$42,364	$17,073	$17,073
182	SHAGELUK	0.00	0.00	169	$0	$12,070	$21,366	$0	$32,798	$14,897	$33,437
183	SHAKTOOLIK	0.00	0.96	160	$1,808	$0	$29,753	$0	$30,959	$0	$31,562
184	SHELDON POINT	0.00	0.00	136	$0	$0	$32,500	$0	$31,879	$0	$32,500
185	SHISHMAREF	0.00	2.18	326	$8,149	$8,534	$14,878	$0	$30,959	$19,441	$31,562
186	SHUNGNAK	0.00	2.18	182	$4,284	$5,350	$23,803	$0	$32,798	$9,488	$33,437
187	STEBBINS	0.00	1.03	298	$3,580	$0	$27,982	$0	$30,959	$9,217	$31,562
188	TANANA	0.00	1.61	499	$7,366	$22,169	$3,902	$0	$32,798	$25,506	$33,437
189	TELLER	0.00	1.09	219	$2,880	$10,144	$18,537	$0	$30,959	$14,844	$31,562
190	TENAKEE SPRINGS	0.00	0.00	140	$0	$1,556	$24,381	$0	$25,442	$6,131	$25,937
191	TOGIAK	0.00	2.85	419	$13,932	$0	$17,630	$0	$30,959	$10,315	$31,562
192	TOKSOOK BAY	0.00	2.16	317	$9,930	$5,200	$17,369	$0	$31,879	$16,121	$32,500
193	TULUKSAK	0.00	0.00	202	$0	$0	$32,500	$0	$31,879	$0	$32,500
194	TUNUNAK	0.00	0.52	299	$1,880	$5,200	$25,419	$0	$31,879	$12,780	$32,500
195	UNALAKLEET	0.00	0.00	630	$0	$22,510	$9,052	$2,083	$33,002	$33,645	$33,645
196	UPPER KALSKAG	0.00	0.00	164	$0	$0	$33,437	$0	$32,798	$2,741	$33,437
197	WALES	0.00	0.89	109	$1,101	$0	$30,461	$0	$30,959	$0	$31,562
198	WHITE MOUNTAIN	0.00	0.00	98	$0	$0	$31,562	$0	$30,959	$0	$31,562
199	WHITTIER	0.00	5.13	292	$10,361	$22,712	$0	$887	$33,313	$33,961	$33,961
200	EXT FIRE AREAS	0.00	0.00	1	$0	$66,341	$0	$0	$65,073	$66,341	$66,341
	TOTAL				$17,872,731	$6,765,093	$2,335,491	$552,422	$26,999,999	$18,349,049	$24,446,341

Municipality of Anchorage

MEMORANDUM

DATE: March 9, 1978

TO: Ted Berns, Municipal Attorney

FROM: Larry D. Crawford, Director, OMB LDC for LC.

SUBJECT: House Bill NO. 843

The following comments are offered regarding House Bill No. 843 providing for "equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes." Comments from the Finance Department have been incorporated in this memorandum.

GENERAL

Under HB 843, Sections 43.18.010-43.18.050 of the present statutes are repealed. These sections provide the authority for current state-shared revenues. In lieu of this, new Chapters 88 and 89 have been added to Section 29 of the statutes. Chapter 88 deals with a new source of revenue called an "Equalization Entitlement." Chapter 89 provides for the continuation of a portion of the state-shared revenues formerly authorized in Section 43. Exhibit A is a copy of HB No. 843. Exhibit B is a copy of the present statutes authorizing state-shared revenues.

Exhibit C is an analysis of HB 843 prepared by the State Legislative Affairs Agency and contains an attachment (Exhibit D) demonstrating the comparative revenue distribution under current law and HB 843.

A review of HB 843 reveals it to be ambiguous in certain cases as well as presenting redistribution of income approach to state revenue sharing. On the basis of the information made available to us, it appears to be detrimental to the Municipality of Anchorage.

AMBIGUITIES

Many of the ambiguities in HB 843 have been clarified by the analysis contained in Exhibit C. However, some problems remain.

1. Two sections (Sec 29.88.055 & 29.73.060) refer to "fiscal year" without indicating whose fiscal year - - the state or local. Complex calculations will be required because of the different fiscal year periods regardless of which year is implied.

2. Section 29.88.030 would lead one to believe that two series of computations would have to be made for the Municipality of Anchorage - - - one for service areas and another for taxing districts. However, the computations in Exhibit D are based on taxing districts.

3. Exhibit C (page 6) states that in the equalization entitlement, the property tax mill rates and sales tax per cent rates are to be converted to mill equivalents. Where is this so stated in the bill? By converting both factors to mill equivalents, a disproportionate emphasis is placed on the sales tax.

4. In order to determine the equalization entitlement in Exhibit D, the products of the formula in HB 843 have been multiplied by a factor of 2.983535316 - - - what

authorizes such a factor? Without the factor, the equalization entitlement per the formula would have been only $6.1 million. With the factor it becomes $18.3 million.

APPROACH TO STATE REVENUE SHARING

HB 843 presents a redistribution of income approach to the concept of state-shared revenues. The title of the new item of revenue - - - "Equalization Entitlement" - - - provides an insight in itself. The stated purpose of the bill is "to assure that no municipality suffers impoverishment of necessary public services, relative to other municipalities, because of the chance location of taxable wealth in the state." (Sec 29.88.005). One of the criticisms of the present law stated in Exhibit C (page 3) is that it does not include "ability to pay" considerations. A community with a larger than the state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. It is further stated that the same criticisms can be raised with respect to per capita income differentials from which taxes are paid. The net effect of the formula is to favor economically disadvantaged communities.

EFFECTS ON THE MUNICIPALITY OF ANCHORAGE

1. A municipality will be better off if it is high or low in the various components of the equalization entitlement formula as follows:

Population	High
General Govt. Property Tax Mill Rate	High
Sales Tax % Rate	High
Local Per Capita Income*	Low
Local Per Capita Property Value*	Low

* Compared to state averages

At this point, it may be interesting to compare these state components with the following used in determining federal revenue sharing entitlements and whether a governmental jurisdiction is better off if it is high or low:

Population	High
Tax Effort	High
Relative Income	Low

Both the federal and state components follow the same pattern.

2. Anchorage has both a higher than average per capita income and per capita property value. This is confirmed by Exhibit D which shows Anchorage to have unfavorable income and property value factors in the computation formula compared with most other jurisdictions within the state.

3. The most discriminatory portion of the formula, however, is the sales tax element. Sales taxes receive disproportionate weight in the formula (e.g., a 4% sales tax carries the same weight as a 9.20 mill rate). Using the computations for Anchorage in Exhibit D, Anchorage would be entitled to the following additional revenues under the equalization entitlement at the various indicated sales tax rates:

Sales Tax	Additional Entitlement
2%	$3.3 million
3%	$5.0 million
4%	$6.6 million
5%	$8.3 million

In effect, HB 843 is detrimental to Anchorage for its lack of a sales tax. Although Anchorage does have a 5% hotel and motel tax, no provision for such a selective tax is made in the bill.

4. HB 843 would greatly reduce the degree of local automony. In addition to the effects of the lack of a sales tax, communities would be faced with a new restriction as to use of the state revenues. Under current state statutes (see Exhibit B - Sec. 43.18.010 (f)), state-shared revenues may be expended for any public purpose for which the local government has power to expend public funds, except for a few limitations regarding health facilities revenues. Sec. 29.88.030 of HB 843 contains additional requirements regarding the use of funds for specific service areas and tax zones. Although the new provisions are fairly consistent with the way Anchorage has been allocating past state-shared revenues, we would no longer have the flexibility to do otherwise if the circumstances so warrant.

5. In a rapidly growing area such as Anchorage, the local per capita income and property value would increase at a greater rate than the state average thereby creating an adverse effect in the equalization formula.

6. Total state-shared revenues to Anchorage under the new bill shown on the front page of Exhibit D are $9.2 million compared to $8.4 million using the present law. From that, it would appear that the bill is advantageous to us. However, if you look at the last page of Exhibit D, you will find that these amounts are based on total funding of $25 million for the new bill versus $18.3 million under the present law. Will the state appropriation really increase by nearly $7 million if HB 843 is passed? Since there is nothing to indicate such an increase, if only the current level of $18.3 million is available for distribution, Anchorage's share would be only approximately $6.7 million - - - that's $1.7 million less than under the present law. No matter which figure you use as the base, under HB 843 Anchorage's share of state-shared revenues will diminish from 46% of the state total to only 37%.

OTHER CONSIDERATIONS

The impact of the D-2 lands issue is uncertain at this time - - how will the state-selected lands ultimately affect the state per-capita property value? Major concerns relate to the complex calculations and the Municipality's ability to generate the base data required during the budget process. The problems we have now in getting estimated assessed valuations, population, road mileage and hospital bed and facility figures give us an indication of the problems that would be faced.

LDC/en

Attachments

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

February 17, 1978

MEMORANDUM

SUBJECT: HB 843 (W.O. #7/R)

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we prepare an analysis of HB 843, an Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date. The following analysis consists of: (1) a discussion of present revenue sharing law; (2) an overview of the general implications of the bill; (3) the financial distribution scheme as provided for in the bill; (4) a discussion of the allocation formula; and (5) an attachment demonstrating the comparative revenue distribution under current law and HB 843.

PRESENT REVENUE SHARING

HB 843 would amend the current state aid to local governments program, as provided for in AS 43.18.010-090. The current law provides for the legislature to annually appropriate an amount to be distributed to local governments according to a series of local services which are eligible under the program. Approximately 75% of the revenues are distributed on a per capita basis; the remainder are allocated according to miles of road maintained and the number of health facilities and hospitals (either on a per facility basis or a per bed basis). Services in support of military installations are apportioned on a per capita

basis but according to a different schedule than utilized for civilian populations. The Department of Community and Regional Affairs (CRA) determines whether a municipality qualifies under the provisions specified for each eligible service category. When eligibility has been certified, the municipality then receives a statutorily set amount per capita (or medical facility or mile of road maintained) specified for each service category. For example, a municipality receives $12 per capita for police protection, $7.50 per capita for fire protection, and $2 per capita for land use planning. Should the liability of the program exceed the legislatively appropriated amount, all municipal entitlements are prorated so that the total liability equals the available money.

The legislative intent for the program was restated via the passage of HB 89 in 1977 (120 SLA 1977 becomes effective July 1, 1978) to read "(t)he intent of §§ 10-100 of this chapter in authorizing state aid for....municipal services is that municipalities which levy taxes reduce those levies in reasonable proportion to the amount of state aid received by the municipality for a given fiscal year" (sec. 4, HB 89).

Using the criteria established by the legislative intent, there would appear to be two considerations regarding the present revenue sharing law which indicate that it cannot fully accomplish the intent. (1) The present distribution system does not consider the local tax rate in distributing revenues. Those communities which have a relatively high tax rate receive payments at the same rate as communities which supply minimal or no services from local taxes. Instead, present law directs the Dept. of CRA to determine whether specific services which

are being supplied by the municipalities qualify them for categorical entitlements, regardless of differences in tax rates utilized in funding those service categories.[1] (2) Additionally, present law does not include "ability to pay" considerations. A community with a larger than state average per capita property valuation receives revenues at the same rate as communities which are relatively poor. The same criticism can be raised with respect to per capita income differentials from which taxes are paid. A circular argument can be developed which demonstrates that poorer communities must set taxing rates at higher levels to generate the same revenues per capita as wealthier municipalities, which in turn requires a greater proportion of the disposable income of the poorer municipality residents to pay the additional tax burden vis-a-vis wealthier communities. The alternative for the poorer community is to forgo local services, which causes concomitant financial loss if the forgone services were eligible for revenue sharing dollars. The actual result is often substandard services.

---

[1] The eligible services list has expanded since inception and presently includes services related to health and welfare, transportation, recreation, and economic development (a bill before the legislature this year would add cultural activities). Since the eligible services list has greatly expanded, it would appear timely to consider allowing any public service specifically authorized by a municipality to be considered as eligible for revenue sharing dollars. A method for accomplishing this would be to look directly at the local tax rate in determining the distribution of the revenue sharing appropriation, since the tax rate will reflect the level and number of services provided by municipal tax revenues.

OVERVIEW OF HB 843

HB 843 repeals essentially all provisions of the present revenue sharing law which allocate monies on a per capita basis (police, fire, parks and recreation, land use planning, transportation, and air and water pollution control). Present law which allocates monies for health facilities, hospitals, road maintenance, fire districts outside of municipalities, and support of military installations is saved.

The repealed portion is replaced with a per capita allocation system based upon population, taxing rate, and a factor which compares each local government to the state average using per capita property value and per capita income as indicators. Our analysis indicates that any appropriation to the program in excess of $23 million will increase the entitlement for all local governments with local tax ordinances in effect except the North Slope Borough and the City of Valdez. Several second class cities and one first class city with no local taxes would receive less. Section 9 of the bill provides for all local governments to be held harmless for three years after passage, such that no municipality will receive less during that three year period than they did in 1978, regardless of their entitlement as calculated by the specified formula.

FINANCIAL DISTRIBUTION SCHEME

HB 843 provides that revenue sharing dollars shall be utilized by municipalities in the taxing jurisdiction for which the amount of entitlement is determined. Boroughs with area-wide taxes for general government services except education shall receive revenue sharing

allocations to be used for area-wide purposes. For boroughs with differential taxing rates in service areas, revenue sharing entitlements based upon the service area tax rates must be utilized only in those service areas. First or second class cities with city-wide taxes would receive an allocation based upon the city-wide tax rate to be used city-wide (except for education). Cities with differential taxing zones would receive allocations according to the tax rate applied in each differential tax zone.

This system of distribution would appear to have a neutral effect with respect to the unification of existing governments. We do not find any circumstance where a subsequent unification agreement would cause a decrease in the revenue sharing entitlement for identical services. The bill contains a hold harmless clause for entitlements under the non per capita portion should a subsequently unified local government be entitled to less than the preceding multiple local governments.

ALLOCATION FORMULA

HB 843 specifies a formula to be used in determining entitlements for per capita revenue sharing distributions. The formula utilizes three considerations: (1) population; (2) tax rate; and (3) the relative "ability to pay" of each local government or subunit thereof.

The formula is:

$$\text{Entitlement} = \underbrace{P}_{A} \times \underbrace{\left[\underbrace{(PT + 2.3ST)}_{B} \times \underbrace{\left(\frac{SPCPV/LPCPV + SPCI/LPCI}{2}\right)}_{C}\right]}_{D}$$

where P = population
PT = property tax mil rate
ST = sales tax per cent rate
SPCPV = state average per capita property value
LPCPV = local per capita property value
SPCI = state average per capita income
LPCI = local per capita income

We will discuss the formula according to the portions indicated by the braces.

Part A

The population is determined in the same fashion as provided for in present law. Any reasonable population estimate is accepted by the Dept. of CRA.

Part B

Part B indicates the portion of the formula which determines the local tax rate. Property tax mil rates and sales tax per cent rates are converted to mil equivalents. The 2.3 conversion factor multiplied by

the sales tax rate was determined by comparing the revenue that could be generated by applying a one mil property tax to the total full and true assessed property value in the state and a one per cent sales tax to the total retail business in the state. That comparison demonstrates that a one per cent sales tax would generate 2.3 times more revenue than a one mil property tax.

Part C

The portion of the formula set out by brace C averages two ratios that compare the "economic base" of each local government to the state average. The ratios are mathematically designed to create a number larger than one for communities lower than the state average for the two indicators, and a number smaller than one for communities above the state average. The average of the two ratios is then multiplied times the computed tax rate so as to adjust upward the local tax effort of economically disadvantaged communities and downward economically advantaged communities.

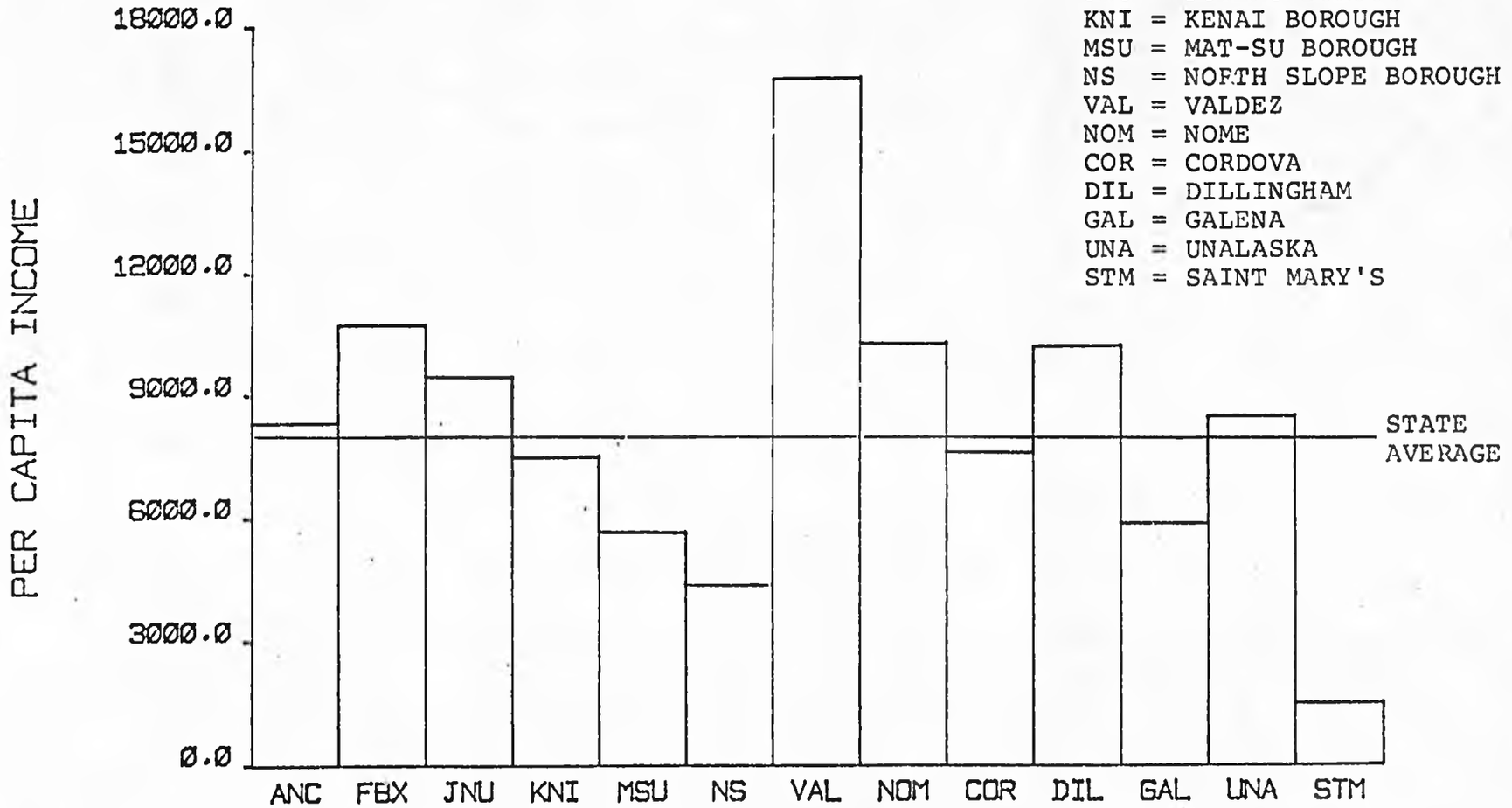
Part D

The portion set out by brace D is called the local effort factor, and is not allowed to exceed 25. The ceiling has the effect of setting a limit on the amount of support given to each municipality under the revenue sharing program. This, in combination with the required publishing of revenue sharing entitlements, would appear consistent with the legislative intent of the program, which is to diminish local tax burdens.

The bill further provides for adjustments in both sales tax and property tax rates based on optional exemptions allowed under Alaska law. As an example, a municipality utilizing the $10,000 residential property tax exemption would be required to declare the revenues forgone by the exemption, and a comparative portion of the tax would be excised from the tax rate base before computing that municipality's entitlement. Mandatory exemptions, such as agricultural lands and senior citizens housing would not affect the tax rate, since the forgone revenues are reimbursed by the state.

JW:dh

PER CAPITA INCOME
1976

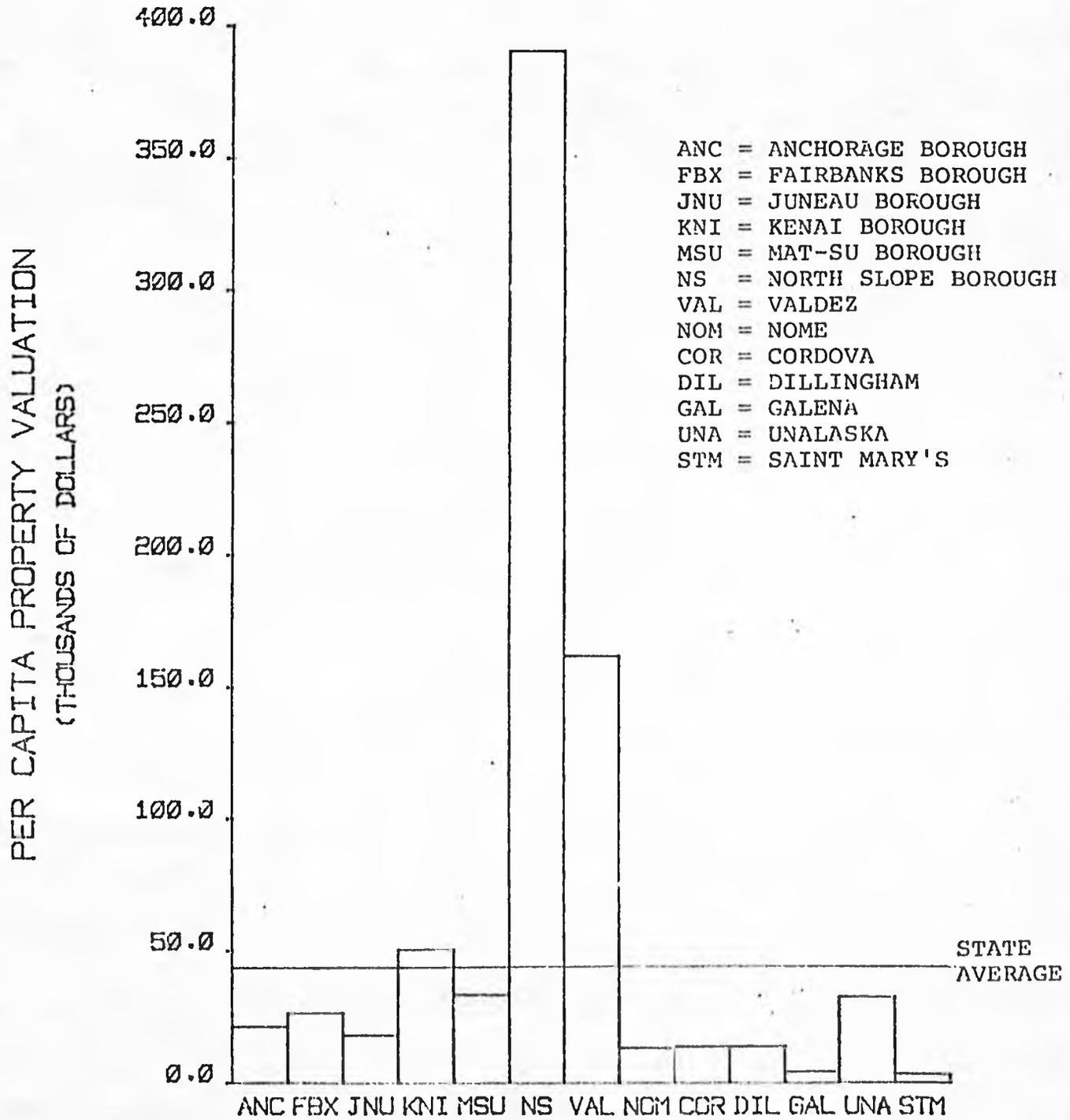


ANC = ANCHORAGE BOROUGH
FBX = FAIRBANKS BOROUGH
JNU = JUNEAU BOROUGH
KNI = KENAI BOROUGH
MSU = MAT-SU BOROUGH
NS = NORTH SLOPE BOROUGH
VAL = VALDEZ
NOM = NOME
COR = CORDOVA
DIL = DILLINGHAM
GAL = GALENA
UNA = UNALASKA
STM = SAINT MARY'S

prepared by
Legislative Affairs
Agency
see attached memorandum

PER CAPITA PROPERTY VALUATION

1977



prepared by
Legislative Affairs
Agency
see attached memorandum

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / POUCH B – JUNEAU 99811

March 14, 1978

The Honorable Terry Gardiner, Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

Re: HB 843 "An Act providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes; and providing for an effective date."

This bill (as well as SB 502) would dramatically alter the method by which the State of Alaska distributes financial assistance to municipalities. Currently, under AS 43.18, the State distributes in excess of $18 million dollars annually to municipalities and volunteer fire departments in the unorganized borough utilizing a categorial approach. For example, if a city has a police department, and meets the minimum requirements, the State pays the city $12 per person served by the police department. No consideration is given to the relative ability of the city taxpayers to support the police department, nor the rate of municipal taxation.

The existing revenue sharing formula (AS 43.18) encourages municipalities to provide a wide variety of services, even though the quality of such services may be minimal, and no local tax effort is required. Additionally, the present revenue sharing program favors the more sophisticated municipalities (due to the categorial approach) as well as favoring municipalities having greater populations in a relatively small area. The new concept of distributing State generated wealth utilizing a formula based on relative taxable wealth, relative ability to pay, tax rates, and population makes sense to us and is definitely a step forward in assisting the development of local government in Alaska. Briefly, the concept may be described as helping those municipalites willing to help themselves.

21-P3LH

The Department's initial review of HB 843 indicates that consideration should be given to amending the bill in the following areas:

1. The municipal tax rates should be downwardly adjusted to account for taxes used to support utilities (utilities should be self-supporting), and taxes used to support roads, ice roads, and health services and facilities (these categories are retained in this legislation).

2. Since there are no assessed valuations for essentially all second class cities in the unorganized borough, perhaps an arbitrary assessed value could be established. One approach is to compute an average assessed valuation per capita figure based on all first class cities in the unorganized borough having a population less than 750 (the Department already has these figures). This approach would be equitable and inexpensive. Those cities (3) having a population in excess of 750 could be assessed at State expense.

3. Other components of the formula should be carefully considered. For instance, are the per capita income figures credible? Also, because petroleum property in a few boroughs so distorts the State average valuation, should that figure be adjusted? Exclusion of extreme values or use of the median property value in the State might be appropriate alternatives.

4. For ease of administration, we feel the military population should be treated in a manner consistent with that used for the civilian population. One method of accomplishing this would be to apply the areawide local effort factor to the military population.

5. The concept of calculating a millage equivalent based on all revenues should be explored. For example, a city collecting $1,000,000 dollars from a 10 mill property tax, and $300,000 from a 3% sales tax, would be given a millage equivalent of:

Property Tax Revenues	$1,000,000
Sales Tax Revenues	300,000
Total Revenues	$1,300,000

One mill property tax equals $100,000 in revenues.

$$\frac{\text{Total Revenues}}{\text{Revenue from 1 mill property Tax}} = \frac{\$1,300,000}{\$\ 100,000} = 13 \text{ mills (millage equivalent)}$$

This approach would seem to be equitable in that residents have determined locally the best balance between sales and property taxes to produce sufficient municipal revenues.

The Division of Research, Legislative Affairs Agency has prepared an analysis of the impact of this bill (at various funding levels) on all municipalities.

The Department wholeheartedly supports the concept of HB 843. Also, the proposed amendments would in our opinion, improve the intent of the act providing for equalization of the tax resources of municipalities.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

cc: Mike Harper
Jessie Dodson
Fran Ulmer

Phone: (907) 424-3237
or 424-3238

CITY OF CORDOVA

Box 1210
CORDOVA, ALASKA 99574

"The Friendly City"

Reply to:

MAR 16 1978

March 14, 1978

Representative Hugh Malone
Pouch V
Juneau, Alaska 99811

Dear ~~Representative Malone:~~ Hugh,

The Cordova City Council at the regular meeting of March 13, 1978 voted unanimously to support House Bill 843. The City of Cordova presently has one of the highest tax rates in the state with a 22 mill property tax plus 4% sales tax. The additional revenue generated by House Bill 843 would be a significant step in the reduction of local taxes.

We appreciate and encourage your efforts to reduce the local tax burden.

Very truly yours,

Perry D. Lovett
City Manager

cc Pete Loveseth
Jim Role

to CFRA

copy

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1978

The Honorable Lisa Rudd
Chairman
Community and Regional Affairs
Committee
House
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

In my November 5, 1977, speech to the Alaska Municipal League, I suggested that the State look for means by which to reward localities which make good faith efforts to tax themselves. In that talk, I sketched a plan whereby shared revenue would vary inversely to a municipality's per capita property values. This suggestion was made in recognition of the disparity of wealth among the communities in our State. I feel the proposed formula is a useful step toward implementation of the concepts contained in that speech.

I have been briefed on legislative proposals (SB 502, HB 843) to redesign the Municipal Revenue Sharing Program. Under these proposals, a municipality's entitlement would be determined by a formula to include as key elements both population and local effort. The latter would, as I understand it, incorporate local property and sales tax rates adjusted by a factor to account for local differences in property tax base and income.

I commend the Legislature for the careful study and deliberation which has gone into preparation of the proposals. I also support the philosophy of State and local government relationships and responsibilities which is expressed in the proposals. I would like to briefly mention several reasons for my support.

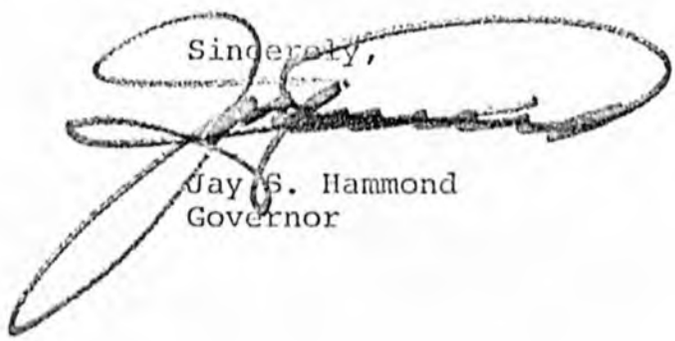
First, I believe that the most responsive government is that which is closest to the people it serves. Under the present categorical approach to Revenue Sharing, the State exerts considerable influence on the direction and type of local

services to be provided. I believe the proposed formula approach will give localities more desirable flexibility to determine service priorities at the local level.

Second, I have been an advocate for some time for the formation of local governments in the unorganized borough. At the November 10, 1977, Convention of the Alaska Federation of Natives, I expressed the view that a major obstacle to local government formation was an inadequate tax base which made it difficult for many rural areas to adequately meet the costs of local government services. I indicated then that Revenue Sharing adjusted for variations in per capita property values would help alleviate these problems. I believe the proposed legislation provides a useful tool for encouraging action in this regard.

My staff and that of the Department of Community and Regional Affairs have studied the legislation and have suggested refinements which we feel would facilitate administration of a formula based program. My position on funding of the proposal will have to await review of the fiscal impact of this legislation and the action the Legislature takes in the budget act itself.

Sincerely,



Jay S. Hammond
Governor

Background Material
House C&RA Committee files
Re: HB 843

PRESENT REVENUE SHARING FUNDING

Local Government Hi-lites

Police Protection	12.00 each person
Fire Protection	7.50 each person
Air/Water Pollution	2.00 each person
Land Use Planning	2.00 each person
Parks and Recreation	5.00 each person
Transportation Facilities	5.00 each person
Road Maintenance	
a. Public Roads	1500.00 each mile
b. Ice Roads	900.00 each mile
Health Service	2.00 each person
Health Facilities	1000.00 each bed
	4000.00 each facility
Hospitals	1000.00 each bed
	25000.00 each hospital
	75000.00 each hospital
Construction Aid (Hospitals)	2500.00 each bed

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3500

March 8, 1978

MEMORANDUM

SUBJECT: Revenue Sharing (W.O. #14/R)

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked that we determine the additional revenues the Municipality of Anchorage would be entitled under HB 843 should they implement a 1% sales tax and the actual tax revenues they would receive. The attached printout was run using the same information and programming that we utilized in developing the printout entitled "HOUSE BILL 843 $25 MILLION" with the exception of crediting Anchorage with a 1% sales tax and adjusting the proration accordingly. The additional revenues for Anchorage total $959,003.

We also estimated the amount of revenue that a 1% municipal sales tax would generate in Anchorage. We utilized Department of Revenue data from gross business receipts and attempted to isolate generally taxed retail business (the codes included were the same codes we used in comparing sales tax to property tax revenue generation). Our estimate suggests that a 1% sales tax on retail transactions in Anchorage would generate at least $12.6 million in revenue.

Comparing the increase in tax revenues attributable to a 1% sales tax to the increase in Anchorage's revenue sharing entitlement under HB 843 because of the 1% sales tax suggests that for each additional revenue sharing dollar Anchorage would receive, the municipality would generate more than $13 in direct tax revenues.

Please let us know if we may be of further assistance.

Attachment
JW:dh

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE POUCH B — JUNEAU 99811

April 5, 1978

The Honorable Lisa Rudd, Chair
House Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

Re: HB 843

You have asked for our opinion concerning the ways in which a Municipality may unduly benefit from the proposed revenue sharing bill (HB 843). The Department analysis of the bill (contained in the 14 March 1978 letter to you) explains very briefly some of the problem areas of the bill. In addition to that letter, Local Government Specialist Bruce Aronson of the Department offers the following comments concerning the ways in which municipalities may manipulate the proposed statute to their own best interest.

1. Enterprise activities (utilities, small boat harbors, etc.) should not be included in the formula. In other words, any sales and/or property taxes levied to support enterprise activities should be excluded from the tax rates. If this is not done, the tax rates might be unfairly inflated, and utility fees would be reduced. The State of Alaska would, in effect, support an activity that should be self-supporting.

2. Since the categories of roads, ice roads, and health services and facilities are retained in the legislation, it hardly seems appropriate to include any locally generated taxes, used to fund these services, under Ch. 88 of the bill. A gross example of this type of situation would be a single purpose service area created for road maintenance being eligible under Ch. 88 of the bill for the basic local tax effort formula funds, and also receiving $1,500 per mile for roads maintained. This dual eligibility would seem to be necessary.

3. A simple and rational approach to establish assessed valuations per capita for second class cities in the unorganized borough would

benefit by a low assessed value per capita number. Our earlier suggestion of averaging the per capita assessed value of municipalities of population less than 750 located in the unorganized borough is still one available alternative.

4. HB 843 arbitrarily multiplies the sales tax rate times 2.3 and adds in the property tax rate (in mills). It would be to any municipality's advantage to analyze the "rate of return" to the municipality under its current tax rates. By altering the sales and property tax rates (and assuming total local revenue is constant) a municipality may be able to gain slightly. A "cure-all" to this problem would be to add all locally collected taxes and divide by the revenue generated from one mill property tax. This new number would be the "millage equivalent". By doing the above, a municipality would not tinker with local tax rates to gain some additional State shared wealth.

5. If a municipality has no local retail stores, and/or property that could be taxed (utilizing a property tax) it would be to the municipality's advantage to "raise" local "taxes" until the maximum local effort factor has reached (25). One estimate by Legislative Affairs indicates that in a small rural city, the local effort factor is reached when a 1½% sales tax is levied. No additional benefit occurs when the number 25 is reached.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

PMc:pc

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 843/Senate Bill No. 502
Title "An Act providing for equalization of the tax resources of municipalities"
Requested by House Community & Regional Affairs/Senate Community & Regional Affairs Date 2/28/78

II. FISCAL DETAIL
Agency Affected Department of Community and Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Municipal Revenue Sharing

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			Ø	Ø	Ø	Ø
TOTAL			Ø	Ø	Ø	Ø

FUNDING (Thousands of Dollars)

GENERAL FUND			Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assumptions

1. The Department would not estimate the local per capita assessed valuations for second class cities in the unorganized borough not currently collecting a property tax.

2. In fiscal year 1978 approximately $18,340,000 will be distributed under the existing program. Section nine of the bill would require for only the next 3 years a minimum annual appropriation of at least $18,340,000. It should be noted, that the FY'79 budget request for grants under the existing program is over $20,400,000.

IV. DATE 3/13/78 PREPARED BY Bruce Aronson
AGENCY Community & Regional Affairs
PHONE 465-4707

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

33-001 (Rev. 10/76)

Fairbanks Memorial Hospital

1650 Cowles St.
FAIRBANKS, ALASKA 99701

OPERATED BY
LUTHERAN HOSPITALS AND HOMES SOCIETY
FARGO, NORTH DAKOTA 58102

March 20, 1978

The Honorable Lisa Rudd
President, House Community and
Regional Affairs Committee
2827 Lore Road
Anchorage, AK 99507

Dear Representative Rudd:

Fairbanks Memorial Hospital is very interested in House Bill 843 dealing with revenue sharing and hospital construction money. We were wondering whether you had any ideas as to whether this bill has potential for passage during this session.

We do have some comments in regards to this bill if it will be presented in your committee. I might state that Sally Smith, from Fairbanks, has also been apprised of these comments and suggested that we contact your office to determine whether the bill would be acted upon. We encourage you to bring this issue to your committee since there are several sections of the bill which we feel need clarification and restatement, and we feel that since the bill is in the workings, that the current bill should be amended to include our ideas of concern.

Hoping to hear from you.

Sincerely,

Tom Mingen cd
Tom Mingen
Administrator

TM/cd

PC
4-3-78

CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559
543-2297 — Area Code 907

March 29, 1978

Representative Lisa Rudd
Chairperson House Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Rudd:

At the regular City Council Meeting of March 27, 1978, Council passed and approved Resolution No. 231, endorsing House Bill No. 843, "AN ACT PROVIDING FOR EQUALIZATION OF TAX RESOURCES OF MUNICIPALITIES AND CONTINUING A PORTION OF THE PROGRAM OF STATE AND FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE."

Although the present systems for distributing State Revenue Sharing funds does assist municipalities in providing services there exists an incentive in the revenue sharing program for municipalities to increase or improve the service by increasing local taxes. Under the provision of House Bill No. 843, however, this would all change the proposed formula allocation system, increase the amount of revenue sharing if the Community increases its sales tax or property tax.

If your office should have any questions in regard to Bethels position on the piece of legislation do not hisitate to contact me.

Sincerely,

Lyman Hoffman

Lyman Hoffman
City Manager

LH:lf

CITY OF BETHEL
RESOLUTION NO. 231

A RESOLUTION OF THE CITY OF BETHEL, ALASKA ENDORSING "AN ACT PROVIDING FOR EQUALIZATION OF TAX RESOURCES OF MUNICIPALITIES AND CONTINUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE." IN THE FORM OF HOUSE BILL NO. 843.

WHEREAS, House Bill No. 843, would not distribute State Revenue Sharing strictly on a per capita basis with the remaining 25% allocated according to miles of road maintained and number of health facilities and hospitls, but would improve the allocation system and revenue raising for the benefit of home rule and general law municipalities by providing a more equitable allocation of financial resources among municipalities, and to assure no municipality would suffer impoverishment of necessary public services because of chance location of taxable wealth in the State, and

WHEREAS, this bill would accomplish this by implementing an equalization formula that would base entitlement due each municipality on its population, relative to general revenue and local tax efforts, and

WHEREAS, Bethel City Council believes that the passage of this bill would distribute State Revenue Sharing dollars on a much more equitable basis than the system presently utilized.

NOW THEREFORE, be it resolved that the City of Bethel, Alaska endorses House Bill No. 843, "AN ACT PROVIDING FOR EQUALIZATION OF THE TAX RESOURCES OF MUNICIPLITIES AND CONTIUING A PORTION OF THE PROGRAM OF STATE AID FOR MUNICIPAL PURPOSES; AND PROVIDING FOR A EFFECTIVE DATE.", and would support simular legislation if introduced in the Senate, and

BE IT FURTHER RESOLVED that the City of Bethel encourages the State Legislature to pass and approve this legislation.

PASSED AND APPROVED by the Bethel City Council this 21 day of March, 1978.

APPROVED:

JOHN P. GUINN, MAYOR

ATTEST:

LAURA FRANCE, CITY CLERK

HB
846

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

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PMS REPRESENTATIVE LISA RUDD

JUN

THE ALASKA MENTAL HEALTH ASSOCIATION IS ADAMANTLY OPPOSED TO DOING AWAY WITH THE MENTAL HEALTH LAND BOARDS. WE WISH TO BE NOTIFIED WHEN HEARINGS ON HOUSE BILL 846 ARE SCHEDULED.

DONNA BRADY, PRESIDENT ELECT

ALASKA MENTAL HEALTH ASSOCIATIGN

5531 ARCTIC. BLVD.

99501

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

LISA RUDD

ALASKA HOUSE OF REPRESENTATIVES, POUCH V, JUNEAU 99811

17 February 1978

Dear Ms. Brady,

Thank you for your telegram regarding Mental Health Land Boards.

I will see that each committee member receives a copy and we will be sure to notify you when hearings on HB 846 are scheduled.

Yours sincerely,

Lisa Rudd

Lisa Rudd, Chair

LR/vb

REPRESENTATIVE - DISTRICT 11 - ANCHORAGE

HB
855

COMMITTEE REPORT

HOUSE

2/21/78

FURTHER: _____

_____

Date: 4-14-78

Mr. Speaker:

The Committee on C&RA has had HB 855
"An Act relating to public corporations or other municipal instrumentalities; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) 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 _____ ( ) new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

_____

_____

_____

_____

_____

_____

_____

_____

_____

OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

_____

_____

Chairman

H 60 (rev. 6/77)

AMENDMENT

OFFERED IN THE HOUSE: BY: H C E E A COMMITTEE

To: _____ HOUSE BILL No. 855

SENATE BILL No. _____

PAGE: 1 LINE: 19

Delete the period and add, which the municipality has the power to provide.

AMENDMENT #1

H C & E A COMMITTEE

OFFERED IN THE HOUSE: BY: _____

TO: _____ HOUSE BILL No. 855

SENATE BILL No. _____

PAGE: 1 LINE: 19

Delete: the period and add, "which the municipality has the power to provide."

FAIRBANKS NORTH STAR BOROUGH
Box 1267, Fairbanks, Alaska 99707

January 26, 1978

Repr. Sally Smith
Pouch V
Juneau, Alaska 99811

Re: House Bill 483

Dear Sally:

This is to follow up my telephone conversation January 24th with your secretary concerning HB 483. You inquired concerning the bill generally, and particularly Sections 1 and 13. As you know, HB 483 was submitted strictly as a clarification or cleanup bill. Section 1, however, does add something new to the first class borough incorporation process. The addition is, however, designed only to eliminate what is now a cumbersome process. Since neither second or third class boroughs are now authorized to adopt home rule charters, this amendment is not and should not be applicable to them. There seems to be little reason why, if the residents of the area desire it, that the incorporation and home rule charter process should not be initiated at the same election. To require two elections simply adds to the time lag and cost. Since the incorporation process itself requires petition, review by Department of C&RA, and a hearing in the area by the Local Boundary Commission with its report prior to the election, it would seem highly unlikely that any resident would be unaware of the issues at the time of the election. I think that Section 1 is very worthwhile and in keeping with a policy of avoiding needless frustration and cost without jeopardizing adequate notice and communication to citizens.

HB 483

As to Section 13, this simply extends to municipalities a device which the State has used considerably. It is included in HB 483 only because of the apparent violation of the one subject rule caused by its inclusion in Chapter 56 SLA 1976. This provision is of some interest in Fairbanks because of the possiblity of its use for funding of the Fairbanks Memorial Hospital. Without going into the discussion as to whether Section 13 could be better written to better serve its goals, since this is a curative bill I do not see any particular problem with including it. The mechanism of public corporations for financing is not uncommon throughout the United States and provides a desirable flexibility. To delete this section from the bill might indicate an intent of the Legislature not to permit the utilization of public corporations for community facilities and have a chilling effect on plans which might be in the evolution process. It would seem to me that there is little likelihood of a massive rush to make use of this provision and certainly if there were foreseeable problems, the Legislature could deal with them at a later time.

I hope that this has been of some assistance to you.

Very truly yours,

J.D. Mordale
Borough Attorney
JDM:ds
cc: Repr. Lisa Rudd

KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

March 23, 1978

Ms. Lisa Rudd
Chairman
House Community Regional
Affairs Committee
Pouch Y
Juneau, Alaska 99811

Dear Mrs. Rudd:

On behalf of the Ketchikan Gateway Borough I would like to express our interest in passage of HB 855 relating to public corporations or other municipal instrumentalities.

The provisions of this bill were incorporated in another bill which was passed in the last session and as I understand there is a question of legality of these provisions because the bill passed covered two subjects.

The City of Ketchikan and the Ketchikan Gateway Borough have been discussing a joint Transportation Authority for the City ports and the Borough airport which is possible, as I understand, for a home rule municipality such as our City, however, the limitations of a second class borough do not enable us to create such an authority. Therefore, we would like to encourage re-passage of this enabling legislation in order that the legal avenues are available to us should we choose.

Thank you.

Sincerely,

KETCHIKAN GATEWAY BOROUGH

Judith A. Slajer
Borough Manager

JAS:jw

cc: Senator Robert Ziegler
Representative Oral Freeman
Representative Terry Gardiner
Jim Rolle, Exec. Director
Alaska Municipal League

HB855

MEMORANDUM

February 16, 1978

SUBJECT: Brief history of AS 29.59

TO: Representative Nels A. Anderson, Jr.

FROM: John B. Chenoweth
Legislative Counsel

My recollection of the circumstances relating to the adoption and taking effect of the bill embodying this provision is this:

In mid-session of 1976, Bob Dupere called to the attention of the Senate Community and Regional Affairs Committee the proposal by the IRS to tighten regulations defining the tax-exempt status of public corporations. Dupere has, of course, a working knowledge of municipal finance with respect to Alaska's local governments, and appreciated the potential problems that would have been presented under the particular changes then under consideration by the IRS. His suggestion to meet the problems was to make clear that municipalities had the authority to establish public corporations for carrying out specific municipal purposes, to protect the tax-exempt status (insofar as that was possible) of these creatures in the event local governments determined to make use of public corporations to meet public purposes or needs. At the time, as I recall, the possibility of establishment of a public corporation for hospital care was under active consideration, as, I think, was the proposal to use municipal authority to provide public services to major industrial users.

At any rate, the bill was drafted and presented. Committee members endorsed the attachment of the provision to a bill offered by the governor making technical amendments to the existing authority of the Alaska Municipal Bond Bank Authority. I do not recall whether the provision was added on to the governor's bill in anticipation of possible veto of the same provision standing alone, or whether it was added because, on that day, the governor's bill happened to present itself as a handy vehicle. That is where it was put — but in redrafting the bill to carry the amendment, the draftsman neglected to conform the title.

The governor signed the bill into law. However, in a most unusual move, his transmittal letter to the Legislature pointed out the problem posed by the failure to limit the bill to one subject and to conform the title to the substantive provisions of the amended bill:

> "I have signed the following bill and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:
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> SENATE COMMITTEE SUBSTITUTE FOR
> COMMITTEE SUBSTITUTE FOR
> HOUSE BILL NO. 674
> amended Senate (Chapter 56, SLA 1976)
>
> Even though I have signed this bill into law, I have been advised by the Attorney General that the inclusion of Sec. 4 in the bill violates Article II, Section 13 of the Alaska Constitution. This provision requires that bills are to be confined to one subject and that the subject be expressed in the title. Accordingly, the Attorney General has advised that Sec. 4 of the bill is void and of no effect.
>
> I am bringing this matter of the Attorney General's advise (sic) to your attention so that those legislators who were relying on Sec. 4 to accomplish some objective may be notified as to its probable effect. Those legislators may then want to take appropriate action such as introducing new legislation to cover the subject set forth in Sec. 4 of the bill."

1976 House Journal, at p. 1280.

I have to question why the Attorney General determined that only section 4 of the legislation, that section adding what is now AS 29.59, was "void and of no effect" -- why, in fact, the entire bill was not tainted with the same objection -- and whether, for that reason, the opinion rendered to the governor is correct. Nevertheless, it is the closing paragraph of the governor's transmittal letter which the provision designated "*Sec. 13" in the original version of HB 483 is intended to address.

Assuming that the governor's statement, based on the attorney general's advice, is correct, then it seems that you have two courses open: Repeal AS 29.59 or re-enact it, with or without substantive amendment. At least as to any municipality which may have acted in reliance on the section, or which may in the future, I think it desirable, in response to the governor's invitation, that the legislature act, for inaction only maintains the "cloud" on AS 29.59 first pointed out in the above-cited transmittal letter.

JEC:jpd

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January 26, 1978

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Pouch V
Juneau, Alaska 99811

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I hope that this has been of some assistance to you.

Very truly yours,

J.D. Nordale
Borough Attorney
JDN:ds
cc: Repr. Lisa Rudd

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 17, 1978

SUBJECT: HB 855: relating to public corporations and other instrumentalities of municipal government. (Work Order No. 5187)

TO: Representative Lisa Rudd, Chairperson
House Community and Regional Affairs Committee

FROM: John B. Chenoweth
Legislative Counsel

You have posed four questions with reference to HB 855 which bear upon the use by local governments of public agencies as a means by which to issue obligations on a tax-exempt basis. HB 855 would re-enact provisions of AS 29.59, specifically authorizing public corporations or like instrumentalities established by municipal governments to issue obligations in order to fund the costs of construction of public facilities. The reasons favoring re-enactment of AS 29.59 are alluded to in my memorandum to Representative Nels Anderson of February 16, attached to this memorandum.

The statutory provision which eventually was enacted into law as AS 29.59 was first drafted during the 1976 session in response to proposed additions to and amendments of regulations by the US Treasury. The changes proposed, incorporated into regulations relating to definition and administration of the Internal Revenue Code, would have defined limits which public agencies established by local governments would have been required to satisfy in order to gain or retain the benefit of tax-exempt interest on the agent's obligations to the extent enjoyed by the obligations of the municipality which were directly issued. The purpose of the proposed rule change was, at least in the view of the Treasury, that public agencies which were issuing the obligations be in actual fact substantially controlled and directed by the local government unit or units in whose behalf they were issuing obligations. In the language of the Treasury-prepared synopsis of the regulations

> In general, the proposed amendments [to IRS regulations] provide that only a constituted authority of a state or local government unit may issue obligations on behalf of the unit. The authority must be specifically authorized pursuant to state law to issue obligations on behalf of the unit to accomplish a public purpose of the unit. The authorization must specify the public purpose of the governmental unit on behalf of which the authority is authorized to issue obligations and also must create the authority or provide that the governmental unit may create the authority. The authority must be created and operated solely to accomplish a public purpose of the governmental unit.
>
> The proposed amendment requires a closer connection between the authority and the governmental unit including control of the authority's board and organizational or supervisory control over the authority of the governmental unit.

AS 29.59 was drafted to respond to the threshhold requirements of the then-proposed federal regulation changes, namely, the requirement that the public agencies be specifically authorized in applicable state law, that they be authorized to undertake or fulfill a public purpose, that the public purpose for which authorized be specified, and that the grant of authority represent a grant for only the accomplishment of that public purpose.

The stringent requirements of the regulations proposed by the Treasury were not adopted. Rather, former provisions of the Code of Federal Regulations relating to tax-exempt interest paying obligations were substantially continued.

The current law on the subject appears to be this --

The applicable statute is 26 USC 103(a):

> (a) GENERAL RULE. Gross income does not include interest on --
>
> (1) the obligations of a State, a Territory, or a possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia;. . .

The statutory exemption embraces debt obligations of local governments, whether issued "directly" or "indirectly," that is, through the use of a public corporation as agent:

> Obligations issued by or on behalf of any State or local governmental unit by constituted authorities empowered to issue such obligations are the obligations of such a unit. . . .

and

> The term "political subdivision", for purposes of this section [26 CFR §1.103-1], denotes any division of any State or local governmental unit which is a municipal corporation or which has been delegated the right to exercise part of the sovereign power of the unit. . . .

26 CFR §1.103-1(b).

I

Your first question -- whether the same concerns which prompted introduction and enactment of the legislation in 1976 are still of concern -- is probably better answered in the negative. The stringent requirements which the Treasury was suggesting in the amendments and changes mentioned earlier in this monograph have not been adopted and are not now under active consideration. Assuming that the principal factor motivating HB 674's introduction in the 1976 session was to obviate anticipated challenges to the authority of agencies or corporations established by local governments in Alaska to issue tax-exempt obligations for the benefit of the local government -- and I think it is a fairly good assumption -- the apparent urgency of the situation then does not control or affect events now.

II

The answer to the first part of your second question, insofar as it applies to tax-exempt obligations in general (exclusive of the problems of the use of industrial development bonds), is likewise "no." The Treasury, in 1976, did not adopt the regulations as contemplated at that time; the existing body of regulation -- including, of course, revenue rulings and the body of case law -- has been continued forward with few substantive changes.

III

Your third question departs from further examination of applicable regulations of the IRS. It presents the question of whether there is a state constitutional "check" on the establishment of public corporations or agencies by Alaska municipalities to undertake public purposes. Your question cites the general statement of policy contained in Article X, sec. 1 of the state constitution, which recounts the philosphy underlying the existing local government article:

> The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

The reference to "units" in this section is unusual -- the term appears nowhere else in the article. The next following section, section 2, describes the requirement that "all local government powers . . . be vested in boroughs and cities," to the exclusion of any other kind or species of local authority having the very important power of taxation. By virtue of the interposition of the phrase "powers of local government units" in section 1 and the requirement imposed by section 2 that full local government powers devolve only upon boroughs and cities, and based upon the transcript and record of proceedings of the constitutional convention, I conclude that the use of the word "units" in the first section was intended to embrace only the two general types of local government authorized. It was not thought that the limitation would apply to the establishment of mechanisms by the local government units themselves after they were incorporated. Quite the contrary: the powers of local government units were intended to be liberally construed (Art. X, sec. 1), and the authority of a political subdivision to establish a public enterprise or public corporation in furtherance of legitimate public purposes is at least alluded to in Article IX, sec. 11, and appears there and in commentary in the record of the constitutional convention without restriction as to number or kind of agency. In short, I believe that the state constitutional provision enunciating a policy of a "minimum of local government units" may not be understood to be a limitation on the use of public enterprises or corporations -- public agencies, generally -- to supplement direct provision of public services by local governments. Other circumstances or conditions may compel that conclusion: the constitutional provision cited, in my opinion, does not.

IV

Your concluding query requires examination of tax-levying authority under AS 29.59 and existing limitations on the authority of local governments to levy property taxes. The tax limitations of AS 29.53.050 appear to be inapplicable to taxes of a public corporation or similar public agency established by a municipality under authority granted by AS 29.59. There is no direct relationship between the two statutory provisions mentioned such that the limitations section of AS 29.53.050 need be extended and made applicable to public agencies. The grant of authority set out in AS 29.59 does not extend to the public corporation or similar instrumentality the right to levy taxes. That right is limited, by the state constitution, to the levy and collection by cities and boroughs only. Thus, the right of the public corporation to issue obligations on behalf of the municipality for public purposes, if understood as having the effect of using the public corporation as a "front" for the municipality, cannot circumvent the limitation on delegation of taxing authority only to cities and boroughs, requiring the municipality to raise necessary revenues to pay off obligations of the corporation within the general limitation of AS 29.53. Similarly, if the right granted be seen as one by which a public corporation is authorized to issue <u>its</u> obligations for public purposes in furtherance of the responsibilities of municipalities, the grant of authority does not carry with it the right to levy and collect taxes for the purpose, and concern about conflict with AS 29.53 is unfounded. (The latter is analogous, at the local level, to the relationship between the State and ASHA, a public corporation: ASHA bonds are strictly revenue bonds; ASHA is not authorized to offer obligations on the strength of the full faith and credit of the people of Alaska, nor is the State legally obliged to bail ASHA out of any financial embarrassments.) In summary, in no instance can I conceive of a public corporation established under AS 29.59 having a valid argument on which to enforce a levy in excess of that provided for generally in statute.

V

I do not want to leave points 1 and 2 of this paper without mentioning two other matters:

While it is true, of course, that the failure of the IRS to adopt the regulations proposed in early 1976 constitutes a change of circumstance over the intervening two-year period,

it is equally true that, apart from AS 29.59, there is no generally applicable provision by which a city or borough is granted authority to establish a corporation or instrumentality to use as an agent in the issuance of debt obligations on its behalf. I am not aware that any Alaska municipality has placed reliance on the provision in the two years it has appeared in the statutes. Repeal of the provision, or even non-alteration, probably poses no problem. However, though AS 29.59 was drafted and enacted under circumstances quite different than those presently known, to the extent that a clear statement of authority for the establishment of a corporation for the purposes indicated is desirable, the provision does serve that purpose. The committee will, of course, enunciate the policy: I did not want to leave the impression that, because circumstances have changed, the statute no longer serves a useful role.

Secondly, I want to caution that this memo is not intended to address or suggest disposition of the issues which surround the very complicated subject of tax treatment of the interest earned on industrial development bonds. (In requesting your questions in writing, I wanted to try to assure that the questions could be answered in a manner which did not require extended treatment of the handling of industrial development bonds, a relatively more common means of involving public purpose financing through the intermediary of a public corporation, but one which is, in terms of tax-exempt eligibility, far more complicated.) The tax-exempt status of industrial development bonds -- defined, generally, as bonds whose proceeds are used in an activity engaged in for profit by other than a governmental unit or other than an organization exempt from tax (i.e. corporations with nonprofit status under §501(c)(3)) and on which either the payment of the principal and interest is secured in whole or in part by property to the payments received from the property are pledged for the payment of principal and interest -- is subject to far more extended and extensive limitations that those of bonds which would be issued by public corporations or instrumentalities whose existence is authorized under AS 29.59.

I trust that this fully responds to your questions.

JBC:jpd

Attachment

M E M O R A N D U M

February 16, 1978

SUBJECT: Brief history of AS 29.59

TO: Representative Nels A. Anderson, Jr.

FROM: John B. Chenoweth
Legislative Counsel

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The governor signed the bill into law. However, in a most unusual move, his transmittal letter to the Legislature pointed out the problem posed by the failure to limit the bill to one subject and to conform the title to the substantive provisions of the amended bill:

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JEC:jpd

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM March 17, 1978

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Legislative Counsel

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The statutory provision which eventually was enacted into law as AS 29.59 was first drafted during the 1976 session in response to proposed additions to and amendments of regulations by the US Treasury. The changes proposed, incorporated into regulations relating to definition and administration of the Internal Revenue Code, would have defined limits which public agencies established by local governments would have been required to satisfy in order to gain or retain the benefit of tax-exempt interest on the agent's obligations to the extent enjoyed by the obligations of the municipality which were directly issued. The purpose of the proposed rule change was, at least in the view of the Treasury, that public agencies which were issuing the obligations be in actual fact substantially controlled and directed by the local government unit or units in whose behalf they were issuing obligations. In the language of the Treasury-prepared synopsis of the regulations

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> The proposed amendment requires a closer connection between the authority and the governmental unit including control of the authority's board and organizational or supervisory control over the authority of the governmental unit.

AS 29.59 was drafted to respond to the threshhold requirements of the then-proposed federal regulation changes, namely, the requirement that the public agencies be specifically authorized in applicable state law, that they be authorized to undertake or fulfill a public purpose, that the public purpose for which authorized be specified, and that the grant of authority represent a grant for only the accomplishment of that public purpose.

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> The term "political subdivision", for purposes of this section [26 CFR §1.103-1], denotes any division of any State or local governmental unit which is a municipal corporation or which has been delegated the right to exercise part of the sovereign power of the unit. . . .

26 CFR §1.103-1(b).

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II

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III

Your third question departs from further examination of applicable regulations of the IRS. It presents the question of whether there is a state constitutional "check" on the establishment of public corporations or agencies by Alaska municipalities to undertake public purposes. Your question cites the general statement of policy contained in Article X, sec. 1 of the state constitution, which recounts the philosphy underlying the existing local government article:

> The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units.

The reference to "units" in this section is unusual -- the term appears nowhere else in the article. The next following section, section 2, describes the requirement that "all local government powers . . . be vested in boroughs and cities," to the exclusion of any other kind or species of local authority having the very important power of taxation. By virtue of the interposition of the phrase "powers of local government units" in section 1 and the requirement imposed by section 2 that full local government powers devolve only upon boroughs and cities, and based upon the transcript and record of proceedings of the constitutional convention, I conclude that the use of the word "units" in the first section was intended to embrace only the two general types of local government authorized. It was not thought that the limitation would apply to the establishment of mechanisms by the local government units themselves after they were incorporated. Quite the contrary: the powers of local government units were intended to be liberally construed (Art. X, sec. 1), and the authority of a political subdivision to establish a public enterprise or public corporation in furtherance of legitimate public purposes is at least alluded to in Article IX, sec. 11, and appears there and in commentary in the record of the constitutional convention without restriction as to number or kind of agency. In short, I believe that the state constitutional provision enunciating a policy of a "minimum of local government units" may not be understood to be a limitation on the use of public enterprises or corporations -- public agencies, generally -- to supplement direct provision of public services by local governments. Other circumstances or conditions may compel that conclusion: the constitutional provision cited, in my opinion, does not.

IV

Your concluding query requires examination of tax-levying authority under AS 29.59 and existing limitations on the authority of local governments to levy property taxes. The tax limitations of AS 29.53.050 appear to be inapplicable to taxes of a public corporation or similar public agency established by a municipality under authority granted by AS 29.59. There is no direct relationship between the two statutory provisions mentioned such that the limitations section of AS 29.53.050 need be extended and made applicable to public agencies. The grant of authority set out in AS 29.59 does not extend to the public corporation or similar instrumentality the right to levy taxes. That right is limited, by the state constitution, to the levy and collection by cities and boroughs only. Thus, the right of the public corporation to issue obligations on behalf of the municipality for public purposes, if understood as having the effect of using the public corporation as a "front" for the municipality, cannot circumvent the limitation on delegation of taxing authority only to cities and boroughs, requiring the municipality to raise necessary revenues to pay off obligations of the corporation within the general limitation of AS 29.53. Similarly, if the right granted be seen as one by which a public corporation is authorized to issue its obligations for public purposes in furtherance of the responsibilities of municipalities, the grant of authority does not carry with it the right to levy and collect taxes for the purpose, and concern about conflict with AS 29.53 is unfounded. (The latter is analogous, at the local level, to the relationship between the State and ASHA, a public corporation: ASHA bonds are strictly revenue bonds; ASHA is not authorized to offer obligations on the strength of the full faith and credit of the people of Alaska, nor is the State legally obliged to bail ASHA out of any financial embarrassments.) In summary, in no instance can I conceive of a public corporation established under AS 29.59 having a valid argument on which to enforce a levy in excess of that provided for generally in statute.

V

I do not want to leave points 1 and 2 of this paper without mentioning two other matters:

While it is true, of course, that the failure of the IRS to adopt the regulations proposed in early 1976 constitutes a change of circumstance over the intervening two-year period,

it is equally true that, apart from AS 29.59, there is no generally applicable provision by which a city or borough is granted authority to establish a corporation or instrumentality to use as an agent in the issuance of debt obligations on its behalf. I am not aware that any Alaska municipality has placed reliance on the provision in the two years it has appeared in the statutes. Repeal of the provision, or even non-alteration, probably poses no problem. However, though AS 29.59 was drafted and enacted under circumstances quite different than those presently known, to the extent that a clear statement of authority for the establishment of a corporation for the purposes indicated is desirable, the provision does serve that purpose. The committee will, of course, enunciate the policy: I did not want to leave the impression that, because circumstances have changed, the statute no longer serves a useful role.

Secondly, I want to caution that this memo is not intended to address or suggest disposition of the issues which surround the very complicated subject of tax treatment of the interest earned on industrial development bonds. (In requesting your questions in writing, I wanted to try to assure that the questions could be answered in a manner which did not require extended treatment of the handling of industrial development bonds, a relatively more common means of involving public purpose financing through the intermediary of a public corporation, but one which is, in terms of tax-exempt eligibility, far more complicated.) The tax-exempt status of industrial development bonds -- defined, generally, as bonds whose proceeds are used in an activity engaged in for profit by other than a governmental unit or other than an organization exempt from tax (i.e. corporations with nonprofit status under §501(c)(3)) and on which either the payment of the principal and interest is secured in whole or in part by property to the payments received from the property are pledged for the payment of principal and interest -- is subject to far more extended and extensive limitations that those of bonds which would be issued by public corporations or instrumentalities whose existence is authorized under AS 29.59.

I trust that this fully responds to your questions.

JBC:jpd

Attachment

MEMORANDUM February 16, 1978

SUBJECT: Brief history of AS 29.59

TO: Representative Nels A. Anderson, Jr.

FROM: John B. Chenoweth
Legislative Counsel

My recollection of the circumstances relating to the adoption and taking effect of the bill embodying this provision is this:

In mid-session of 1976, Bob Dupere called to the attention of the Senate Community and Regional Affairs Committee the proposal by the IRS to tighten regulations defining the tax-exempt status of public corporations. Dupere has, of course, a working knowledge of municipal finance with respect to Alaska's local governments, and appreciated the potential problems that would have been presented under the particular changes then under consideration by the IRS. His suggestion to meet the problems was to make clear that municipalities had the authority to establish public corporations for carrying out specific municipal purposes, to protect the tax-exempt status (insofar as that was possible) of these creatures in the event local governments determined to make use of public corporations to meet public purposes or needs. At the time, as I recall, the possibility of establishment of a public corporation for hospital care was under active consideration, as, I think, was the proposal to use municipal authority to provide public services to major industrial users.

At any rate, the bill was drafted and presented. Committee members endorsed the attachment of the provision to a bill offered by the governor making technical amendments to the existing authority of the Alaska Municipal Bond Bank Authority. I do not recall whether the provision was added on to the governor's bill in anticipation of possible veto of the same provision standing alone, or whether it was added because, on that day, the governor's bill happened to present itself as a handy vehicle. That is where it was put -- but in redrafting the bill to carry the amendment, the draftsman neglected to conform the title.

The governor signed the bill into law. However, in a most unusual move, his transmittal letter to the Legislature pointed out the problem posed by the failure to limit the bill to one subject and to conform the title to the substantive provisions of the amended bill:

> "I have signed the following bill and am transmitting the enrolled and engrossed copies to the Lieutenant Governor's Office for permanent filing:
>
> SENATE COMMITTEE SUBSTITUTE FOR
> COMMITTEE SUBSTITUTE FOR
> HOUSE BILL NO. 674
> amended Senate (Chapter 56, SLA 1976)
>
> Even though I have signed this bill into law, I have been advised by the Attorney General that the inclusion of Sec. 4 in the bill violates Article II, Section 13 of the Alaska Constitution. This provision requires that bills are to be confined to one subject and that the subject be expressed in the title. Accordingly, the Attorney General has advised that Sec. 4 of the bill is void and of no effect.
>
> I am bringing this matter of the Attorney General's advise (sic) to your attention so that those legislators who were relying on Sec. 4 to accomplish some objective may be notified as to its probable effect. Those legislators may then want to take appropriate action such as introducing new legislation to cover the subject set forth in Sec. 4 of the bill."

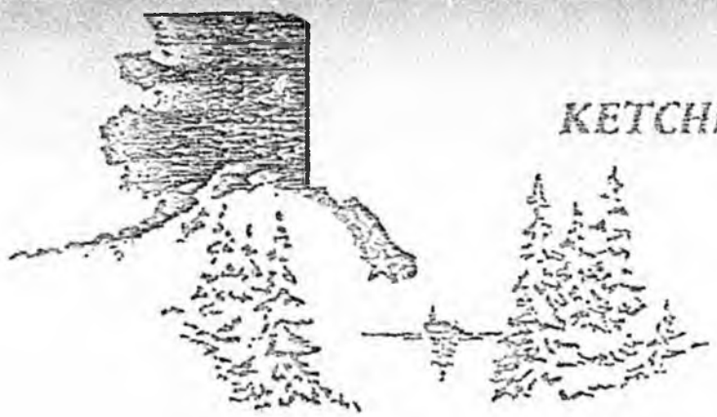
1976 House Journal, at p. 1280.

I have to question why the Attorney General determined that only section 4 of the legislation, that section adding what is now AS 29.59, was "void and of no effect" -- why, in fact, the entire bill was not tainted with the same objection -- and whether, for that reason, the opinion rendered to the governor is correct. Nevertheless, it is the closing paragraph of the governor's transmittal letter which the provision designated "*Sec. 13" in the original version of HB 483 is intended to address.

Assuming that the governor's statement, based on the attorney general's advice, is correct, then it seems that you have two courses open. Repeal AS 29.59 or re-enact it, with or without substantive amendment. At least as to any municipality which may have acted in reliance on the section, or which may in the future, I think it desirable, in response to the governor's invitation, that the legislature act, for inaction only maintains the "cloud" on AS 29.59 first pointed out in the above-cited transmittal letter.

JEC:jpd

HB
873



KETCHIKAN GATEWAY BOROUGH
344 FRONT STREET
KETCHIKAN, ALASKA 99901

March 27, 1978

Re: HB 873

The Honorable Lisa Rudd
Chairman
House Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Chairman Rudd:

In our borough, a second-class borough, there are twelve (12) elected officials: mayor, elected-at-large; four (4) assemblymen, elected-at-large from the area outside the City of Ketchikan; a seven (7) assemblymen appointed from the City Council. As a second-class borough the provisions of AS 29.23.530 apply. All our twelve (12) elected officials have 3-year staggered terms. Under the existing provisions of AS 29.23.530 in order to effect an entire salary change for all elected official positions, three elections must take place before all members are receiving the same salary.

A Ketchikan Gateway Borough Assembly salary change (from $100 to $150) commenced with the October, 1976 election and will be completed when those elected in October, 1978 take office at which time all eleven will again be receiving the same compensation.

Having observed this transition from $100 to 150 per month, it is apparent that among the elected officials, the procedure involved is a point of irritation as all have the same responsibilities.

I believe there are sufficient checks in our local government structures to preclude the actions of elected officials from becoming actions directed toward overt personal

gain at the expense of the local taxpayers. Those local governments to which the existing requirements apply are those smaller municipalities where actions of the elected officials are constantly subject to very close public scrutiny. Elected officials salaries must be set by ordinance on which public hearings are held, these salaries are included in the annual budget on which public hearings are held, and the appropriations needed to pay these salaries are made by ordinance on which public hearing are held.

Therefore, I am of the opinion that the present provisions of AS 29.23.530 are unduly restrictive and I support HB 873 as proposed.

Sincerely,

Judith A. Slajer
Borough Manager

JAS:jw

cc: KGB Assemby and Mayor
Jim Rolle, Ex. Director, AML

FAIRBANKS NORTH STAR BOROUGH
Box 1267, Fairbanks, Alaska 99707

April 3, 1978

Ms. Lisa Rudd
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

RE: HB 873 "An act relating to the salaries of elected municipal officials"

Dear Ms. Rudd:

I wish to present testimony in favor of passage of HB 873.

Having had the privilege of being elected a full time Borough Chairman in October of 1968, when the budget was set in June of 1968 for a part time Borough Chairman, I found that compensation could not be increased because of the wording in the statute. I am very happy to see HB 873 introduced as this would amend this restriction.

I concur that wages should not be decreased, as a person running for that office naturally would expect to receive the compensation shown in the budget, but should, on the other hand, not be restricted from receiving just compensation for his efforts.

Very truly yours,

JOHN A. CARLSON
Borough Mayor

JAC:mkr

Acknowledged by phone
4/6/78 AE

HB
874

HB874

LOCAL BOUNDARY COMMISSION

Powers:

1. To consider any local government boundary change
   (12, art. X, Alaska Constitution)

2. To present proposed changes to the legislature
   (12, art. X, Alaska Constitution; 7, ch. 64, SLA 1959)

3. (subject to law) to establish procedures whereby boundaries may be adjusted by local action
   (12, art X, Alaska Constitution)

4. To make sudies of local government boundary problems
   (7, ch. 64, SLA 1959)

5. To develop proposed standards and procedures for changing local boundary lines
   (7, ch. 64, SLA 1959)

6. To hold hearings on proposed boundary changes
   (7, ch. 64, SLA 1959)

Sec. 44.19.260

LOCAL BOUNDARY COMMISSION MEETING WITH
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE OF THE HOUSE

SUBJECTS:

1. HB 874 Local Boundary Commission Local Government Study

2. HB 585 Local Government Study Commission

3. Boundary Commission's Functions
   (will probably come up under the above)

4. Letter from C&RA Committee
   (Gallagher may wish to discuss this.)

5. Staff Support from C&RA; is it satisfactory?
   (Optional discussion item)

Members have time?
Advisory committee - ?
fiscal

Introduced: 3/7/78
Referred: Community & Regional Affairs and Finance

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE BILL NO. 874

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to a study of provision of local government services in the unorganized borough."

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

* Section 1. FINDINGS. (a) Article X of the Constitution of the State of Alaska provides for local government in the state. It states: "The purpose of this article is to provide for maximum local government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions." It also establishes a local boundary commission and requires establishment in the executive branch of the state government of an agency to advise and assist local government.

(b) The constitution became operative on January 3, 1959. Although boroughs have been established in certain areas of the state and cities exist in the unorganized borough, the purpose of the local government article has not otherwise been implemented, leaving large areas of the state without functioning local governments. As a result of the need for services and desirability for local control of provision of these services, single purpose agencies funded entirely by the state have been created to fill the vacuum. These agencies sometimes have overlapping boundaries thereby diluting responsiveness to the public.

(c) The factual basis for more fully implementing the constitutional mandate is not available. A study by the Local Boundary Commission, aided by the Department of Community and Regional Affairs and an advisory committee with public participation, would provide needed data.

* Sec. 2. STUDY. The Local Boundary Commission shall conduct a study on

provision of local government services in the unorganized borough. The study shall consider

(1) whether there are areas which should be incorporated as local government units;

(2) whether there are areas that should be annexed to existing local government unit

(3) whether there are areas which should be established by the legislature as service areas, and, if so, what services should be provided to each area;

(4) whether the legislature should consider establishing new classes of local government in the state, or should make changes in existing forms;

(5) methods of financing newly created local government units from both state and local finances;

(6) other matters the commission considers relevant.

* Sec. 3. STAFF SUPPORT. The Department of Community and Regional Affairs shall provide staff services to the Local Boundary Commission for performance of the study, but the commission may, within appropriations available for the purpose, contract with other persons for development of data or recommendations on specific matters.

* Sec. 4. ADVISORY COMMITTEE. An advisory committee to the Local Boundary Commission for the study is established. The committee is composed of the chairmen of the senate and house community and regional affairs committees, three members who reside in the unorganized borough outside cities, two members representing municipalities in the unorganized borough, one member representing school boards in borough or city school districts in the unorganized borough, and one member representing school boards in regional educational attendance areas. The committee shall elect its own chairman. The committee shall review recommendations proposed by the commission, comment to

the commission on each proposed recommendation, and perform other duties as assigned by the Local Boundary Commission.

* Sec. 5. PUBLIC HEARING. The Local Boundary Commission in conjunction with the advisory committee shall hold public hearings within the unorganized borough. At least one hearing shall be held in each judicial district of the state and other hearings may be held at the discretion of the commission.

* Sec. 6. REPORT. The Local Boundary Commission shall prepare a final report with findings and recommendations and submit the report and recommendations to the governor and, through the Legislative Council, to the legislature on or before September 1, 1979.

HB
875

116 & 15

	Acres	%	$
Valdez	256,000	.54	$4,990
Cordova	4,064	.004	79
Yakutat	12,800	.28	252
Craig	6,080	.04	986
Hoonah	340	.002	49
Hydaburg	189	.001	25
Kake	640	.004	99
Klawock	100	.001	25
Pelican	113	.001	25
Petersburg	32,000	.20	4,930
Skagway	6,400	.04	986
Wrangell	32,000	.20	4,930
		Total	$17,376

Tongass National Forest

Acreage 15,997,447

FY 1977 Receipts $2,465,222

Chugach National Forest

Acreage 4,624,567

FY 1977 Receipts $90,066

TO; Lisa FROM: Annette
April 13, 1978

HB 875 Payments to 1st class and home rule municipalities from National Forest revenues.

This bill adds a new section to extend to first class and home rule cities in the unorganized borough a portion of the revenues received from National Forest lands. The law presently shares these revenues with boroughs for support of schools and roads. Payments are based on national forest acreage within the municipalities.

The Federal law, 16 U.S.C. 500, as cited in the statute, gives a portion of the national forest stumpage revenues to states for distribution to "counties" for the support of schools and roads. When Alaska became a state, it was thought that boroughs were Alaska's answer to counties and so the revenue was shared with boroughs.

Obviously, boroughs are not the only municipalities which support schools and roads, but since the federal law specifies counties, and it is felt that the federal government will not accept cities in the unorganized borough as a special form of county, HB 875 is worded so as to get around the specifics of the federal law. In HB 875 the cities will receive a share of the national forest revenues from the general fund. The general fund contains the remainder of the national forest shared revenues after some have been dispursed to boroughs. In other words, it is not going directly to the cities, but is appropriated at a later date to them from the general fund.

DC&RA handles the dispursement of funds (which they receive from the Forest Service) to boroughs. They will give us a fiscal note on the impact of this legislation. An estimate is about 8 cities.

HB
886

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE [illegible]
JUNEAU, ALASKA 99801

[illegible]

[illegible] ANCHORAGE ALASKA 354 PM-M EDST

PLS REP LISA RUDD HAND DLR BY APRIL 6 1978 STAM

STATE CAPITOL [illegible] 465-4967

JUN

REP REPRESENTATIVE RUDD

THE PURPOSE OF THIS WIRE IS TO INFORM YOU THAT THE MUNICIPALITY OF ANCHORAGE STRONGLY SUPPORTS HOUSE BILL 555 & IS URGES ITS FAVORABLE CONSIDERATION BY YOUR COMMITTEE. THIS LEGISLATION WOULD IMPLEMENT THE QUOTE OPERATION BREAKTHROUGH UNQUOTE PROGRAM IN ANCHORAGE AS WELL AS PROVIDING IMPETUS FOR SIMILAR PROJECTS IN OTHER COMMUNITIES THROUGHOUT THE STATE.

I AM CERTAIN I DO NOT NEED TO REMIND YOU OF THE EVER PRESENT DILEMMA POSED FOR LOCAL GOVERNMENT BY DEMANDS FOR SERVICES AND CAPITAL IMPROVEMENTS ON THE ONE HAND AND THE NEED TO MINIMIZE LOCAL TAX BURDENS ON THE OTHER. PROGRAMS SUCH AS BREAKTHROUGH CAN SERVE AS AN EFFORT BY CONCERNED CITIZENS TO OVERCOME THIS DILEMMA AND TO PLACE RESPONSIBILITY FOR A DECISION ON MAJOR COMMUNITY IMPROVEMENTS BEFORE THE VOTERS.

GIVEN THE ABILITY OF THE STATE TO BORROW CAPITAL IMPROVEMENT FUNDS

AT RATES SUBSTANTIALLY BELOW THOSE AVAILABLE TO LOCAL GOVERNMENT, AND THE INCREASING REVENUE BEING MADE AVAILABLE FROM RESOURCE DEVELOPMENT, THE TIME IS PARTICULARLY RIPE FOR A COMMITMENT BY THE STATE TO ASSIST LOCAL GOVERNMENT TAXPAYERS IN MAKING THEIR COMMUNITIES, SAFE, PLEASANT AND ATTRACTIVE PLACES. IN ANCHORAGE, BREAKTHROUGH IS RESPONSIBLE FOR URGING THE ASSEMBLY TO PLACE BEFORE THE VOTERS SEVERAL BOND PROPOSITIONS WHICH, IF ENACTED, WOULD BE USED TO MATCH STATE FUNDS PROVIDED UNDER HB886 TO PROVIDE NEEDED COMMUNITY IMPROVEMENTS.

MANY OF THE PROJECTED IMPROVEMENTS SUCH AS CULTURAL AND SPORTS CENTERS, ROAD IMPROVEMENT, AND LIBRARIES AND MUSEUMS WILL BENEFIT THOSE RESIDENTS OF THE STATE WHO VISIT OR TRAVEL THROUGH ANCHORAGE, IN ADDITION TO PERMANENT RESIDENTS OF THE MUNICIPALITY. PERHAPS MORE IMPORTANTLY, PASSAGE OF HB 886 WILL, AS NOTED ABOVE, MATERIALLY PROVIDE INCENTIVE IN OTHER COMMUNITIES FOR GROUPS SIMILAR TO BREAKTHROUGH TO TRY TO OVERCOME THE DILEMMA BETWEEN TAX BURDEN AND COMMUNITY NEEDS AND TO MAKE ALASKAN COMMUNITIES MORE ATTRACTIVE TO THOSE OUTSIDE [illegible] ACCURATE STATISTICS AND [illegible] FOR THEIR COMMITTEE.

IF I CAN BE OF OTHER HELP AS BY WAY ASSISTANCE TO THE COMMITTEE, PLEASE DO NOT HESITATE TO CALL MY OFFICE AT 264-4461, OR CONTACT MR. TED [illegible], MUNICIPAL ATTORNEY, AT 264-4317. THANK YOU FOR THE OPPORTUNITY TO COMMENT ON THIS LEGISLATION. (LETTER FORTHCOMING).

MAYOR GEORGE M SULLIVAN

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN
MAYOR

OFFICE OF THE MAYOR

April 4, 1978

Representative Lisa Rudd, Chairperson
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: House Bill 886

Dear Representative Rudd:

The purpose of this letter is to inform you that the Municipality of Anchorage strongly supports House Bill 886 and urges its favorable consideration by your Committee. This legislation would implement the "Operation Breakthrough" program in Anchorage as well as providing impetus for similar projects in other communities throughout the state.

I am certain I do not need to remind you of the ever present dilemma posed for local government by demands for services and capital improvements on the one hand and the need to minimize local tax burdens on the other. Programs such as Breakthrough represent an effort by concerned citizens to overcome this dilemma and to place responsibility for a decision on major community improvements before the voters.

Given the ability of the state to borrow capital improvement funds at rates substantially below those available to local government, and the increasing revenue being made available from resource development, the time is particularly ripe for a commitment by the state to assist local government taxpayers in making their communities safe, pleasant and attractive places. In Anchorage, Breakthrough is responsible for urging the Assembly to place before the voters several bond propositions which, if enacted, would be used to match state funds provided under HB 886 to provide needed community improvements.

Many of the projected improvements such as cultural and sports centers, road improvement, libraries and museums will benefit those residents of the state who visit or travel through

Anchorage, in addition to permanent residents of the Municipality. Perhaps more importantly, passage of HB 886 will, as noted above, hopefully provide incentive in other communities for groups similar to Breakthrough to try to overcome the dilemma between tax burdens and community needs and to make Alaskan communities equal or superior to those outside in providing adequate services and facilities for their residents.

If I or my staff can be of any assistance to the Committee, please do not hesitate to call my office at 264-4431, or contact Mr. Ted Berns, Municipal Attorney, at 264-4237. Thank you for the opportunity to comment on this legislation.

Sincerely,

MUNICIPALITY OF ANCHORAGE

George M. Sullivan
Mayor

GMS:TDB:gml

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MUNICIPAL MANAGER

June 6, 1978

Honorable Lisa Rudd
Alaska House of Representatives
Pouch V
State Capitol Building
Juneau, Alaska 99811

Dear Lisa:

As indicated, I brought some of our staff together to review the allocation problems you are having with HB 886. As a result, we came up with the following:

1. Question: Although there seems to be support for the presently proposed method of determining local shares under HB 886, the application of the formula results in a $650 million package. The proposed method includes a heavier weighting for smaller, less populated communities. For example, communities with populations of less than 10,000 would receive $3,000 per capita vs. $1,000 per capita for Anchorage. How can we accommodate the originally proposed methodology and stay within $400 million?

   Suggestion: Calculate the relative shares under the proposed methodology. Distribute the $400 million amount pro-rata using the percentages derived from the $650 million allocations. This approach will continue the heavier weightings for small communities. It also has the advantage of being relatively straight forward.

2. Question: The State is concerned about being able to predict the required funding under HB 886 for each fiscal year. How can this be accomplished?

   Suggestion: Establish a ceiling amount for each fiscal year and distribute the $400 million over a eight to ten year period, including one to two years for closing out the program. This would result in something less than $400 million given the present value of an annual allocation over an eight to ten year period.

Suggestion: Each community would be required to present a Capital Improvement Program requesting the funds. The State should have some flexibility in allocating the funds during each fiscal year so that communities who are prepared to proceed can receive available funds. Over the eight to ten year period, no community would receive more than its maximum amount allowable under the formula.

I trust these comments will be of some value to you.

Sincerely,

Douglas C. Weiford
Municipal Manager

/jlc

Municipality of Anchorage
5/78

HB 886: AN ACT RELATING TO STATE AID FOR MUNICIPAL CAPITAL IMPROVEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

HB 886 would facilitate the "Operation Breal·through" program in Anchorage and provide impetus for similar projects in other communities throughout the state. The Municipality of Anchorage supports this bill.

Local government faces an ever present dilemma posed by demands for services and capital improvements and the need to minimize local tax burdens. Programs such as Breakthrough represent an effort by concerned citizens to overcome this dilemma by placing responsibility for decisions on major community improvements before the voters. Breakthrough is responsible for urging the Anchorage Assembly to place before the voters several bond propositions which would be used to match state funds under HB 886 to provide needed community improvements.

The State can borrow capital improvement funds at rates substantially below those available to local government, and resource development is making increased revenue available to the State. Thus, the time is particularly ripe for a commitment by the State to assist local government taxpayers in making their communities safe, pleasant, and attractive places to live.

Many of Breakthrough's projected improvements such as cultural and sports centers, road improvement, and libraries and museums will benefit those residents of the State who visit or travel through Anchorage as well as the permanent residents of the Municipality.

Perhaps more importantly, HB 886 will provide incentive in other communities for groups similar to Breakthrough to try to overcome the dilemma between tax burdens and community needs. We hope that such groups will make Alaskan communities equal or superior to those Outside in providing adequate services and facilities for their residents.

60 mil. Thurlow - cut up pic

Original sponsor: Community and Regional Affairs Committee

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 886

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for municipal capital improvements; and providing for an effective date."

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

* Section 1. AS 43.18 is amended by adding new sections to read:

Sec. 43.18.200. INTENT. It is the intent of the legislature that, so long as the state general fund is augmented by a substantial dollar contribution from the development of Alaska's petroleum resources, appropriations be made annually under secs. 200 - 255 of this chapter to share a portion of that resource revenue with municipalities for their capital improvement projects.

Sec. 43.18.205. MUNICIPAL CAPITAL IMPROVEMENT ACCOUNT. The municipal capital improvement account is established. The account consists of appropriations for distribution under secs. 200 - 255 of this chapter to municipalities to assist in paying the costs of eligible municipal capital improvement projects for which no bonding, notes, or other indebtedness was incurred before July 1, 1978.

Sec. 43.18.210. GRANTS TO MUNICIPALITIES. (a) During each fiscal year, the state shall allocate to each municipality in the state an amount equal to 50 per cent of the annual principal and interest owing by that municipality on its general obligation bonded indebtedness for an eligible capital improvement for which bonding, notes or other indebtedness was incurred on or after July 1, 1978, or, if funds are available, make a grant to the municipality of 50 per cent of the costs of the capital improvement which the municipality seeks to construct or

acquire.

(b) The estimated cost of an eligible capital improvement project may not exceed costs developed in accordance with the standards and criteria adopted by the commissioner of the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200. State funds may not be committed to nor expended for construction cost overruns or other costs in excess of the original project estimated cost.

(c) Subject to (a) of this section, a municipality may, for a proposed municipal capital improvement eligible for state assistance under this section, obtain from the state a grant for the capital improvement in an amount equal to 50 per cent of the cost of the project or 50 per cent of the amount that would be the local share not financed by other state or federal assistance programs or private grants, whichever is the lesser. The municipal share of the funding of the eligible capital improvement may be obtained by the municipality from any source lawfully available to it, including but not limited to the sale of general obligation bonds.

Sec. 43.18.215. LIMITATION ON GRANTS. (a) No more may be allocated to a municipality from the municipal capital improvement account than

(1) $3,000 per capita on the first 1,000 population;

(2) $2,000 per capita on population over 1,000 but less than 10,000;

(3) $1,000 per capita on population of 10,000 and more.

(b) When a municipality has been allocated the maximum amount provided in (a) of this section for that municipality, it is no longer eligible to obtain grants from the municipal capital improvement account regardless of population changes within the municipality after that time.

(c) For purposes of this section,

(1) the population used for computing the entitlement is the population of the municipality on Ju[illegible] 1, 1978, as determined by the department;

(2) the limitation on allocations in (a) of this section applicable to a borough shall be based upon the population of the borough with respect to an eligible capital improvement which the borough has authority to provide on an areawide basis;

(3) the limitation on allocations in (a) of this section applicable to a city or service area of a borough shall be based upon the population of the city or service area of the borough with respect to an eligible capital improvement which the city has authority to provide or which the borough has authority to provide on a service area basis.

Sec. 43.18.220. APPLICATION FOR AID. (a) The commissioner shall prescribe the necessary forms and procedures to be used in applying for grants under secs. 200 - 255 of this chapter.

(b) A municipality seeking aid under secs. 200 - 255 of this chapter must apply to the department by September 15 of the prior fiscal year.

(c) The department

(1) may not administer secs. 200 - 255 of this chapter in a manner that diminishes the authority of a municipality[,] to determine what types, priorities or design of capital improvements are appropriate for its community.

(2) may make no determination of eligibility based upon its evaluation of the desirability or priority of a project.

Sec. 43.18.225. CONDITIONS OF GRANTS. (a) Funds distributed to a municipality under secs. 200 - 255 of this chapter must be received,

held, and expended by the municipality in accordance with the applicable provisions of law and of regulations adopted by the department. Funds provided under secs. 200 - 255 of this chapter, but which are not required for the project for which they were granted or which are in excess of that municipality's entitlement for grants as that entitlement is limited by sec. 215 of this chapter, shall be returned to the department and deposited in the general fund.

(b) Each municipality shall maintain financial records of the receipt and disbursement of state funds received under secs. 200 - 255 of this chapter and money provided toward local effort. The records must be in the form prescribed by the department and are subject to audit by it at any time.

(c) Before funds are distributed to a municipality by the department, the commissioner shall require municipal officers to demonstrate that the municipality has secured financial assistance from other federal and state programs to the maximum possible extent.

Sec. 43.18.230. RESPONSIBILITY TO MAINTAIN AND OPERATE CAPITAL IMPROVEMENT. Every municipality obtaining funds under secs. 200 - 255 of this chapter shall be solely responsible for the maintenance and operation of the capital improvement. Nothing in secs. 200 - 255 of this chapter obligates the state to participate in or contribute to the cost of operation and maintenance of the capital improvement.

Sec. 43.18.235. SUBMISSION OF CAPITAL IMPROVEMENT PLAN REQUIRED. No funds may be made available under secs. 200 - 255 of this chapter unless the municipality submits to the department a five-year capital improvement plan showing the capital improvements planned for the municipality during the next five years, the planned sources of revenues to pay for the capital improvements, and operational costs of the capital improvements.

Sec. 43.18.240. NOTICE OF GRANTS. The municipality shall furnish a notice with tax statements mailed for the fiscal year for which state grants for general obligation bonded indebtedness or cash grants for capital improvements are received under secs. 200 - 255 of this chapter setting out the amount made available by the state to the municipality for that fiscal year. This information shall be incorporated in any notice to the taxpayer required under sec. 30 of this chapter in connection with state aid to local governments.

Sec. 43.18.245. CONSTRUCTION AND IMPLEMENTATION. (a) Sections 200 - 255 of this chapter may not be construed so as to create a debt of the state.

(b) Funds to carry out the provisions of secs. 200 - 255 of this chapter may be appropriated annually by the legislature into the municipal capital improvement account. If amounts in the account are insufficient to meet the allocations authorized by the commissioner under secs. 200 - 255 of this chapter, the funds available shall be distributed pro rata among each municipality based upon its computed entitlement.

Sec. 43.18.250. REGULATIONS. The department shall adopt regulations necessary to carry out the provisions of secs. 200 - 255 of this chapter.

Sec. 43.18.255. DEFINITIONS. In secs. 200 - 255 of this chapter, unless the context requires otherwise,

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

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

(3) "eligible capital improvement" means a public facility or public work, funds for the construction of which may be secured by the issuance of the municipality's general obligation bonds; the term ex-

cludes an elementary and secondary school and a medical facility;

(4) "municipality" means a unified municipality or a home rule borough or a general law borough or city of any class incorporated under the laws of the state.

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

school prog - "legis. has never failed" - const. prob.
what priorities for bond issues?
Mon. after Easter

Introduced: 3/15/78
Referred: Community & Regional Affairs and Finance

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

more specific "work on it" —

HOUSE BILL NO. 886

define cap. imp.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid for municipal capital improvement; and providing for an effective date."

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

* Section 1. AS 43.18 is amended by adding new sections to read:

Sec. 43.18.200. MUNICIPAL CAPITAL IMPROVEMENT ACCOUNT. The municipal capital improvement account is established. The account consists of appropriations for distribution under secs. 200 - 295 of this chapter to municipalities to assist in paying the costs of municipal capital improvement projects for which no bonding, notes, or other indebtedness was incurred before July 1, 1978.

extent - to share our wealth w/ municipalities as long as it is available.

Sec. 43.18.210. GRANTS TO MUNICIPALITIES. (a) During each fiscal year, the state shall allocate to each municipality in the state an amount equal to 50 per cent of the annual principal and interest owing by that municipality on its general obligation bonded indebtedness for which bonding, notes or other indebtedness was incurred on or after July 1, 1978, or, if funds are available, make a grant to the municipality of 50 per cent of the costs of the capital improvement which the municipality seeks to construct or acquire.

(b) State funds may not be committed to nor expended for construction cost overruns or other costs in excess of the original project estimated cost. application state project est. costs. To be certified by commissioner

(c) Subject to (a) of this section, a municipality may, for a proposed municipal capital improvement eligible for state assistance under this section, obtain from the state a grant for the capital

clarified muni. has power — state or federal assistance

improvement in an amount equal to 50 per cent of the cost of the project or 50 per cent of the amount that would be the local share not financed by other programs or private grants, whichever is the lesser. The municipal share of the funding of the capital improvement may be obtained by the municipality from any source lawfully available to it, including but not limited to the sale of general obligation bonds.

Sec. 43.18.220. LIMITATION ON GRANTS. (a) No more may be allocated to a municipality from the municipal capital improvement account than pop. as of 7/1/78

(1) $3,000 per capita on the first 1,000 population;

(2) $2,000 per capita on population over 1,000 but less than 10,000;

(3) $1,000 per capita on population of 10,000 and more.

(b) When a municipality has been allocated the maximum amount provided in (a) of this section for that municipality, it is no longer eligible to obtain grants from the municipal capital improvement account regardless of population changes within the municipality after ~~that time~~ 7/1/78.

Sec. 43.18.230. APPLICATION FOR AID. (a) The commissioner shall prescribe the necessary forms and procedures to be used in applying for grants under secs. 200 - 295 of this chapter.

(b) A municipality seeking aid under secs. 200 - 295 of this chapter must apply to the department by September 15 of the prior fiscal year.

(c) The department may not [adopt regulations, review applications from municipalities, or otherwise] administer secs. 200 - 295 of this chapter in a manner that diminishes the authority of a municipality [in its sole discretion,] to determine what types, priorities or design of capital improvements are appropriate for its community. [No state

cut this, or p. 4, l. 2

judgment as to the appropriateness of a particular capital improvement in a particular community is a factor in determining eligibility of capital improvements for funding under secs. 200 - 295 of this chapter.]

Sec. 43.18.240. CONDITIONS OF GRANTS. (a) Funds distributed to a municipality under secs. 200 - 295 of this chapter must be received, held, and expended by the municipality in accordance with the applicable provisions of law and of regulations adopted by the department. Funds provided under secs. 200 - 295 of this chapter, but which are not required for the project for which they were granted or which are in excess of that municipality's entitlement for grants under sec. 220 of this chapter must be returned to the department and deposited in the general fund.

(b) Each municipality shall maintain financial records of the receipt and disbursement of state funds received under secs. 200 - 295 of this chapter and money provided toward local effort. The records must be in the form prescribed by the department and are subject to audit by it at any time.

Sec. 43.18.250. RESPONSIBILITY TO MAINTAIN AND OPERATE CAPITAL IMPROVEMENT. Every municipality obtaining funds under secs. 200 - 295 of this chapter shall[, by accepting such funds,] be solely responsible for the maintenance and operation of the capital improvement. Nothing in secs. 200 - 295 of this chapter obligates the state to participate in or contribute to the cost of operation and maintenance of the capital improvement.

Sec. 43.18.260. SUBMISSION OF CAPITAL IMPROVEMENT PLAN REQUIRED. (a) No funds may be made available under secs. 200 - 295 of this chapter unless the municipality submits to the department a five-year capital improvement plan showing the capital improvements planned for the municipality during the next five years, the planned sources of revenues to

pay for the capital improvements, and operational costs of the capital improvements. The department may make no determinations of eligibility based upon its evaluation of the desirability or priority of a project.

Sec. 43.18.270. NOTICE OF GRANTS. The municipality shall furnish a notice with tax statements mailed for the fiscal year for which state grants for general obligation bonded indebtedness or cash grants for capital improvements are received under secs. 200 - 295 of this chapter setting out the amount made available by the state to the municipality for that fiscal year. This information shall be incorporated in any notice to the taxpayer required under sec. 30 of this chapter in connection with state aid to local governments.

Sec. 43.18.280. CONSTRUCTION AND IMPLEMENTATION. (a) Sections 200 - 295 of this chapter may not be construed so as to create a debt of the state.

(b) Funds to carry out the provisions of secs. 200 - 295 of this chapter may be appropriated annually by the legislature into the municipal capital improvement account. If amounts in the account are insufficient to meet the allocations authorized by the commissioner under secs. 200 - 295 of this chapter, the funds available shall be distributed pro rata among each municipality based upon its computed entitlement.

Sec. 43.18.290. REGULATIONS. The department shall adopt regulations necessary to carry out the provisions of secs. 200 - 295 of this chapter.

Sec. 43.18.295. DEFINITIONS. In secs. 200 - 295 of this chapter, unless the context requires otherwise,

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

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

(3) "municipality" means a unified municipality or a home rule borough or a general law borough or city of any class incorporated under the laws of the state.

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

Hodel suggests:
Repeal convention center & sports facilities legislation

data for determination of population

set yearly limit on amt. to be committed by State – (Hodel says it will not exceed $28 mil. annually)

↑ print out
Arch. bond election
($1.4 bil. only 20 communities)

repeal conv. center & sports facil. ?

HOUSE BILL NO. 886

PREPARED BY
LEGISLATIVE AFFAIRS AGENCY
RESEARCH DIVISION
MARCH 28, 1978

THE ANALYSIS ASSUMES MAXIMUN PAYMENTS TO ALL MUNICIPALITIES

	LOCAL GOVERNMENT	POPULATION	ALLOWANCE
BOROUGHS AND CITIES WITHIN BOROUGHS			
1	ANCHORAGE (AW)	180,653	$191,653,000
2	BRISTOL BAY BOROUGH (AW)	1,311	$3,622,000
3	FAIRBANKS BOROUGH (AW)	60,227	$71,227,000
4	FAIRBANKS (CITY)	30,462	$41,462,000
5	NORTH POLE (CITY)	461	$1,383,000
6	HAINES BOROUGH	1,924	$4,848,000
7	HAINES (CITY)	1,366	$3,732,000
8	JUNEAU (AW)	20,465	$31,465,000
9	KENAI BOROUGH (AW)	24,611	$35,611,000
10	HOMER (CITY)	1,802	$4,604,000
11	KACHEMAK (CITY)	151	$453,000
12	KENAI (CITY)	5,364	$11,728,000
13	SELDOVIA (CITY)	612	$1,836,000
14	SEWARD (CITY)	2,279	$5,558,000
15	SOLDOTNA (CITY)	2,586	$6,172,000
16	KETCHIKAN BOROUGH (AW)	11,490	$22,490,000
17	KETCHIKAN (CITY)	7,928	$16,856,000
18	SAXMAN (CITY)	272	$816,000
19	KODIAK BOROUGH (AW)	7,901	$16,802,000
20	KODIAK (CITY)	4,960	$10,920,000
21	AKHIOK (CITY)	102	$306,000
22	LARSEN BAY (CITY)	137	$411,000
23	OLD HARBOR (CITY)	327	$981,000
24	OUZINKIE (CITY)	170	$510,000
25	PORT LIONS (CITY)	227	$681,000
26	MAT-SU BOROUGH (AW)	16,724	$27,724,000
27	HOUSTON (CITY)	375	$1,125,000
28	PALMER (CITY)	1,859	$4,718,000
29	WASILLA (CITY)	1,566	$4,132,000
30	NORTH SLOPE BOROUGH (AW)	9,130	$19,278,000
31	ANAKTUVUK PASS (CITY)	150	$450,000
32	BARROW (CITY)	2,306	$5,612,000
33	KAKTOVIK (CITY)	123	$369,000
34	NUIQSUT (CITY)	152	$456,000
35	POINT HOPE (CITY)	384	$1,152,000
36	WAINWRIGHT (CITY)	341	$1,023,000
37	SITKA BOROUGH	7,550	$16,300,000
FIRST CLASS CITIES			
38	CORDOVA	2,406	$5,812,000
39	CRAIG	467	$1,401,000
40	DILLINGHAM	1,269	$3,538,000
41	GALENA	631	$1,893,000
42	HOONAH	848	$2,544,000
43	HYDABURG	380	$1,140,000
44	KAKE	679	$2,037,000
45	KING COVE	408	$1,224,000
46	KLAWOCK	323	$969,000
47	NENANA	521	$1,563,000
48	NOME	2,585	$6,170,000
49	PELICAN	169	$507,000
50	PETERSBURG	2,126	$5,252,000
51	SAINT MARY'S	415	$1,245,000
52	SKAGWAY	854	$2,562,000
53	UNALASKA	510	$1,530,000
54	VALDEZ	7,483	$15,966,000
55	WRANGELL	3,152	$7,304,000
56	YAKUTAT	462	$1,386,000

SECOND CLASS CITIES

57	AKIACHAK	354	$1,062,000
58	AKIAK	165	$495,000
59	AKOLMIUT	608	$1,824,000
60	ALAKANUK	527	$1,581,000
61	ALEKNAGIK	227	$681,000
62	ALLAKAKET	164	$492,000
63	AMBLER	217	$651,000
64	ANDERSON	470	$1,410,000
65	ANGOON	287	$861,000
66	ANIAK	323	$969,000
67	ANVIK	87	$261,000
68	ATMAUTLUAK	169	$507,000
69	BETHEL	3,409	$7,818,000
70	BREVIG MISSION	120	$360,000
71	BUCKLAND	172	$516,000
72	CHEFORNAK	192	$576,000
73	CHEVAK	447	$1,341,000
74	CHUATHBALUK	118	$354,000
75	CLARK'S POINT	98	$294,000
76	DEERING	100	$300,000
77	DELTA JUNCTION	892	$2,676,000
78	DIOMEDE	135	$405,000
79	EAGLE	145	$435,000
80	EEK	195	$585,000
81	EKWOK	109	$327,000
82	ELIM	205	$615,000
83	EMMONAK	545	$1,635,000
84	FORT YUKON	637	$1,911,000
85	FORTUNA LEDGE	200	$600,000
86	GAMBELL	412	$1,236,000
87	GOLOVIN	118	$354,000
88	GOODNEWS BAY	248	$744,000
89	GRAYLING	167	$501,000
90	HOLY CROSS	212	$636,000
91	HOOPER BAY	590	$1,770,000
92	HUGHES	98	$294,000
93	HUSLIA	216	$648,000
94	KALTAG	240	$720,000
95	KASAAN	38	$114,000
96	KIANA	314	$942,000
97	KIVALINA	208	$624,000
98	KOBUK	60	$180,000
99	KOTLIK	284	$852,000
100	KOTZEBUE	2,526	$6,052,000
101	KOYUK	160	$480,000
102	KOYUKUK	124	$372,000
103	KUPREANOF	42	$126,000
104	KWETHLUK	444	$1,332,000
105	LOWER KALSKAG	195	$585,000
106	MANOKOTAK	225	$675,000
107	MCGRATH	296	$888,000
108	MEKORYUK	184	$552,000
109	MOUNTAIN VILLAGE	513	$1,539,000
110	NAPAKIAK	276	$828,000
111	NAPASKIAK	210	$630,000
112	NEWHALEN	89	$267,000
113	NEW STUYAHOK	230	$690,000
114	NEWTOK	124	$372,000
115	NIGHTMUTE	123	$369,000
116	NIKOLAI	85	$255,000
117	NONDALTON	226	$678,000
118	NOORVIK	527	$1,581,000
119	NULATO	331	$993,000
120	PILOT STATION	301	$903,000
121	PLATINUM	50	$150,000

122	PORT ALEXANDER	51	$153,000
123	PORT HEIDEN	89	$267,000
124	QUINHAGAK	395	$1,185,000
125	RUBY	219	$657,000
126	RUSSIAN MISSION	158	$474,000
127	SAINT MICHAEL	206	$618,000
128	SAINT PAUL	550	$1,650,000
129	SAND POINT	544	$1,632,000
130	SAVOONGA	409	$1,227,000
131	SCAMMON BAY	193	$579,000
132	SELAWIK	521	$1,563,000
133	SHAGELUK	169	$507,000
134	SHAKTOOLIK	160	$480,000
135	SHELDON POINT	136	$408,000
136	SHISHMAREF	326	$978,000
137	SHUNGNAK	182	$546,000
138	STEBBINS	298	$894,000
139	TANANA	499	$1,497,000
140	TELLER	219	$657,000
141	TENAKEE SPRINGS	140	$420,000
142	TOGIAK	419	$1,257,000
143	TOKSOOK BAY	317	$951,000
144	TULUKSAK	202	$606,000
145	TUNUNAK	299	$897,000
146	UNALAKLEET	630	$1,890,000
147	UPPER KALSKAG	164	$492,000
148	WALES	109	$327,000
149	WHITE MOUNTAIN	98	$294,000
150	WHITTIER	292	$876,000
		TOTAL	$717,932,000

BERRIER'S QUESTIONS ON REWRITE OF HB 886

1. Intent

2. Equitable distribution of funds.

   Suggestion: Annual entitlement to any one city not to exceed an amoutn based on the city's % of total statewide population.

3. Definition of capital improvements

   Perhaps define negatively by exclusion of capital improvements which already have grant programs.

   SB 533

4. Clarify amount not financed by other programs.

   Presently worded so that this program can match other state and federal programs.
   50% of local share.

5. Statement that municipality must have power under AS 29.48

6. Commissioner to make a determination as to ~~appropriateness of~~ project costs as determined by muni. are realistic.

7. Repeal sports facilities and convention centers.

8. Deadline.

Definition of capital improvement.

--this program does not apply if state participation through this program plus another program is over 50%.

question of whether equipment such as road graders, etc, should be included as a capital improvement.

Finance costs not eligible

REF: HB 886

GRANTS PROGRAMS AVAILABLE TO MUNICIPALITIES

1. Small Boat Harbor Construction

   Division of Waters & Harbors -- 100%
   Bond issue

2. Port Facilities

   Division of Waters & Harbors -- 90%
   Bond Issue

3. Water and Sewer

   Department of Environmental Conservation -- 50%
   50% of total cost or 50% of non-Federal share
   Bond issue -- 1976: $29.5mil
   1978: $17.5mil
   Can match EPA, PHS, EDA, RDA
   1st come, 1st served

   SB539 Sec. 15

4. Airports

   Division of Aviation -- 12.5% state, 75% Federal, 12.5% local
   Bond issue

5. School Construction

   Department of Education -- 100% bond retirement
   Department of Transportation, Div. of Buildings

6. Electric Utility

   CARD

   percentages? limitations?

7. Street Improvements

   EDA, LSRT (Local Service Roads & Trails)
   State bond issue

8. Parks and Recreation

   Division of Parks, LWCF, state bonds.

9. Solid Waste

   PHS - in Indian villages - 100%

10. Fire, Rescue Operations

    Various Federal programs

11. Libraries -- None

12. Parking -- None

13. Animal Control -- None

14. Convention Centers -- Statute not funded
    Sports Facilities
    Cultural Centers -- none

Dept. of Revenue

TEN YEAR MUNICIPAL CAPITAL PROJECTIONS STUDY

1978 - 1987

In preparing this capital projects study, it immediately became apparent that municipal and borough officials face many difficulties when allocating public funds for capital projects. This conflict is best characterized by limited funds and an excess of needed or suggested projects. Further projection difficulties arise when it becomes necessary to determine the priority of projects, compliance with a Comprehensive Plan, coordination between various projects, public sentiment, and the impact on the present and future social, economic, physical, and environmental systems of the political subdivisions.

It must be recognized that these projections, developed with the best available information, are subject to the availability of funds. With permanent fund assistance, as well as various other grants, many of these could be realized. Conversely, many of these necessary projects may not be realized in the event of the non-availability of those funds.

Twenty municipalities responded and although they by no means represent all the projects, they do give an indication of the magnitude of the financial needs that face the municipalities of Alaska.

Attached are the results of the study. Requirements are shown (1) by municipality, (2) municipality and project, (3) size of project and, (4) sources of funds. Of the total $1,499,753,000 in dollar costs only $1,130,178,000 was recognized as coming from a specific source: either State, Federal, or local subject to availability of funds. Municipalities were not able to determine where the additional $369,575,000 would come from if the projects were to be constructed.

Care was taken to differentiate between those projects one would like to see and those projects which were vital to general welfare of the community. These costs presently represent those projects which are vital to the community and which will have to be funded through whatever sources of capital is available or they may never be realized. The Permanent Fund may be a means to meet a portion of these requirements.

CAPITAL REQUIREMENTS BY CITY
000's Omitted

Anchorage	$ 825,832
Brevig Mission	1,586
Fairbanks	192,075
Galena	6,127
Haines	13,791
Houston	10,806
Juneau	122,010
Kenai Peninsula Borough	65,785
Ketchikan	20,101
Kodiak	49,704
Kwethluk	832
McGrath	9,285
Nightmute	481
Savoonga	445
Sitka	99,310
Skagway	20,157
Tenakee Springs	1,050
Toksook Bay	1,190
Valdez	41,150
Wasilla	18,036
Total	$1,499,753

CAPITAL NEEDS BY CITY AND PROJECTS
000's Omitted

City	Port Facilities	Small Boat Harbors	Airports	Public Transit	Water Utility	Sanitary Sewer	Electric Utility	Parking Facilities	Animal Control	School Construction	Convention Culture Center	Health	Street Improvements	Street Maintenance	Fire Rescue Operations	Library	Parks and Recreation	Solid Waste	Other Projects	Total
Anchorage	$ 5,030	$ -	$ 7,832	$25,236	$ 81,414	$110,930	$211,116	$ 18,788	$ -	$ 88,500	$ -	$ -	$163,496	$ 2,146	$ 2,393	$16,085	$ 75,435	$ 9,390	$ 7,991	$ 825,832
Brevig Mission						200	1,130		6			109	100			30	20			1,586
Fairbanks					72,000	7,500	80,000						15,020	3,500	3,055		1,000		10,000	192,075
Galena		30			500			3	15		30			430	25	6	15	23	5,000	6,127
Haines	2,675	909			1,060	1,965		300	35		1,340	900	584	125	495	270	2,608	375	150	13,791
Houston				320	1,500	4,500			75		1,320	1,560	640	210	207		78	166	210	10,806
Juneau	7,277	4,755	12,813	90	28,420	16,339				1,600	15,592	125	8,100		7,535	5,000	14,364			122,010
Kenai Peninsula Borough										58,885		4,000			780			2,120		65,785
Ketchikan	25		7,325			5,500		51	75	2,925									4,200	20,101
Kodiak	1,000	11,950			5,700	7,660			50		4,000		14,100	1,303	487	1,770	1,684			49,704
Kwethluk			70						29			63			91	54	525			832
McGrath	1,020		400		2,329	2,754					275		1,450		350	255	400	21	31	9,285
Nightmute		6	88	50	27	140	17				24	30	15			12	70	12		481
Savoonga				6		175	20						10			4	5	225		445
Sitka		1,700	1,250		3,000	23,600	49,350	1,900		3,500		7,000	4,350	2,000	1,350		310			99,310
Skagway	3,780	1,300	700		1,500	750		100	25	1,000	1,000	200	3,500	750	377	300	825	437	3,613	20,157
Tenakee Springs					400	400						50			50				150	1,050
Toksook Bay			150		102	360	200			150		25	85		28	20	70			1,190
Valdez	30,000	350				100			50		6,300			1,300		1,000	50		2,000	41,150
Wasilla					4,096	10,680		25	65		430		1,700	560		375	105			18,036
Total	$ 50,807	$21,000	$30,678	$25,702	$202,048	$193,553	$341,833	$ 21,167	$ 425	$ 156,560	$ 30,301	$14,073	$213,150	$ 12,374	$ 17,223	$25,181	$ 97,564	$12,769	$33,345	$1,499,753

CAPITAL REQUIREMENTS IN ORDER OF SIZE
000's Omitted

Electric Utility	$ 341,833
Street Improvements	213,150
Water Utility	202,048
Sanitary Sewer	193,553
School Construction	156,560
Parks and Recreation	97,564
Port Facilities	50,807
Other Projects	33,345
Airports	30,678
Conventions/Culture Centers	30,301
Public Transit	25,702
Library	25,181
Parking Facilities	21,167
Small Boat Harbors	21,000
Fire Rescue Operations	17,223
Health	14,073
Solid Waste	12,769
Street Maintenance	12,374
Animal Control	425
Total	$1,409 753

SOURCES OF FUNDS
000's Omitted

	Total Requirements	Federal	State	Local
Anchorage	$ 825,832	$ 64,756	$ 43,114	$717,962
Haines	13,791	3,103	7,744	2,944
Juneau	122,010	35,833	33,843	52,334
Kodiak	49,704	21,460	17,245	11,059
Savoonga	445	51	319	75
Sitka	99,310	16,875	10,562	71,873
Tenakee Springs	1,050		800	250
Wasilla	18,036	4,880	5,188	7,968
Total	$1,130,178	$146,898	$118,815	$864,465
Unidentified as to source	$ 369,575			

TO: Lisa Rudd

FROM: Annette Smith

RE: Summary of House Bill 886

Section 1 establishes the municipal capital improvement account to assist in paying the costs of municipal capital improvements. The account is funded by Legislative appropriation.

The bill provides for two types of grants:

(1) An annual grant in an amount equal to 50% of the annual principal and interest of the G.O. bonded debt of the municipality incurred on or after July 1, 1978. This is similar to the school construction program where the municipality bonds for the entire amount but the state participates in the debt retirement.

(2) 50% matching grants for construction or purchase costs of capital improvements depending on availability of funds. It is assumed that debt retirement is the first priority of this account.

Limitations in this section are: (1) the state does not participate in cost overruns; and (2) if the project includes funding from another program, the state's share under this Act may not be more than 50% of the local share.

A separate section places a limit on the total amount a municipality may receive from the capital improvement based on population. (Refer to the enclosed computer print-out for a list of maximums)

The DC&RA administers the program but can exercise no authority over the choice or appropriateness of capital improvements to be done by the municipality. However, the municipality must submit a 5 year capital improvement plan showing projects planned, financing plans and costs of operation of the capital improvement.

Conditions of the grants are: (1) grant funds must be handled according to applicable laws and regulations; (2) excess funds are to be returned to the department; (3) proper financial records are to be kept by the municipality; and (4) the minicipality has sole responsibility for operation and maintenance costs.

Funds to the capital improvement account are appropriated annually by the Legislature. If the appropriations are insufficient to cover allocations, the department will distribute funds on a prorated basis.

Nothing in the bill can be construed so as to create a debt of the state (see B. Berrier's memo of March 9, 1978).

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

NOTE: THIS IS A REVISED SCHEDULE
MARCH 21, 1978

The House Community and Regional Affairs Committee will consider the following bills during the week of March 20, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

Monday - March 20

HB 781 (SSHB 769)	Authorizing state aid to municipalities for the construction and development of cultural facilities.
HB 782 HB 768	Providing for the issuance of bonds for the purpose of paying the cost of cultural facilities.

Wednesday - March 22

HB 202	Assessment, levy and collection of a tax on developed land in the unorganized borough.

Friday - March 24

HB707	Relating to Sanitary landfills
HB667	Spec. Approp. for Dillingham landfill
HJR 58	Relating to the Bureau of Indian Affairs and Bristol Bay.

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at pouch V, Juneau, Alaska 99811.

HIGHLIGHTS OF A PROPOSED ACT RELATING TO COMMUNITY DEVELOPMENT AND STATE FINANCIAL ASSISTANCE FOR MUNICIPAL CAPITAL IMPROVEMENTS

The attached draft bill is presented for your consideration. It has been developed to provide a mechanism for State contribution to the financing of municipal capital improvements, while maintaining maximum autonomy of local governments in applying their own values and priorities in selection of capital improvements under this program.

The matching ratio is 50% State and 50% local funds for any project. The State would have the option of providing its share either from general obligation bond issues or (to avoid the cost of interest) from a direct grant funding 50% of the cost of the project.

Municipalities may, but are not required to, obtain their matching share from the proceeds of municipal bond issues. Thus, if a municipality cannot or chooses not to issue general obligation bonds, the municipality's share may come from other sources such as its treasury or proceeds of federal grants. The purpose is to provide flexibility to Alaska's smaller municipalities.

The bill contains a permanent ceiling on the total amount of State funding for individual municipalities under the Act. To take account of the larger per capita needs of smaller communities, especially where capital projects are involved, a graduated scale has been proposed, such that a progressively less restrictive per capita ceiling on State funding applies to medium-sized (between 1,000 and 10,000 population) and small (population up to 1,000) communities.

Administration would be by the Department of Community and Regional Affairs. The Department's role, however, would be strictly limited to such functions as confirming population data, fiscal capacity, and the existence of a municipal capital improvement plan. It is the intention of the bill's drafters that the State (thus, the Department) not become involved in value judgments concerning the desirability of a project for a particular community, the validity of the community's priorities for development, or the design of the project.

A clause has been incorporated to protect the State against the burden of any cost overruns that might occur on construction of any capital improvement under the Act.

A definition for "capital improvements" has been purposely omitted, in order to give maximum flexibility to municipalities of various sizes and diverse needs in selecting capital improvements under this Act.

Examples of capital improvements which may be chosen by some municipalities include streets, sidewalks and trail systems; public transportation facilities, water transportation facilities such as harbors, wharves and port facilities; public buildings such as city or borough offices and maintenance shops; public sanitation facilities such as for solid waste collection and disposal; park and recreation facilities; libraries, museums, convention centers and performing arts centers; power generation and distribution facilities; improvements to publicly owned facilities for energy conservation or environmental protection purposes; facilities required to preserve subsistence life style; fire protection facilities; public safety facilities; and industrial park facilities such as for cold storage or warm storage.

This list is for illustrative purposes only. Any attempt to define "capital improvements" by a list in the Act will inevitably result in inadvertent omission of worthy projects needed by some municipalities.

The bill's drafters intended that this Act supplement, and not duplicate or replace, other legislation providing for State financial participation, such as for water, sewers and schools. Therefore, a subsection has been inserted to clarify that funds under this Act are to be available for such projects only to the extent that actual State plus federal funding of such project under other legislative authority falls short of the 50% State share provided herein.

The maximum cost to the State under a program of this kind over a period of thirty years is estimated to be approximately 28.8 million per year. This estimate is based on a total State commitment to fund one-half of $800 million in capital improvements and assuming financing of the capital improvements with 30-year 6% municipal tax-free bonds.

anchorage Frank Baker
breakthrough
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pouch 7-1977 anchorage, alaska 99510
telephone (907) 279-1977

February 21, 1978

Hon. Lisa Rudd, Chairperson
Committee on Community and Regional Affairs
Alaska State Legislature
Room 620, State Court Building
Juneau, Alaska 99801

Dear Ms. Rudd:

Thank you for agreeing to have your committee introduce our bill entitled "An Act Relating to Community Development and State Financial Assistance for Municipal Capital Improvements".

We were unable to get word to Ted Berns quickly enought to insert a change, on page two, to conform the actual language with the intentions of Breakthrough. Enclosed is a revised page two, which entirely replaces page two in the version you were given.

This correction provides that whenever there are federal funds (or a combination of federal funds and state funds under other programs) available for any given project, the balance of the project cost would be split equally between local and state funding under the program established by this bill.

We would appreciate if your Committee staff would give this revision to the Legislative Affairs Agency, so that the version which emerges is correct. For identification purposes we have also attached a copy of the first page of the bill.

Thank you very much.

Sincerely yours,

Elizabeth Cuadra

Elizabeth Cuadra

EC:meh
Enclosures
cc: Ted Berns
Gary Thurlow
Max Hodel
Jim Singleton

max hodel
general chairman

judge james singleton
vice chairman

frank reed, sr
secretary-treasurer

steering committee

bob baer marnie brennan natalie brooks kit crittenden britt crosley betti cuddy bill darch chuck eddy kay fanning lanie fleischer bill hall herbie hope ben humphries tom jensen dick kennard herb lang john lindauer ken maynard don meilish ed moses conn murray don nelles gene roguszka lorena showers howard slack dale teel gary thurlow chuck webber eric wohlforth

New Draft

AN ACT RELATING TO COMMUNITY
DEVELOPMENT AND STATE FINANCIAL
ASSISTANCE FOR MUNICIPAL CAPITAL IMPROVEMENTS

SECTION 1. (a) During each fiscal year, ~~and in accordance~~ with agreements entered into by the State and the municipality, the State shall allocate to every incorporated municipality in the State of Alaska an amount equal to fifty percent (50%) of the annual principal and interest owing by the municipality on general obligation bonded indebtedness for capital improvements incurred by the municipality after 1977, or, if monies are available, make a grant to the municipality of fifty percent (50%) of the costs of the capital improvement which the municipality seeks to construct or acquire.

No monies under this act shall be applied to principal and interest which was due and owing before 1979 or for general obligation bond issues authorized before 1978.

(b) The Department of Community and Regional Affairs shall express its financial commitment to each municipality, concerning each capital improvement project to receive State monies under this act, in a written agreement, before the project is begun, binding the State to its share of the funding of the project; provided, however, that no State monies shall be committed to nor expended for construction

cost overruns or other costs in excess of the original project estimated cost, set forth in the agreement.

SECTION 2. ~~Any~~ a municipality may, for ~~any~~ a proposed municipal capital improvement eligible for State assistance under this act, obtain from the State a grant for the capital improvement in an amount equal to fifty percent (50%) of the cost of the project or fifty percent (50%) of the amount that would be the local share not financed by other programs, whichever is the greater. The municipal share of the funding of the capital improvement may be obtained by the municipality from any source lawfully available to it ~~for such use~~, including but not limited to the sale of general obligation bonds.

SECTION 3. No more in grants or for principal shall be allocated to any municipality under this act than:

$3,000 general obligation bond indebtedness per capita or $3,000 in cash per capita on the first 1,000 population;

$2,000 general obligation bond indebtedness per capita or $2,000 in cash per capita on population over 1,000 but less than 10,000;

$1,000 general obligation bond indebtedness per capita or $1,000 in cash per capita on population of 10,000 and more.

SECTION 4. Every municipality obtaining monies under this act shall, by accepting such monies, be solely responsible for the maintenance and operation of the capital improvement. Nothing in this act shall obligate the State to participate in or contribute to the cost of operation and maintenance of such capital improvements.

SECTION 5. (a) No monies shall be made available under this Act unless the municipality submits to the State of Alaska Department of Regional and Community Affairs a five-year capital improvement plan showing the capital improvements planned for the municipality during the next five years, and the planned sources of revenues to pay for the capital and

operational costs of the capital improvements; provided that the Department of Community and Regional Affairs shall make no determinations based upon its evaluation of the desirability or priority of a project.

(b) No monies shall be paid as 50% of the cost of a capital improvement or as 50% of the annual principal and interest cost of a capital improvement unless the municipality has first obtained a written confirmation from the Department of Regional and Community Affairs that the municipal capital improvement is eligible for matching by the State in cash or by paying 50% of the principal and interest upon general obligation bonds authorized by the voters of the municipality or to be submitted to the voters for authorization after 1977. The Department of Community and Regional Affairs shall have the sole discretion as to whether 50% of a capital improvement shall be funded in cash as opposed to the State paying 50% of the principal and interest upon a general obligation bond issue for a capital improvement, but shall, in any event, advise the municipality promptly whether the proposed capital improvement, or portions of it, will qualify for State participation under this act, whether the State participation will be in cash or by the State paying 50% of principal and interest on the general obligation bond for capital improvements, and the approximate date upon which any payments by the State in cash or toward the principal and interest shall be paid.

SECTION 6. (a) The municipality shall provide the following notice to the voters in any general obligation bond election, both in the required notice of election and the ballot, regarding State participation in the principal and interest costs of the capital improvements:

Proposition (set forth bonding proposition)

(The State of Alaska may pay 50% of the principal and interest on the bonded indebtedness)

$_____

No bond notice, ballot or bond approval shall be invalid because of failure to set forth the above notice. The sole remedy of any aggrieved person, including the State of Alaska, under this section is an action for mandamus in the courts of Alaska to require inclusion of the notice or postponement of the election until the notice is included.

(b) In addition, the municipality shall furnish a notice with tax statements mailed for the fiscal year for which State aid for general obligation bonded indebtedness or cash grants for capital improvements are received under this act setting forth the amount made available by the State to the municipality for that fiscal year. This information shall be incorporated in any notice to the taxpayer required under AS 43.18.030 in connection with State aid to local governments.

SECTION 7. No monies shall be made available for principal and interest under this act until January 1, 1979. Should general obligation bonds be sold before January 1, 1979 and should principal or interest payments become owing upon such bonds before January 1, 1979, any monies owing by the municipality upon such bonds before January 1, 1979 shall not be eligible for matching under this act; provided that nothing in this act shall be construed as prohibiting a municipality from borrowing for planning, engineering, drawings, design, specifications and bid documents in 1978 with repayment from a State grant under this act, from proceeds of any authorized bond issue or from municipal revenues as provided by law.

SECTION 8. (a) The State of Alaska Department of Community and Regional Affairs shall promulgate regulations to implement this act, including, but not limited to form of applications, standards for determining eligibility of capital improvements, determination of population, financial capacity, proof of actual application of monies by municipalities to general obligation bonded indebtedness, calculation of amounts to be allocated to a municipality and time of payments.

(b) In no event, however, shall the Department of Community and Regional Affairs or any State official promulgate regulations, review applications from municipalities or otherwise administer this act in such a manner as to diminish the authority of municipalities, in their sole discretion,

to determine what types of capital improvements, or priorities therefor, or design thereof, are appropriate for their communities. No State judgment as to the appropriateness of a particular capital improvement in a particular community shall become a factor in determining eligibility of capital improvements for funding under this act.

SECTION 9. This act is effective immediately upon passage.

cost overruns or other costs in excess of the original project estimated cost, set forth in the agreement.

(c) State monies shall not be expended under this act for capital improvement projects for which the federal and State actual funding level, under other programs, equals or exceeds the 50% share established by this act for State participation in municipal capital improvements.

SECTION 2. Any municipality may, for any proposed municipal capital improvement eligible for State assistance under this act, obtain from the State a grant for the capital improvement in an amount equal to fifty percent (50%) of the cost of the project to the extent that monies are available for this purpose. The municipal share of the funding of the capital improvement may be obtained by the municipality from any source lawfully available to it for such use, including but not limited to the sale of general obligation bonds.

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ANCHORAGE DRAFT BILL ON STATE FINANCIAL ASSISTANCE TO MUNICIPAL CAPITAL IMPROVEMENT PROJECTS

1. State sets up a yearly allocation to each municipality equal to 50% of annual principal and interest owing by municipality on G.O. bonded indebtedness incurred after 1977.

   How much principal and interest are we looking at in Anchorage alone?
   How do the dates of 1979 and 1978 fit in?

   or State can make a 50% grant for a new project when monies are available.

   Can municipalities have both?
   How are monies available? Is a set amount allocated each year to the dept. based on the principal & interest owing and then left over monies for the 50% grant program determined by the fact that some municipalities did not apply that year?

2. State is not liable for any cost overruns on any project.

3. Municipality may use any lawful funds for its 50% match (muni. g.o. bonds) including state and federal grants so long as state/fed. share from other grant programs does not exceed 50% of the project. ???

   It is possible then to have a project totally funded from other than municipal funds? e.g., 50% state and federal grants
   50% state grant under this Act

4. Formula for maximum grants: amount/capita

   $3,000/cap. for first 1,000 pop.
   $2,000/cap. over 1,000 pop. up to 10,000 pop.
   $1,000/cap. for 10,000 pop. and more.....

City w/ pop. of 500 entitled to	$ 1,500,000	(Hooper Bay)
City w/ pop. of 1,000 entitled to	$ 3,000,000	(Skagway)
City w/ pop. of 2,000 entitled to	$ 5,000,000	(Cordova)
City w/ pop. of 16,000 entitled to	$ 27,000,000	(Mat-Su Boro)
City w/ pop. of 180,000 entitled to	$191,000,000	(Anchorage)

5. C&RA decides whether state share of capital improvement project will be by 50% cash grant or 50% of principal and interest on bonded indebtedness of municipality.

   What determines eligibility of project?
   How does C&RA decide which type of funding is to be used?
   Do cities make application for each project?

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BREAKTHROUGH is a citizens' study and action group, formed to develop recommendations for the improvement of Anchorage. The rapid growth of Anchorage puts extra demands on all residents to decide what kind of city we wish to see develop during the coming decade. BREAKTHROUGH'S aim is to facilitate a public process for identifying actions and priorities for building a good community, place its recommendations before the people of Anchorage for their consideration, and assist in implementing the plan which emerges from this process.

BREAKTHROUGH consists of a steering committee and several task forces, formed to represent, as comprehensively as possible, the varied points of view and geographic areas within the community. Results of the studies carried out by the task forces have recently been submitted to the steering committee. Topics of study and recommendations include transportation, crime, community facilities, parks and recreation, central business district development and beautification, public utilities, and financing mechanisms. Many of the action recommendations involve capital improvements.

With the task force reports in hand, the time has come for a wider public dialogue and for initial implementation steps, particularly those requiring new legislation.

The attached draft bill is proposed in order to establish a mechanism for sharing of state funds with Alaska municipalities which decide to undertake capital improvements and are willing to provide local matching funds.

For further information, please contact BREAKTHROUGH'S general chairman, Max Hodel, at 279-9640 (1300 East 5th Ave., Anchorage 99501); or the BREAKTHROUGH office, at 279-1977.

max hodel
general chairman

steering committee

HIGHLIGHTS OF A PROPOSED ACT RELATING TO COMMUNITY DEVELOPMENT AND STATE FINANCIAL ASSISTANCE FOR MUNICIPAL CAPITAL IMPROVEMENTS

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shd apply only to projects for which no other fed. or state $ are avail.

The maximum cost to the State under a program of this kind over a period of thirty years is estimated to be approximately 28.8 million per year. This estimate is based on a total State commitment to fund one-half of $800 million in capital improvements and assuming financing of the capital improvements with 30-year 6% municipal tax-free bonds.

New Draft

AN ACT RELATING TO COMMUNITY
DEVELOPMENT AND STATE FINANCIAL
ASSISTANCE FOR MUNICIPAL CAPITAL IMPROVEMENTS

SECTION 1. (a) During each fiscal year, and in accordance with agreements entered into by the State and the municipality, the State shall allocate to every incorporated municipality in the State of Alaska an amount equal to fifty percent (50%) of the annual principal and interest owing by the municipality on general obligation bonded indebtedness for capital improvements incurred by the municipality after 1977, or, if monies are available, make a grant to the municipality of fifty percent (50%) of the costs of the capital improvement which the municipality seeks to construct or acquire.

No monies under this act shall be applied to principal and interest which was due and owing before 1979 or for general obligation bond issues authorized before 1978.

(b) The Department of Community and Regional Affairs shall express its financial commitment to each municipality, concerning each capital improvement project to receive State monies under this act, in a written agreement, before the project is begun, binding the State to its share of the funding of the project; provided, however, that no State monies shall be committed to nor expended for construction

cost overruns or other costs in excess of the original project estimated cost, set forth in the agreement.

(c) State monies shall not be expended under this act for capital improvement projects for which the federal and State actual funding level, under other programs, equals or exceeds the 50% share established by this act for State participation in municipal capital improvements.

SECTION 2. Any municipality may, for any proposed municipal capital improvement eligible for State assistance under this act, obtain from the State a grant for the capital improvement in an amount equal to fifty percent (50%) of the cost of the project to the extent that monies are available for this purpose. The municipal share of the funding of the capital improvement may be obtained by the municipality from any source lawfully available to it for such use, including but not limited to the sale of general obligation bonds.

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SECTION 6. (a) The municipality shall provide the following notice to the voters in any general obligation bond election, both in the required notice of election and the ballot, regarding State participation in the principal and interest costs of the capital improvements:

Proposition (set forth bonding proposition)

(The State of Alaska may pay 50% of the principal and interest on the bonded indebtedness)

$_____

No bond notice, ballot or bond approval shall be invalid because of failure to set forth the above notice. The sole remedy of any aggrieved person, including the State of Alaska, under this section is an action for mandamus in the courts of Alaska to require inclusion of the notice or postponement of the election until the notice is included.

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SECTION 8. (a) The State of Alaska Department of Community and Regional Affairs shall promulgate regulations to implement this act, including, but not limited to form of applications, standards for determining eligibility of capital improvements, determination of population, financial capacity, proof of actual application of monies by municipalities to general obligation bonded indebtedness, calculation of amounts to be allocated to a municipality and time of payments.

(b) In no event, however, shall the Department of Community and Regional Affairs or any State official promulgate regulations, review applications from municipalities or otherwise administer this act in such a manner as to diminish the authority of municipalities, in their sole discretion,

to determine what types of capital improvements, or priorities therefor, or design thereof, are appropriate for their communities. No State judgment as to the appropriateness of a particular capital improvement in a particular community shall become a factor in determining eligibility of capital improvements for funding under this act.

SECTION 9. This act is effective immediately upon passage.

Original Draft

AN ACT RELATING TO COMMUNITY
DEVELOPMENT AND STATE FINANCIAL
ASSISTANCE FOR MUNICIPAL CAPITAL IMPROVEMENTS

SECTION 1. (a) During each fiscal year, and in accordance with agreements entered into by the State and the municipality, the State shall allocate to every incorporated municipality in the State of Alaska an amount equal to fifty percent (50%) of the annual principal and interest owing by the municipality on general obligation bonded indebtedness for capital improvements incurred by the municipality after 1977, or, if monies are available, make a grant to the municipality of fifty percent (50%) of the costs of the capital improvement which the municipality seeks to construct or acquire.

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(b) The Department of Community and Regional Affairs shall express its financial commitment to each municipality, concerning each capital improvement project to receive State monies under this act, in a written agreement, before the project is begun, binding the State to its share of the funding of the project; provided, however, that no State monies shall be committed to nor expended for construction

cost overruns or other costs in excess of the original project estimated cost, set forth in the agreement.

(c) State monies shall not be expended under this act for capital improvement projects for which the federal and State actual funding level, under other programs, equals or exceeds the 50% share established by this act for State participation in municipal capital improvements.

SECTION 2. Any municipality may, for any proposed municipal capital improvement not financed by the proceeds of a municipal general obligation bond issue which would be eligible for State assistance under this act, obtain from the State a grant for the capital improvement in an amount equal to fifty percent (50%) of the cost of the project to the extent that monies are available for this purpose.

SECTION 3. No more in grants or for principal shall be allocated to any municipality under this act than:

$3,000 general obligation bond indebtedness per capita or $3,000 in cash per capita on the first 1,000 population;

$2,000 general obligation bond indebtedness per capita or $2,000 in cash per capita on population over 1,000 but less than 10,000;

$1,000 general obligation bond indebtedness per capita or $1,000 in cash per capita on population of 10,000 and more.

SECTION 4. Every municipality obtaining monies under this act shall, by accepting such monies, be solely responsible for the maintenance and operation of the capital improvement. Nothing in this act shall obligate the State to participate in or contribute to the cost of operation and maintenance of such capital improvements.

SECTION 5. (a) No monies shall be made available under this Act unless the municipality submits to the State of Alaska Department of Regional and Community Affairs a five-year capital improvement plan showing the capital improvements planned for the municipality during the next five years, and the planned sources of revenues to pay for the capital and

operational costs of the capital improvements; provided that the Department of Community and Re. nal Affairs shall make no determinations based upon its evaluation of the desirability or priority of a project.

(b) No monies shall be paid as 50% of the cost of a capital improvement or as 50% of the annual principal and interest cost of a capital improvement unless the municipality has first obtained a written confirmation from the Department of Regional and Community Affairs that the municipal capital improvement is eligible for matching by the State in cash or by paying 50% of the principal and interest upon general obligation bonds authorized by the voters of the municipality or to be submitted to the voters for authorization after 1977. The Department of Community and Regional Affairs shall have the sole discretion as to whether 50% of a capital improvement shall be funded in cash as opposed to the State paying 50% of the principal and interest upon a general obligation bond issue for a capital improvement, but shall, in any event, advise the municipality promptly whether the proposed capital improvement, or portions of it, will qualify for State participation under this act, whether the State participation will be in cash or by the State paying 50% of principal and interest on the general obligation bond for capital improvements, and the approximate date upon which any payments by the State in cash or toward the principal and interest shall be paid.

SECTION 6. (a) The municipality shall provide the following notice to the voters in any general obligation bond election, both in the required notice of election and the ballot, regarding State participation in the principal and interest costs of the capital improvements:

Proposition (set forth bonding proposition)

(The State of Alaska may pay 50% of the principal and interest on the bonded indebtedness)

$___$ _____

No bond notice, ballot or bond approval shall be invalid because of failure to set forth the above notice. The sole remedy of any aggrieved person, including the State of Alaska, under this section is an action for mandamus in the courts of Alaska to require inclusion of the notice or postponement of the election until the notice is included.

(b) In addition, the municipality shall furnish a notice with tax statements mailed for the fiscal year for which State aid for general obligation bonded indebtedness or cash grants for capital improvements are received under this act setting forth the amount made available by the State to the municipality for that fiscal year. This information shall be incorporated in any notice to the taxpayer required under AS 43.18.030 in connection with State aid to local governments.

SECTION 7. No monies shall be made available for principal and interest under this act until January 1, 1979. Should general obligation bonds be sold before January 1, 1979 and should principal or interest payments become owing upon such bonds before January 1, 1979, any monies owing by the municipality upon such bonds before January 1, 1979 shall not be eligible for matching under this act; provided that nothing in this act shall be construed as prohibiting a municipality from borrowing for planning, engineering, drawings, design, specifications and bid documents in 1978 with repayment from a State grant under this act, from proceeds of any authorized bond issue or from municipal revenues as provided by law.

SECTION 8. (a) The State of Alaska Department of Community and Regional Affairs shall promulgate regulations to implement this act, including, but not limited to form of applications, standards for determining eligibility of capital improvements, determination of population, financial capacity, proof of actual application of monies by municipalities to general obligation bonded indebtedness, calculation of amounts to allocated to a municipality and time of payments.

(b) In no event, however, shall the Department of Community and Regional Affairs or any State official promulgate regulations, review applications from municipalities or otherwise administer this act in such a manner as to diminish the authority of municipalities, in their sole discretion,

to determine what types of capital improvements, or priorities therefor, or design thereof, are appropriate for their communities. No State judgment as to the appropriateness of a particular capital improvement in a particular community shall become a factor in determining eligibility of capital improvements for funding under this act.

SECTION 9. This act is effective immediately upon passage.

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

April 4, 1978

Representative Lisa Rudd, Chairperson
Community & Regional Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: House Bill 886

Dear Representative Rudd:

The purpose of this letter is to inform you that the Municipality of Anchorage strongly supports House Bill 886 and urges its favorable consideration by your Committee. This legislation would implement the "Operation Breakthrough" program in Anchorage as well as providing impetus for similar projects in other communities throughout the state.

I am certain I do not need to remind you of the ever present dilemma posed for local government by demands for services and capital improvements on the one hand and the need to minimize local tax burdens on the other. Programs such as Breakthrough represent an effort by concerned citizens to overcome this dilemma and to place responsibility for a decision on major community improvements before the voters.

Given the ability of the state to borrow capital improvement funds at rates substantially below those available to local government, and the increasing revenue being made available from resource development, the time is particularly ripe for a commitment by the state to assist local government taxpayers in making their communities safe, pleasant and attractive places. In Anchorage, Breakthrough is responsible for urging the Assembly to place before the voters several bond propositions which, if enacted, would be used to match state funds provided under HB 886 to provide needed community improvements.

Many of the projected improvements such as cultural and sports centers, road improvement, libraries and museums will benefit those residents of the state who visit or travel through

Anchorage, in addition to permanent residents of the Municipality. Perhaps more importantly, passage of HB 886 will, as noted above, hopefully provide incentive in other communities for groups similar to Breakthrough to try to overcome the dilemma between tax burdens and community needs and to make Alaskan communities equal or superior to those outside in providing adequate services and facilities for their residents.

If I or my staff can be of any assistance to the Committee, please do not hesitate to call my office at 264-4431, or contact Mr. Ted Berns, Municipal Attorney, at 264-4237. Thank you for the opportunity to comment on this legislation.

Sincerely,

MUNICIPALITY OF ANCHORAGE

George M. Sullivan
Mayor

GMS:TDB:gml

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

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ALASKA COMMUNICATIONS, INC.
[illegible]
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THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

TEN YEAR MUNICIPAL CAPITAL PROJECTIONS STUDY

1978 - 1987

In preparing this capital projects study, it immediately became apparent that municipal and borough officials face many difficulties when allocating public funds for capital projects. This conflict is best characterized by limited funds and an excess of needed or suggested projects. Further projection difficulties arise when it becomes necessary to determine the priority of projects, compliance with a Comprehensive Plan, coordination between various projects, public sentiment, and the impact on the present and future social, economic, physical, and environmental systems of the political subdivisions.

It must be recognized that these projections, developed with the best available information, are subject to the availability of funds. With permanent fund assistance, as well as various other grants, many of these could be realized. Conversely, many of these necessary projects may not be realized in the event of the non-availability of those funds.

Twenty municipalities responded and although they by no means represent all the projects, they do give an indication of the magnitude of the financial needs that face the municipalities of Alaska.

Attached are the results of the study. Requirements are shown (1) by municipality, (2) municipality and project, (3) size of project and, (4) sources of funds. Of the total $1,499,753,000 in dollar costs only $1,130,178,000 was recognized as coming from a specific source: either State, Federal, or local subject to availability of funds. Municipalities were not able to determine where the additional $369,575,000 would come from if the projects were to be constructed.

Care was taken to differentiate between those projects one would like to see and those projects which were vital to general welfare of the community. These costs presently represent those projects which are vital to the community and which will have to be funded through whatever sources of capital is available or they may never be realized. The Permanent Fund may be a means to meet a portion of these requirements.

Supplied by Dept. of Revenue

CAPITAL REQUIREMENTS BY CITY
000's Omitted

Anchorage	$ 825,832
Brevig Mission	1,586
Fairbanks	192,075
Galena	6,127
Haines	13,791
Houston	10,806
Juneau	122,010
Kenai Peninsula Borough	65,785
Ketchikan	20,101
Kodiak	49,704
Kwethluk	832
McGrath	9,285
Nightmute	481
Savoonga	445
Sitka	99,310
Skagway	20,157
Tenakee Springs	1,050
Toksook Bay	1,190
Valdez	41,150
Wasilla	18,036
Total	$1,499,753

CAPITAL REQUIREMENTS IN ORDER OF SIZE
000's Omitted

Electric Utility	$ 341,833
Street Improvements	213,150
Water Utility	202,048
Sanitary Sewer	193,553
School Construction	156,560
Parks and Recreation	97,564
Port Facilities	50,807
Other Projects	33,345
Airports	30,678
Conventions/Culture Centers	30,301
Public Transit	25,702
Library	25,181
Parking Facilities	21,167
Small Boat Harbors	21,000
Fire Rescue Operations	17,223
Health	14,073
Solid Waste	12,769
Street Maintenance	12,374
Animal Control	425
Total	$1,499,753

SOURCES OF FUNDS
000's Omitted

	Total Requirements	Federal	State	Local
Anchorage	$ 825,832	$ 64,756	$ 43,114	$717,962
Haines	13,791	3,103	7,744	2,944
Juneau	122,010	35,833	33,843	52,334
Kodiak	49,704	21,400	17,245	11,059
Savoonga	445	51	319	75
Sitka	99,310	16,875	10,562	71,873
Tenakee Springs	1,050		800	250
Wasilla	13,036	4,880	5,188	7,968
Total	$1,130,178	$146,898	$118,815	$864,465
Unidentified as to source	$ 369,575			

TO: Lisa Rudd

FROM: Annette Smith

RE: Summary of House Bill 886

Section 1 establishes the municipal capital improvement account to assist in paying the costs of municipal capital improvements. The account is funded by Legislative appropriation.

The bill provides for two types of grants:

—— (1) An annual grant in an amount equal to 50% of the annual principal and interest of the G.O. bonded debt of the municipality incurred on or after July 1, 1978. This is similar to the school construction program where the municipality bonds for the entire amount but the state participates in the debt retirement.

—— (2) 50% matching grants for construction or purchase costs of capital improvements depending on availability of funds. It is assumed that debt retirement is the first priority of this account.

Limitations in this section are: (1) the state does not participate in cost overruns; and (2) if the project includes funding from another program, the state's share under this Act may not be more than 50% of the local share.

A separate section places a limit on the total amount a municipality may receive from the capital improvement based on population. (Refer to the enclosed computer print-out for a list of maximums)

The DC&RA administers the program but can exercise no authority over the choice or appropriateness of capital improvements to be done by the municipality. However, the municipality must submit a 5 year capital improvement plan showing projects planned, financing plans and costs of operation of the capital improvement.

Conditions of the grants are: (1) grant funds must be handled according to applicable laws and regulations; (2) excess funds are to be returned to the department; (3) proper financial records are to be kept by the municipality; and (4) the minicipality has sole responsibility for operation and maintenance costs.

Funds to the capital improvement account are appropriated annually by the Legislature. If the appropriations are insufficient to cover allocations, the department will distribute funds on a prorated basis.

Nothing in the bill can be construed so as to create a debt of the state (see B. Berrier's memo of March 9, 1978).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 9, 1978

SUBJECT: Municipal capital improvements
(Work Order No. 5037)

TO: Representative Lisa Rudd
Chairman
House Community and Regional Affairs Committee

FROM: Billy G. Berrier
Director
Division of Legal Services

The bill draft essentially incorporates the submitted draft but has changes in form and has administrative provisions, which appear routinely necessary, added [Secs. 200, 230(a) and (b) and 290]. These additions rendered certain of the administrative provisions of the submitted draft unnecessary.

There is one major change. It is required to make the bill constitutional.

The submitted draft provided that the state would enter into an agreement with a borough or city under which the state would agree to pay 50 per cent of the debt service for the life of a bond issue. The effect of this agreement is that the state would be obligated to appropriate the amount necessary for that percentage during the life of the bonds. It is clear that a duty to pay would be created and that the duty constitutes a pledge of the full faith and credit of the state.

Creation of a state debt not authorized by a vote of the people is forbidden by Art. IX, sec. 8 of the state constitution which provides in relevant part:

> "No state debt shall be contracted unless authorized by law for capital improvements and ratified by a majority of the qualified voters of the state who vote on the question..."

The only possible alternative method of assuring funding, regardless of appropriation, for the life of a bond issue would be to create a dedication from the general fund for this purpose. Dedicated funds, however, are constitutionally prohibited by the constitution in Art IX, sec. 7 which provides in relevant part:

> "The proceeds of any state tax or license shall not be dedicated to any special purpose except as provided in section 15 of this article or when required by the federal government for state participation in federal programs."

The exceptions noted are not relevant here.

For the reason that a requirement of future funding on the part of the state is not constitutional, the bill as drafted sets up a municipal capital improvement construction account for which annual appropriations are necessary and allows pro rata reductions (or indeed no payment at all) if appropriations are insufficient or not made.

BGB:jpd

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 886
Title "An Act relating to state aid for municipal capital improvement..."
Requested by House Community & Regional Affairs Committee Date 3-24-77

II. FISCAL DETAIL
Agency Affected Department of Community & Regional Affairs
Program Category Affected Development
Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		43.4	46.0	48.8	51.8	
200 TRAVEL						
300 CONTRACTUAL		3.3	3.5	3.7	3.9	
400 COMMODITIES		.3	.3	.3	.4	
500 EQUIPMENT		1.8				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		89,741.5	89,741.5	89,741.5	89,741.5	
TOTAL		89,790.3	89,791.3	89,794.3	89,797.6	

FUNDING (Thousands of Dollars)

GENERAL FUND		89,790.3	89,791.3	89,794.3	89,797.6	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1 1/2	1 1/2	1 1/2	1 1/2	
PART TIME						
TEMPORARY						

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

Assumptions

1. Municipalities would be eligible to receive $717,932,000, based on July 1,1977 population estimates.

2. During FY 79,80,81 and 82, Municipalities would be eligible to receive one-eighth of their total allocation for each of these years.

3. One and one-half staff members would be required to administer this program.

Continued-

IV. DATE 3-31-78 PREPARED BY Bruce Aronson
AGENCY Department of Community & Regional Affairs
PHONE 465-4700

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

33-001 (ev. 12/77)

Continued...

4. The total non-grant costs were computed as follows:

   A. Personal Services
      - 1 Local Government Specialist IV (Range 19) Monthly salary + benefits= $2,900

        Annual Cost $34,800

      - 1/2 Clerk Typist III (range 8) Monthly salary + benefits= $715

        Annual cost $ 8,580

   B. Contractual Expenses
      - Telephone- 1 phone @ $35/month X 12= $420
      - long distance= $250

      - Rent at 125 square feet x $1.25 per square/foot x 12= $ 1,875

      - Postage and printing $750

   C. Commodities- office supplies, etc. $250

   D. Equipment- 2 desks and chairs, one filing cabinet and one typewriter. $ 1,758

5. Inflation will be approximately six percent per year.

HB
899

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 15, 1978

SUBJECT: CSHB 899

TO: Representative Rudd, Chairman,
Community and Regional Affairs Committee

FROM: David T. Walker, Legislative Counsel

You should be aware that durational residences are considered suspect categories by the courts today. We are not confident that the five year residency requirement established by this bill would withstand a court challenge.

DTW/lm

March 28, 1978

The Honorable Russ Meekins
House of Representatives
Alaska State Legislature
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Representative Meekins:

IN RE: Senior Citizens Property Tax Exemption, AS 29.53.020

FY 78	Assessed Value	Exemption
Current Operation:	103,992,129	$1,512,800
Legislative Proposal:	138,309,532	2,057,379
Difference:	34,317,403	$ 554,600

FY 79		
Current Operation:	117,344,450	$1,919,025
Legislative Proposal:	154,894,674	2,515,220
Difference:	37,550,224	$ 596,195

The preliminary data outlined above is in response to the request for the probable impact of redefining "permanent place of abode" to exempt the senior citizen homeowner "total tract".

This information has been obtained largely by telephone from only those municipalities most likely to be heavily impacted by such a redefinition. No attempt was made to project the impact, should a more liberal program influence additional applications, it should be noted that this could be an important factor.

The estimates should not in any way be considered as other than assumptions for projection basis. A computer analysis of the FY 78 program is

being prepared by the Division of Data Processing. It is predicted that a detailed report will be available from Department of Administration Data Processing Division within a few days.

Sincerely,

Lee McAnerney
Commissioner

By: Palmer McCarter
Director
Local Government
Assistance Division

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3809

M E M O R A N D U M March 20, 1978

SUBJECT: Proposed amendment of the senior citizens property tax statute, changing the term "permanent place of abode." (W.O. #5198)

TO: Representative Al Ose, Chairman
Administrative Regulation Review Committee

FROM: John B. Chenoweth, Legislative Counsel

Work order 5198, asking that AS 29.53.020(e) be amended by incorporating into it a definition of "permanent place of abode" found in AS 29.63.065 (special assessment exemptions for senior citizens), has been assigned to me.

Would you please clarify for me the purpose of the change requested?

In AS 29.63.065, there is no separate definition of the term "permanent place of abode." Rather, there appears, in sec. 65(a), the following:

> The real property owned and occupied by a resident 65 years of age or over, or the spouse, widow, widower, or minor heir of the original applicant, on which is located only his permanent place of abode which is a single family residence, is exempt ...

If I adapt the foregoing language directly into the senior citizen property tax exemption provision, I believe you will be creating more problems than you will resolve. The new language added to the senior citizen property exemption language would limit the application for the exemption to property "on which is located only [the] permanent place of abode" without regard to whether the parcel also contained outbuildings, a farm or garage, or commercial buildings. It does not address the multi-family residential situation (i.e. condominiums). Moreover, adaptation into the senior citizen property tax exemption of the language of AS 29.63.065 would likely not clear up the current confusion that exists with respect to whether less than the entire parcel of property may receive the benefit of the property tax exemption.

I assume that the purpose of this request is to cut off the authority of the administering agency, the Department of Community and Regional Affairs, to enforce its regulation purportedly limiting the senior citizen property tax to five acres or less than the entire parcel. If this is the purpose of this work order request, may I respectfully suggest to you the following language:

AS 29.53.020(i) is repealed and re-enacted to read:

(i) In (e) - (i) of this section, "real property"

(1) means

(A) the dwelling or residence of the applicant if the dwelling or residence is a single-family residence or structure, together with the entire parcel or tract of real property on which the residence is located; or

(B) the dwelling or residential unit of the applicant, if the dwelling or residential unit is part of a multi-family residence or structure, together with a proportional part of the parcel or tract of real property on which the residence is located which is held in common;

(2) includes, but is not limited to, mobile homes, whether classified as real or personal property for municipal tax purposes.

Subsection (a)(1) would provide the operative definition with respect to single-family residences; (a)(2) would address the multi-family situation, including jointly-owned duplexes and condominium units, extending the exemption to a portion of any commonly owned property in the tract or parcel on a prorated basis.

Would you please advise, at your earliest convenience, as to how I should proceed with this request. Thank you.

JBC:hjd

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B – JUNEAU 99811

February 14, 1978

The Honorable Al Ose, Representative
Alaska State Legislature
Pouch "V"
Juneau, Alaska 99801

Dear Representative Ose:

This letter is written to offer additional written background to support and explain the Department's operation of the Senior Citizen's Property Tax Exemption program as authorized by AS 29.53.020 (e)-(i).

Last year the legislature approved passage of CS for HB 5 which effectively removes the previous $40,000 (third quartile) property value limitation of the program. In both our written and verbal testimony before the various committees which acted on HB 5, the Department indicated that the State administration and municipal governments had established property size limitations for this program in the absence of any specific legislative acreage limitation. In preparing our fiscal notes to the legislature indicating the additional cost to be incurred by removal of the $40,000 limitation, we pointed out in every instance that, as an assumption, a maximum of 5 acre land limitation would remain in affect. To further document this statement I attach copies of the fiscal notes which were prepared for original HB 5 and CS for HB 5.

Currently the departmental regulation which further describes "permanent place of abode" is found at 19 AAC 35.120 (4) and is defined as "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;"

Municipalities throughout the State (who determine initial eligiblity for the exemption) have generally further defined the statute and this regulation to include acreage not to exceed 1 acre in urban areas and 5 acres in rural areas.

In order to further clarify existing regulation, the Department has proposed new regulations which would revise the current definition of "principal place of abode" by adding the language "limited to not more than 1 acre if urban nor more than 5 acres if rural as determined by the local assessor". This proposed new regulatory language would formalize the practice that has heretofore been administered by most assessors at the local municipal government level in the interest of maintaining uniform, statewide standards.

As you know, the Department last year was very much opposed to removal of the "third quartile" property value limitation (i.e., $40,000) that had previously been legislated. We offered, as a suggestion, a "circuit breaker" concept which would allow additional exemption for senior citizens based on need as measured by impact on income. A letter to Senator Sackett dated February 24, 1977 is also attached which includes that proposal of the department.

In summary, we feel that the current regulations governing this program are reasonable and that the proposed regulation (which would further define "principal place of abode" as including land not to exceed 1 and 5 acre limitation for urban and rural areas, respectively) is appropriate in order to provide some reasonable and equitable basis for the administration of this particular exemption program. As previously indicated, we would be happy to work with you or any other legislator or legislative committee in reviewing this or any other state mandated property tax relief program.

If we can provide you with additional information please advise.

Sincerely,

Lee McAnerney
Commissioner

by: Palmer McCarter
Director

Enclosures

cc: Honorable Huge Malone, Representative
Alaska State Legislature

APPENDIX B

SENIOR CITIZEN PROPERTY TAX EXEMPTION
AS 29.53.020(e)-(i)

Effective January 1, 1973, the first Senior Citizen Property Tax Exemption Program was enacted. (ch 118 SLA 1972) Effective January 1, 1974, the $10,000 gross annual income limitation as a prerequisite to eligibility was deleted. (Sec. 1 ch 60 SLA 1974) Effective January 1, 1975, an extension of the filing date deadline for good cause shown was authorized. (Sec. 1 ch 65 SLA 1975) Effective January 1, 1977, a formula was adopted for determining an assessed value exemption limit each year. (Sec. 1 ch 217 SLA 1976)

> AS 29.53.020(e): "... 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..."

The property tax exemption limit for the 1977 tax year has been determined to be the assessed value of the real property up to and including 40,000 in assessed value. The frequency distribution of assessed values approved for exemption in the 1976 program is illustrated in Table B-2.

In response to objections to the assessed value limit, a "circuit breaker" assistance amendment is proposed. The amendment is a favorable and acceptable measure intended to relieve disproportionate impact to senior citizen income affected by tax values over the exemption limit.

The property tax exemption application form 21-400 has been expanded to allow senior citizen homeowners to renew special assessment deferments, AS 29.63.065, on the same form; in order to avoid duplicate verification of qualifying criteria each year. (See Appendix C, Senior Citizen Special Assessment Exemption)

A breakdown of the 1976 program impact listed by participating municipalities, is illustrated in Table B-1.

A four-year performance summary of the property tax exemption program is outlined below:

Tax Year	Number of Applications Approved	Assessed Value Exempt	Total Revenue Reimbursement	Average Value Per Application	Average Tax Per Application
1973	911	12,960,993	$ 197,050	14,227	$216
[1]1974	1,887	40,842,657	631,891	21,644	335
[2]1975	2,426	59,918,061	930,915	24,698	384
1976	2,608	76,737,060	1,171,227	29,424	449

[1] *$10,000 income limit deleted*

[2] *Extended filing deadline*

TABLE B-1

SENIOR CITIZEN PROPERTY TAX EXEMPTION, AS 29.53.020(e)

1976 PROGRAM SUMMARY

BOROUGHS	NUMBER OF APPLICATIONS APPROVED	ASSESSED VALUE EXEMPT	TAX EXEMPT	AVERAGE VALUATION PER APPLICATION	AVERAGE TAX PER APPLICATION
Anchorage, Municipality	886	29,560,962	$ 552,525.42	33,365	$624
Bristol Bay	7	83,825	1,173.55	11,975	168
Fairbanks North Star	334	9,954,475	130,318.05	29,804	390
Haines	23	434,086	4,780.11	18,873	208
Juneau, City & Borough	254	10,052,250	149,737.84	39,575	590
Kenai Peninsula	247	5,135,050	74,140.10	20,790	300
Ketchikan Gateway	208	5,367,165	91,003.58	25,804	438
Kodiak Island	68	1,522,622	22,659.52	22,392	333
Matanuska-Susitna	212	5,453,020	50,316.29	25,722	237
North Slope	19	305,410	3,145.73	16,074	166
Sitka, City & Borough	95	3,598,790	17,993.95	37,882	189
TOTAL BOROUGHS	2,353	71,467,655	$1,097,749.14	30,373	$467
CITIES					
Cordova	33	670,380	$ 12,402.07	20,315	$376
Craig	8	96,010	1,056.11	12,001	132
Dillingham	16	423,702	7,838.60	26,481	490
Nenana	1	3,700	37.00	3,700	37
Nome	49	390,960	6,992.11	7,979	143
Pelican	3	16,941	237.16	5,647	79
Petersburg	59	1,611,790	19,341.50	27,318	328
Skagway	19	467,467	8,414.40	24,604	443
Unalaska	3	72,100	1,261.76	24,033	421
Valdez	10	337,640	3,374.89	33,764	337
Wrangell	54	1,178,715	12,477.49	21,828	231
TOTAL CITIES	255	5,269,405	$ 73,433.09	20,664	$288
BOROUGHS	2,353	71,467,655	$1,097,749.14	30,373	$467
CITIES	255	5,269,405	73,433.09	20,664	288
STATEWIDE TOTAL	2,608	76,737,060	$1,171,227.23	29,424	$449

TABLE B-2

SENIOR CITIZEN PROPERTY TAX EXEMPTION

1976 TAX YEAR PROGRAM

FREQUENCY DISTRIBUTION: INTERVALS IDENTIFIED BY LOWER LIMITS

BOROUGHS	Range Low	Range High	Frequencies of Assessed Value (in thousands) in Intervals of 5,000																				
			0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95+	Total
Anchorage	0.4	230	63	38	27	88	98[1]	102	131[2]	89	64[3]	53	39	26	17	14	7	3	4	4	4	15	986
Bristol Bay*	11.9	26			2[1]	1	2[2]	1[3]	1														7
Fairbanks	0.3	109	7	28	44	32[1]	50	41[2]	24	20	19[3]	19	15	9	7	9	1	3	2	1	1	2	334
Haines	2.3	49	5	1	2[1]	6[2]	4	1[3]		2	1	1											23
Juneau	1.0	142	6	8	13	17	22[1]	20	21	32[2]	28	24	12[3]	18	7	9	3	2	1	3	2	6	254
Kenai	2.5	70	13	40	37[1]	41[2]	33	19[3]	18	10	10	6	1	1	1	1	2						247
Ketchikan	2.0	93	8	16	21	38[1]	30[2]	26	26[3]	22	6	4	1	3		1	2	1		2	1		202
Kodiak	0.6	42	7	14[1]	4	4	8[2]	11	6[3]	7	6	1											68
Matanuska-Susitna	0.5	88	19	14	25[1]	19	30[2]	29	27[3]	16	10	10	3	4	1	2	1		1	1			212
North Slope*	10.6	51			4	1[1]	1	7[2]	4[3]			1	1										19
Sitka	1.0	123	4	7	5	8[1]	10	12	7[2]	7	7	2	4[3]	5	2	3	2	2	1	1	—	6	95
TOTAL	0.4	230	132	174	184	255[2]	293	269[2]	265	211[3]	151	121	76	66	35	39	18	11	9	12	8	29	2,370
CITIES																							
Cordova			5	6	8	1	2	5			1	1	2	1	1								33
Craig			1	2	4		1																8
Dillingham					2	2	3	3	2	3		1											16
Nenana			1																				1
Nome			21	15	5	3	2	3															49
Pelican			1	2																			3
Petersburg			1	1	5	13	12	5	5	6	3	3	3	1	1								59
Skagway				2	2	3	3	3	3	1	2												19
Unalaska			1	1											1								3
Valdez			1		1			2		1	1	3	1										10
Wrangell			4	9	7	8	7	5	5	3	2	2	—	—	2								54
TOTAL	0.5	69	36	38[1]	34	30[2]	30	26[3]	15	14	9	10	6	2	5								255
STATEWIDE TOTAL	0.4	230	168	212	218	285[1] (15,945)	318	295[2] (26,745)	280	225[3] (39,020)	160	131	82	68	40	39	18	11	9	12	8	29	2,609

[1] First Quartile [2] Median [3] Third Quartile

* Includes 10,000 Value Municipal Residential Property Exemption, AS 29.53.035(a)

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE / *POUCH B - JUNEAU 99811*

March 31, 1978

The Honorable Al Ose
Chairman, Administrative
Regulation Review Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Ose:

RE: Memorandum from John B. Chenoweth, Legislative Counsel in compliance with request (W.O. #5198) - March 20, 1978

I concur with Mr. Chenoweth's suggestion that the incorporation of language from AS 29.63.065 into AS 29.53.020 (e) is inappropriate. Most important, AS 29.63.065 does not provide for an exemption, per se. It only qualifies the property for an interest free loan. The total property is presumed to be benefitted, hence a lien is generated also against the total property.

The language suggested by Mr. Chenoweth as an amendment to repeal and re-enact AS 29.53.020 (i) fails to clarify the statutory language in AS 29.53.020 (e) which says, in effect, that the portion of "real property" owned and occupied as a permanent place of abode is a required exemption.

The term "real property" includes land, structures and any other improvements installed in or on the land.

The lack of specificity as to what constitutes permanent place of abode is not made more restrictive by an attempt to redefine "real property".

AS 29.53.020 (b)(3) (relating to property for religious purposes) is specific as to land to be included with exemption and states "lots supporting and adjacent to a structure or residence mentioned in (1) or (2) of this subsection which are necessary to convenient use;" (underscore added for emphasis).

Should the political intent of Alaska legislators be to provide exemption in the form of a total "homestead" type of tax free ownership, regardless of years of ownership or Alaska residency, for the entire legally described property on which is situated the residential structure of the Senior Citizen owner occupant, that should be stated at AS 29.53.020 (e). A prohibition against combining properties after a specific date solely to increase benefit should be included.

The need to administratively define permanent place of abode would be thereby negated and a blanket exemption which would ignore the income producing characteristics and the excess of land as a factor would prevail.

Sincerely,

LEE MCANERNEY
COMMISSIONER

By: Palmer McCarter
Director

cc: Mr. John Chenoweth
Legal Services
Legislative Affairs Agency

pc. 4-11-78
cc made

C/O Tyonek Timber
Tyonek, Alaska 99682
April 5, 1978

Representative Lisa Rudd
House Community & Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Lisa Rudd:

I hope you will give House Bill no. 899, "An Act relating to the senior citizens' property tax exemption; and providing for an effective date," a do pass recommendation. Even with all of the federal and state help it is still hard for a senior citizen to get by. This bill should help lessen the burden.

Thank you,

Richard Willson

Richard Willson

HB
900

Veronica Clark -

Introduced: 3/21/78
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE BILL NO. 900

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to approval and recording of subdivisions; and providing for an effective date."

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

* Section 1. AS 40.15.010 is amended to read:

Sec. 40.15.010. APPROVAL AND RECORDING OF SUBDIVISIONS. Before the lots or tracts of any subdivision or dedication may be sold, [OR] offered for sale, or conveyed, the subdivision or dedication shall be submitted for approval to the authority having jurisdiction, as prescribed in this chapter. The regular approval of the authority shall be shown on it or attached to it and the subdivision or dedication shall be filed for record in the office of the recorder. The recorder shall not accept a plat of a subdivision or dedication for filing unless it shows this approval. The recorder shall not accept a deed for filing unless it is accompanied by this approval, or by an affidavit of the grantor stating that no subdivision is created by the deed, or by a certified waiver of the requirement of plat under AS 29.33.170. If no platting authority exists as provided in secs. 70 - 130 of this chapter, lands may be sold without approval.

prohibits gifts & leasing w/o approval

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

Matanuska-Susitna Borough, Inc.
BOX B, PALMER, ALASKA 99645 • PHONE 745-3246
DEPARTMENT OF ADMINISTRATION

March 6, 1978

Ms. Lisa Rudd, Chair
Committee on Community &
Regional Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

Subject: Recordation of Property Splits Not Approved by Platting Authority

This is a follow up to Marilyn Miller's contact with you concerning the need for legislation to carry out the position of the Alaska Municipal League that proof of approval by the local platting authority should be required prior to the filing of an instrument affecting the boundaries of land.

A serious problem has arisen because Statutes do not prohibit the recording of property splits which have not been approved.

AS 29.33.190(b) provides as follows: "No person may record a plat or seek to have a plat recorded unless it bears the approval of the platting board. A person who knowingly violates this requirement is punishable upon conviction by a fine of not more than $500." This Borough is not anxious to prosecute persons who knowingly or unknowingly violate the State Statutes requiring platting authority approval of property splits. More importantly, such prosecution does not resolve the multitude of problems which stem from such recordation. Here's an example of what happens:

The owner of a 20 acre tract describes by aliquot parts 5 acres of the 20 acres and sells the 5 acres. The 5 acres may or may not be physically accessible or legally accessible.

A subsequent owner wants to split the 5 acres into 1 acre parcels. He cannot do so because the 5 acre parcel is illegally created and not recognized by the Platting Board. The new owner then has to retrace the proper platting procedure (or get a waiver of platting requirements under AS 29.33.170). It may or may not be possible for the original 5 acre split to be done in conformance with platting requirements.

A big hassle results.

The grantee suffers. An extraordinary amount of staff time is required to clean up the mess. The grantor who violated the platting requirements has long since sold the other 15 acres and flown to Hawaii. He does not suffer. The platting statutes are circumvented.

The proposed legislation would provide an effective means of getting compliance to Statutes which require platting authority approval of all property splits. We do not now have an effective means.

I hope you will see fit to get such legislation introduced so that Boroughs can more effectively carry out their platting mandate.

Very truly yours,

Wesley M. Howe
Borough Manager

WMH:er

cc: Alaska Municipal League

Matanuska-Susitna Borough, Inc.
BOX B, PALMER, ALASKA 99645 • PHONE 745-3246
DEPARTMENT OF ADMINISTRATION

April 7, 1978

Ms. Lisa Rudd, Chairman
Committee on Community &
Regional Affairs
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

Subject: HB 900 Approval and Recording of Subdivisions

This is to express support of the subject bill. It appears to solve the problems presented in my letter of March 6, 1978 which urged introduction of this legislation.

While present law provides that the recorder shall not accept a subdivision unless it has been processed, nothing in existing law prevents a recorder from recording a deed for a parcel of property which has been created without the approval of the platting authority through the platting process or through a waiver of platting requirements. Such recordings have created hardships on buyers of such property and have caused immense administrative problems for the Borough as well as inconvenience for the public.

We urge that the Community and Regional Affairs Committee recommend passage of this bill.

Very truly yours,

Wesley M. Howe
Borough Manager

WMH:er

unrecorded deed or conveyance not valid —

what are ways of conveying?

Introduced: 3/21/78
Referred: Community & Regional Affairs and Judiciary

IN THE HOUSE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

HOUSE BILL NO. 900

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to approval and recording of subdivisions, and providing for an effective date."

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

* Section 1. AS 40.15.010 is amended to read:

Sec. 40.15.010. APPROVAL AND RECORDING OF SUBDIVISIONS. Before the lots or tracts of any subdivision or dedication may be sold, [OR] offered for sale, or conveyed, the subdivision or dedication shall be submitted for approval to the authority having jurisdiction, as prescribed in this chapter. The regular approval of the authority shall be shown on it or attached to it and the subdivision or dedication shall be filed for record in the office of the recorder. The recorder shall not accept a plat of a subdivision or dedication for filing unless it shows this approval. The recorder shall not accept a deed for filing unless it is accompanied by this approval, or by an affidavit of the grantor stating that no subdivision is created by the deed, or by a certified waiver of the requirement of plat under AS 29.33.170. If no platting authority exists as provided in secs. 70 - 130 of this chapter, lands may be sold without approval.

An approved plat has been recorded. (the deed)

affidavit or waiver.

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

So what is accomplished?
How does an unrecorded deed fit in?

TO: Lisa FROM: Annette

HB 900 includes the language recommended by Wes Howe of the Mat-Su Borough. We have two letters from him in the file explaining what he wishes to accomplish through this bill. Essentially the Mat-Su Borough would wish to strengthen the existing law so that no subdivisions will be able to slip by the platting boards.

We have gone a step further in the drafting of the bill by including the words "or conveyed" in the first sentence. This was included to get at a situation described by Marilyn Miller when she spoke with you about introducing the legislation; that is, a case where land is given to another party, not sold. The same hassles as Mr. Howe describes can result from such a free conveyance as with one that is sold.

However, if the committee wishes to reach these conveyances, it may be necessary to also amend the definition of subdivision in Title 40, which describes a subdivision in terms of parcels to be sold or to be used for building.

I have asked Mr. Berrier to be on hand to answer any questions about the effect of this bill on present statutes.

If the committee does not wish to reach these conveyances, then the rest of the proposed language will, in fact, strengthen the statute enough to address a good portion of the problems facing borough platting boards as a result of situations similar to those Mr. Howe described.

(2) "subdivision" means the division of a tract or parcel of land into two or more lots, sites, or other divisions for the purpose, whether immediate or future, of sale or building development, and includes resubdivision and, when appropriate to the context, relates to the process of subdividing or to the land or areas subdivided. (§ 7 (ch II) ch 115 SLA 1953; am § 3 ch 95 SLA 1955)

Quoted in Tullinen v. Gielarowski, 2 Alas. L.J. No. 11, p. 169 (Dec., 1964).

Chapter 18. Preservation of Public Records.

Section
10 — 30. [Repealed]

Secs. 40.18.010 — 40.18.030.
Repealed by § 3 ch 191 SLA 1970.

Editor's note. — The repealed chapter derived from § 1, ch. 10, SLA 1968, and § 9, ch. 40, SLA 1969.

Chapter 20. Disposal of Public Records.

Section
10 — 30. [Repealed]

Secs. 40.20.010 — 40.20.030.
Repealed by § 3 ch 191 SLA 1970.

Editor's note. — The repealed chapter derived from ch. 147, SLA 1957.

Chapter 21. Management and Preservation of Public Records.

Article
1. Public Records (§§ 40.21.010 — 40.21.140)
2. General Provisions (§ 40.21.150)

Article 1. Public Records.

Section
10. Purpose
20. Archival and records management program creation and administration
30. Duties of the state archivist
40. Gifts, bequests or endowments of money
50. Regulations
60. Duties of chief executive officers of state agencies
70. Records management for local records
80. Disposal of public records by political subdivision
90. Transfer of public records of political subdivision to department
100. Assistance to legislative and judicial branches
110. Care of records
120. Standards of clarity, accuracy, and permanency of copies or reproductions of public records
130. Alteration and replacement of public records
140. Use of copies and replacements as evidence

Sec. 40.21.010. Purpose. The purpose of this chapter is to provide for

HB
913

HB 913: " An Act relating to day care programs."

PRESENT LAW	HB 913
(5) CRA must provide notification to the local government body of a ~~bid~~ request for a ~~contract with a day care facility~~. day care assistance prog.	(5) deleted

According to Harvey Pitts, it is good practice to notify a locality if CRA has had requests for the day care assistance program to be implemented in an area. He expects that the practice would continue regardless of this proposed change in the law.

(b) The department may	(b) deleted
(2) With the approval of the department, the municipality may subcontract with another organization in the community to perform duties;	(2) [with the approval of]

Attachement: present law / HB 913

5248
Dudley

Introduced: 3/29/78
Referred: Community & Region
Affairs and Health, Education
Social Services

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

IN THE HOUSE

HOUSE BILL NO. 913

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to day care programs."

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

* Section 1. AS 44.47.250 is repealed and re-enacted to read:

Sec. 44.47.250. POWERS AND DUTIES. The department shall

(1) implement and administer a program to assist in providing day care for the children of low-income families according to the requirements of secs. 250 - 310 of this chapter;

(2) establish standards of eligibility for day care benefi

(3) contract for the care of children of eligible familie

(4) establish procedures to periodically review the needs families receiving day care benefits;

(5) contract with municipalities to perform its duties und secs. 250 - 310 of this chapter within that municipality; the municipality may subcontract with another organization in the community to perform administrative duties;

(6) contract with day care facilities outside of municipal ties; to provide more effective administration of programs in the un ganized borough, the department may contract with another organizati in the community or with an organization serving the region in which the community is located to perform administrative duties;

(7) adopt regulations necessary for the performance of its duties under secs. 250 - 310 of this chapter.

HF 913

(2) "community" means home rule cities and boroughs, cities and boroughs of any class, and unorganized boroughs and villages which are social units;

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

(4) "region" means an area larger than a community, or including all or part of more than one community, but sufficiently integrated that it may be treated as a unit for administration of particular services. (§ 2 ch 200 SLA 1972)

Article 6. Community Legal Assistance Grants.

Section
200. Community legal assistance grant fund
210. Eligibility
220. Grants
230. Regulations

Sec. 44.47.200. Community legal assistance grant fund. There is created in the Department of Community and Regional Affairs the community legal assistance grant fund. From legislative appropriations to the fund, the department shall make grants to eligible communities and regions for the purpose of enabling them to obtain legal assistance. (§ 1 ch 60 SLA 1975)

Sec. 44.47.210. Eligibility. First and second class cities and unincorporated villages, and regional associations of those communities, may apply to the department for a grant under § 200 of this chapter. Grants shall be made only to those communities or regions that would otherwise be unable to obtain legal assistance. No regional or village corporation formed under the Alaska Native Claims Settlement Act (P.L. 92-203) is eligible for a grant under § 200 of this chapter. (§ 1 ch 60 SLA 1975)

Sec. 44.47.220. Grants. Grants made under § 200 of this chapter shall be used for a single legal project and not for the provision of general legal counsel. The department shall assure that the grant is spent for necessary legal assistance and that appropriate accounting procedures are maintained. Grants may not exceed $20,000. (§ 1 ch 60 SLA 1975)

Sec. 44.47.230. Regulations. The department shall adopt regulations to carry out the purposes of §§ 200—220 of this chapter. (§ 1 ch 60 SLA 1975)

Article 7. Day Care Assistance.

Section
250. Powers and duties
260. Local participation

Section
270. Conditions of receipt of benefits
280. Eligibility of families for benefits
290. Contributions by parent or guardian
300. Child care facilities
310. Definitions

Editor's note. — Section 1, ch. 66, SLA 1975, provides: "Findings of fact; purpose. The legislature finds that a need exists in the state for the provision of adequate day care facilities for families with low income. Adequate child care facilities allow the parent or guardian to work outside the home and in many cases to avoid the need for welfare and other forms of public assistance. The purpose of this Act is to establish in the Department of Community and Regional Affairs a program to aid low income families in urban and rural areas of the state in providing adequate care for their children."

Sec. 44.47.250. Powers and duties. (a) The department shall

same (1) implement and administer a program to assist in providing day care for the children of low-income families according to the requirements of §§ 250—310 of this chapter;

same (2) establish standards of eligibility for day care benefits;

same (3) contract for the care of children of eligible families;

same (4) establish procedures to periodically review the needs of families receiving day care benefits;

X (5) provide notification to the local government body of the request for a contract with a day care facility.

— (b) The department ~~may~~ shall

same (1) adopt regulations necessary for the performance of its duties under §§ 250—310 of this chapter;

(2) contract with municipalities to perform its duties under §§ 250—310 of this chapter within that municipality [with the approval of the department,] the municipality may subcontract with another organization in the community to perform administrative duties;

(3) [deleted]

(4) contract with day care facilities outside of municipalities; to provide more effective administration of programs in the unorganized borough, the department may contract with another organization in the community or with an organization serving the region in which the community is located to perform administrative duties. (§ 2 ch 66 SLA 1975; am § 1 ch 272 SLA 1976)

Effect of amendment. — The 1976 amendment deleted "with day care facilities" following "contract" in paragraph (3) of subsection (a), and in subsection (b), substituted "municipalities" for "local agencies" in paragraph (2), added the language beginning "within that municipality" to the end of paragraph (2), deleted paragraph (3), which read "solicit recommendations from local governing bodies regarding local agencies which may provide contractual services under this section," and added paragraph (4).

Legislative committee report. — For report on ch. 66, SLA 1975 (HCS CSSB 120), see 1975 Senate Journal, p. 257; 1975 House Journal, p. 876.

Sec. 44.47.260. Local participation. When a contract is made under § 250(b)(2) of this chapter between the department and a municipality, the municipality shall pay the costs of administering the contractual duties within its jurisdiction. (§ 2 ch 66 SLA 1975; am § 2 ch 272 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "municipality" for "local agency within an incorporated borough or city of the state" and for "incorporated borough or city."

Sec. 44.47.270. Conditions of receipt of benefits. Benefits may be paid for the care of children of a low income family only if a parent or guardian, because of the day care, is freed to work or to attend school. In no event shall benefits be paid for the care of children of a family where one parent or guardian is not working or attending school and is physically and mentally capable of caring for the children. (§ 2 ch 66 SLA 1975)

Sec. 44.47.280. Eligibility of families for benefits. The department shall determine the eligibility of families for day care benefits on the basis of the following factors:

(1) net income of the family including salary, alimony, child support, retirement benefits, social security, and any other source of income;

(2) number of children in the family;

(3) whether there is one parent or guardian solely responsible for the care of the family;

Repealed 1977

(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 found relevant by the department. (§ 2 ch 66 SLA 1975)

Sec. 44.47.290. Contributions by parent or guardian. The department shall develop a sliding fee scale based on the factors listed in § 280 of this chapter for purposes of determining the amount to be contributed by the parent or guardian for child care. The contribution of the parent or guardian shall be paid to the day care facility. (§ 2 ch 66 SLA 1975)

Sec. 44.47.300. Child care facilities. (a) Parents or guardians shall select the day care facility for the care of their children.

(b) Benefits shall be paid by the department directly to the municipality contracting with the day care facility or, outside of a municipality, to the facility upon receipt of a billing from a municipality or facility. (§ 2 ch 66 SLA 1975; am § 3 ch 272 SLA 1976)

Effect of amendment. — The 1976 amendment rewrote this section.

Sec. 44.47.310. Definitions. In §§ 250—310 of this chapter

(1) "day care facility" means a center or home licensed in accordance with the provisions of AS 47.35.010—47.35.030 or recognized by the federal government for the care of children;

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

(3) "child" means a person ~~who has not reached the age of 7~~ [illegible] 11 years of age;

(4) "day care" means the care, supervision, and guidance of a child or children unaccompanied by a parent or legal guardian on a regular basis for periods of less than 24 hours a day.

(5) "municipality" includes a home rule, general law and unified municipality, as defined in AS 29. (§ 2 ch 66 SLA 1975; am §§ 6—8 ch 253 SLA 1976; am §§ 4, 5 ch 272 SLA 1976)

Revisor's note (1976). — Paragraph (3) of AS 44.47.310 was amended by both § 7, ch. 253, SLA 1976, and § 4, ch. 272, SLA 1976. Since the two amendments appear to be inconsistent, and ch. 253 is superseded by ch. 272, only the later enactment has been given effect here.

Effect of amendments. — The first 1976 amendment rewrote paragraphs (1) and (3) and added paragraph (4).

The second 1976 amendment substituted "who has not reached the age of 7" for "up to the mandatory school age" in paragraph (3) and added paragraph (5).

Part 3. Administrative Officers.

Chapter
50. Notaries Public (§§ 44.50.010 — 44.50.190)
53. Foreign Commissioners for Acknowledgments (§§ 44.53.010 — 44.53.020)

Cross reference. — As to public administrator, see AS 22.15.310 — AS 22.15.350.

Chapter 50. Notaries Public.

Section
10. Appointment and commission
20. Qualifications
30. Term of office
40. Fees
50. Chapter not a limitation on postmasters
60. Duties
70. Presence and identification required
80. Seal
90. Protest of bill or note
100. Return of papers to lieutenant governor
110. Application of Administrative Procedure Act to revocation of notary commission
120. Bond
130. Filing oath and bond
140. Disposition of bond
150. Copy of bond as evidence
160. Misconduct or neglect
170. State employees as notaries
180. Postmasters as notaries
190. Savings clause

DRAFT

To July 31

CHAPTER 50.
DAY CARE ASSISTANCE PROGRAM

Section
10. Day Care Assistance Program Authority
20. Conditions of Contracting
30. Computation of Grant Funds
40. Responsibilities of Contractors
50. Power and Duties of the Department in Administering the State Day Care Assistance Program
60. Definitions

19 ACC 50.010. DAY CARE ASSISTANCE PROGRAM AUTHORITY. The authority of the department under AS 44.47.250-44.47.310 has been delegated by the Commissioner of Community and Regional Affairs to the Division of Community and Rural Development within the department.

(a) The purpose of the state day care assistance program is to assist low income parents or guardians who are working or training to pay the cost of licensed day care.

(b) The state day care assistance program will encourage day care in licensed facilities for those children previously left unattended or without adequate supervision while their parents are working or training.

19 ACC 50.020. CONDITIONS OF CONTRACTING. (a) Local communities interested in the state day care assistance program may apply to the Department demonstrating the need for a local day care assistance program, the existence of licensed day care facilities and a local commitment and administrative capability to operate the program. Upon approval of the grant application, contracts will be established delineating local and departmental responsibilities for program administration.

(b) A participating government may chose to administer the program directly, or communities whose grant is less than

restrictive for-option to subcontract in any smaller participating gov'ts.

$100,000 may seek approval from the department to subcontract for another appropriate local agency to perform the administrative functions. If a local government is approved to subcontract, it shall: who decides to approve & based on what?

- seems to be a lack of criteria for approval of subcontractor by department

(1) ensure that all interested persons are made aware that proposals for subcontracts are being accepted for the day care assistance program administration; and

(2) ensure that the subcontractor meets the subcontractor requirements of:

(A) Formal training or experience totalling at least four years in one of the helping professions.

(B) Demonstrated capability to interpret and apply written instructions.

(C) Demonstrated administrative ability to compute gross income and adjusted net income.

(D) Administrative experience in program operation.

(E) Experience or training in office organization or management.

(F) Experience in administering a Social Service Program.

(G) Must devote a minimum of 6 hours per day Monday through Friday to the day care assistance program. This item does not apply to communities receiving grants of less than $100,000.

(c) Technical assistance in application development, in program planning and in all aspects of program administration is available from the Department upon request.

(d) In order to qualify for participation in the state day care assistance program a local government shall agree to assume financial responsibility for the administration of the program.

(e) A local program shall be funded in an incorporated area only with the consent of the appropriate local government.

(f) If the responsible local government is a first class or home rule city or borough, it shall ensure that its accounting system for the day care assistance program be set up as follows:

(1) Separate funds and accounting codes shall be established for receipt and disbursement of state day care funds.

(2) Expenditures from this fund shall be audited under regular Borough or City program and financial auditing procedures.

(3) The Division of Community and Rural Development Child Care Programs Coordinator shall receive a report of municipal or borough audits of the day care account at least once yearly.

(g) If the responsible local government is a second class city or unorganized borough, the accounting system for the day care assistance program shall be set up as follows:

(1) Separate funds and acccounting codes shall be established for receipt and disbursement of state day care funds.

(2) A yearly statement of income and expenditures shall be required by the Department in connection with program and financial audits conducted by visiting day care program staff memebers.

19 ACC 50.030 COMPUTATION OF GRANT FUNDS. (a) The total grant to be received by any community will be computed by taking the ratio of a community's licensed day care spaces to the number of licensed day care spaces statewide and awarding that percentage of the total state funds to the community applying for a day care assistance grant. Additional grant funds may be made available when other communities having licensed day care spaces chose not to participate in the day care assistance program.

(b) A waiver from the requirements of this rule will be given for good cause shown.

19 ACC 50.040. RESPONSIBILITIES OF CONTRACTORS. (a) It is the responsibility of the Contractor to administer the Alaska day care assistance program on a community-wide basis.

(b) The contractor shall be accountable for state funds which it receives to subsidize day care services in the community. The accountability shall include the maintenance of program and financial records of the program including records concerning: applications, determination of client eligibility, payments to child care facilities, local administrative expenses, and program operating statistics as required by the Department.

(1) Unless otherwise agreed upon, the contractor's program and financial accounting system must utilize standard application, authorization billing, and reporting forms provided by the Department.

(2) The contractor must make all program and financial records available to the Department or its designated representative upon request.

(c) The contractor shall utilize the differential subsidy scale established by the Department for that community as a basis for determination of client eligibility for state day care assistance funds. This scale shall be applied to the adjusted net income of the client to determine a range of subsidy for which he or she is eligible.

(1) The adjusted net income of the client shall be arrived at by taking the projected gross income per year and subtracting the following:

DRAFT

(A) federal income tax,

(B) state income tax,

(C) state education tax,

(D) social security taxes (FICA)

(E) retirement,

(F) unemployment insurance contributions, and

(G) mandatory union dues or agency fee.

In addition, for the number of eligible children in the family greater than one, deduct the allowable child deduction from the income figure.

(2) Consideration of other factors the contractor or applicant deems to be relevant in eligibility determination shall require written approval by the Division of Community and Rural Development Child Care Programs Coordinator.

Harvey Pitts sole discretion for all factors to be taken into consideration.

(d) Eligibility determination shall be made prior to delivery of services.

(e) Applicants or recipients may appeal denial or termination of eligibility for day care subsidy to the Director, Division of Community and Rural Development, Department of Community and Regional Affairs for initial hearing, and thereafter according to applicable provisions in the Alaska Administrative Code.

(f) The contractor shall review the day care needs and the eligibility of each program recipient at least every three months. A minimum of two (2) weeks notice must be given to any recipient prior to termination of day care assistance when the recipient continues to meet eligibility criteria.

fairly broad

(g) Local agencies shall establish procedures to verify applicant's statements regarding eligibility certification.

DRAFT

Copies of current pay stubs should be retained to verify applicant's income.

(h) Subsidy payments shall be authorized only for day care services to individuals:

(1) who have obtained care in a licensed facility for their child and,

(2) who are determined "eligible" under the provisions of the Act and Departmental and local guidelines.

(i) The contractor shall provide assistance to day care centers or family day care homes as needed to insure proper completion of the standard Community and Regional Affairs billing and reporting forms.

(j) It is the responsibility of the contractor to make prompt payment to licensed day care facilities within 15 working days of receipt of properly completed Day Care Facility Billing and Reporting Forms.

(k) Day care payment shall be made to licensed day care facilities only for authorized hours and on an attendance basis only.

(l) The contractor shall inform the appropriate licensed day care facility immediately of any change in the status of terms of subsidy of a client.

(2) The contractor shall assure that a new authorization form is filled out and signed by all parties every time that there is a change in authorized hours for day care or a change in the percentage to be paid by the parent and the state.

(3) It is the responsibility of the contractor to report any instance of day care facilities making extra charges to program clients to the Division of Community and Rural Development, Child Care Programs Coordinator.

what pieces of info are required of the contractor in order to

(l) The Contractor shall maintain a current file of licensed day care facilities and the current rates charged by licensed day care facilities.

(l) It is the contractor's responsibility to remove all references to a day care facility from the provider file two weeks after the date that the license expired if that agency has not been notified by the appropriate licensing authority of a renewal of the license or issuance of an interim provisional license.

(2) It is the contractor's responsibility not to authorize payment for day care services in a facility beyond two weeks after the expiration date on the license. Before subsidy is suspended for children in that facility at the end of the two week period, the contractor shall contact the appropriate licensing authority to ascertain that notification of a renewal or provisional license for such facilities has not been lost in the mail.

(3) Should a day care facility fail to maintain its license, the contractor shall then inform parents or guardians of State assisted children in that facility that they must place their child in another licensed home or center or cease to receive state assistance. Every effort shall be made to secure satisfactory and timely alternative day care facilities in such cases.

monitor spending progress admin.

(m) The contractor shall submit monthly statistical reports to the Department in such form and containing such information as the Director of the Division of Community and Rural Development may require, and shall comply with such provisions as the Director finds necessary to assure the correctness and verification

what info that how no

how admin. is carrying out elig. determination - check onsite - child support statement

of such reports.

(n) A waiver from the requirements of this rule will be given for good cause shown.

19 ACC 50.050. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTERING THE STATE DAY CARE ASSISTANCE PROGRAM. (a) It is not the intention of the day care assistance program to guarantee the availability of day care services to all those individuals who would qualify for subsidy on the basis of income and other criteria defined herein. The Department cannot guarantee that licensed day care facilities will be available for a particular child whose parents or guardians meet eligibility requirements.

(b) Department officials shall have access to financial and other records pertaining to administration of the program at all times.

(c) The Division of Community and Rural Development staff shall conduct periodic on-site monitoring visits to determine how the contractor is meeting both its program and financial management responsibilities as defined in the Act and in contractual agreements.

(d) When the Director finds that the contractor is not in compliance with the work program and contract, he/she shall notify the local government who specifically? by letter preferably of the problem and the requirement for compliance. If after a reasonable period satisfactory adjustments are not made, he shall notify the local government that further payments shall be withheld until the deficiencies are corrected.

(e) State funding for day care assistance is made available by the Department to the contractor only for direct subsidy payments to licensed facilities for child care services delivered.

(1) The Department shall make State funds available for expenditure for day care services only where the rates of payment for services do not exceed an amount reasonable and necessary to assure the quality of service, are in accord with costs reasonably assigned to such services, and records are available which describe and support the rates.

(2) The Community and Regional Affairs day care subsidy funds shall be paid on a daily attendance basis. The rates paid shall be set by the Director at an equitable level and shall be reviewed each fiscal year. Attendance shall be figured on the basis of five hour blocks of time. Up to five fours of attendance in a twenty-four hour period is considered part time. Attendance exceeding five hours and up to ten hours is considered full time. Attendance exceeding ten hours in a twenty-four period is considered more than full time for payment purposes.

(3) The Department shall not reimburse communities for day care subsidies beyond the maximum daily rate for part time, full time, and more than full time care except in the case of exceptional children.

(4) The Department shall not reimburse local communities for payments made to a licensed day care facility services performed more than two weeks after status as a licensed day care facility has expired.

(f) The Department shall release funds on a timely basis

each month after receipt of the contractor's billing to the State and properly completed Monthly Local Agency Statistical Report. When it is necessary for program operation, arrangements may be made for advance payment by the Department.

(g) The "differential subsidy scale" (DDS) has been established as the basis for eligibility and fee determination.

(1) The Department shall establish a series of subsidy levels in the form of a sliding fee schedule indicating the percentage of day care costs to be paid by the parent according to family size.

(2) The highest child care subsidy shall be provided to those clients with the lowest income.

(3) Each Community's sliding fee schedule (Community DSS) shall be established by the Department and shall incorporate within it adjustments for cost of living within that community.

(4) The cost of living factor applied will be that utilized by the State in its revenue sharing program.

(5) Those communities wishing to dispute the accuracy of this factor shall provide the Director of the Division of Community and Rural Development with data prescribed by the Department to substantiate their claim.

(h) The Department shall design and distribute standardized application, authorization, billing and reporting forms to contractors for their use in program operation.

(i) The Department is responsible for providing technical assistance to local communities engaged in either planning or operating a local day care program under this Act. Training will also be provided in eligibility determination, financial counseling and other program areas as requested and as staff is available.

(j) The Department shall report yearly to the Legislature

on the impact of this legislation on the Alaska communities receiving assistance.

(k) The Department shall initially provide participating local communities who have not assumed day care licensing authority, with a computer list detailing information on currently licensed local day care facilities. In communities where municipalities have assumed day care licensing authority, the contractor should coordinate with the appropriate municipal licensing agency.

(l) The Department shall, with the cooperation of the contractor, be responsbile for implementation of billing procedures and monitoring of the rate licensed facilities charge the State and State assisted families for the care of children to assure that:

(1) All services offered by the licensed day care facilities to the general public are provided to State funded children and the rate charged for care is both inclusive of such services and equivalent to the rate charged to the general public. The Department shall not pay any charges in addition to the licensed day care facilities established daily rate.

(2) The State is charged by a licensed day care facility at the same rate that the public is charged for second, third or additional family children. The Department shall share information relating to noncompliance with the contractor.

(m) A waiver from the requirements of this rule will be given for good cause shown.

19 ACC 50.060. DEFINITIONS. (a) Contractor means the local governing unit or other community agency subcontracted by the local governing unit to receive, either directly or in-

directly, state funds for day care assistance, and to administer the Department of Community and Regional Affairs day care assistance locally.

(b) Department means the Department of Community and Regional Affairs.

(c) Division means the Department of Community and Regional Affairs, Division of Community and Rural Development.

(d) Director means the Director of the Division of Community and Rural Development.

(e) Child Care Program Coordinator means the coordinator for the Alaska State Day Care Assistance Program.

(f) Licensed day care facility means a day care facility currently holding an active license for the care of children issued by the Division of Social Services Department of Health and Social Services, or an appropriated municipality who has assumed the power to license day care providers under AS 29.48.035.

(g) Licensed day care spaces means the total number of infants and children a licensed day care facility is currently allowed to have on the premises at any one time.

(h) Day care services means activity providing direct care and protection of infants and children outside of their own home during a period of less than 24 hours per day.

(i) Part time care means day care up to five hours in a twenty-four hour period.

(j) Full time care means day care for more than five hours through ten hours in a twenty-four hour period.

(k) More than full time care means day care for more than the hours but less than twenty-four in a twenty-four hour period.

(l) Eligible child means a child who is under 18 years of age and who is living in the home of either a natural parent or legal guardian.

(m) Infant means a child ages birth through 24 months.

(n) Child means a child ages 25 months through 10 years.

(o) A waiver from the definition of this . . will be given for good cause shown.

CHAPTER 58.
CERTIFICATE OF NEED FOR CHILD CARE FACILITY REVOLVING LOAN.

19 AAC 58.010. CERTIFICATE OF NEED FOR CHILD CARE FACILITY REVOLVING LOAN FUND APPLICANT ELIGIBILITY CRITERIA. A child care facility seeking a loan from the Child Care Facility Revolving Loan Fund must first apply to the Department of Community and Regional Affairs, Division of Community and Rural Development, Child Care Programs, for a certificate of need. Criteria eligibility set forth in AS 44.33.

Changes to revolving loan fund (HB 806) would delete the certificate of need. At least it passed out of H-HESS that way.

TO: Eric Lee, Director
Community and Rural Development

FROM: Representative Lisa Rudd

RE: Day Care Assistance Program Regulations

Thank you for sending me a copy of the proposed regulations for the Day Care Assistance Program. I am submitting the following comments which I would like to see incorporated into the final regulations.

19 ACC 50.020. CONDITIONS OF CONTRACTING.

(b) HB 913 currently under consideration by the Legislature changes AS 44.47.250 by deleting departmental authority for subcontractor approval. I support this change because (1) the contractor (municipality) remains responsible for program administration, (2) the department (CRA) monitors and reviews program effectiveness and (3) the department retains statutory authority to terminate program funds at any time.

Furthermore, I am opposed to language in the regulations which restricts subcontracting to smaller (under $100,000 grant) participating governments. It seems to be in direct conflict with the purpose of the Day Care Assistance Program which is "to allow as much local flexibility as possible."

19 ACC 50.040. RESPONSIBILITIES OF CONTRACTORS

(g) I recommend that a standard form be developed by the Department to notify recipients prior to termination of day care assistance when the recipient continues to meet eligibility criteria.

I make this recommendation based on the fact that heretofore, the lack of an established procedure for notification of recipients has resulted in providing little, if any, advance notice and often with inadequate explanation for the termination of assistance.

(k)(3) I also recommend that standard notice forms be developed for informing parents or guardians that the day care facility has not met licensing requirements and that parents or guardians must place their child in another licensed home or center.

19 ACC 50.050. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTERING THE STATE DAY CARE ASSISTANCE PROGRAM.

Some general comments regarding this section appear to be in order. I recommend that more detailed regulations be drafted under this section detailing the procedures to be followed by the Department in its review and monitoring activities. It seems appropriate to have an extablished procedure specifying all documentation that the contractor is responsible for providing and how the Department uses the information to come to its conclusions regarding program operation and effectiveness. Such an established monitoring procedure would also insure uniformity in evaluation and provide reliable statistics on the day care assistance program when gathered in a consistent manner statewide.

More specifically, I strongly urge that a mechanism be established to deal with program administration deficiencies. Adaptation of the following language (under subsection (d)) would be along the lines of my thinking:

If the Department, during regular review and monitoring, finds administrative or financial mismanagement;

(a) written recommendations illustrating the deficiency, with suggestions for improvement, must be submitted to the contractor requesting that corrective action be taken. The contractor is further requested to respond in writing.

(b) ~~After 30 days has elapsed and satisfactory adjustments~~ If satisfactory adjustments have not been made w/in 30 days ~~are not made~~, the Department will issue a second letter, with a copy to the Commissioner, notifying the contractor of failure to take the necessary corrective action resulting in termination of funding 2 weeks from the date of issue of the letter until program improvements have been made.

Lisa

May 17, 1978

TOWN MEETING: Day Care Needs in Juneau
Meeting Format

Introductions
- -Panel Members
- -Resource People

Overview
- -Focus: Parents and Day Care Providers
- -Brief explanation of meeting format

Providers

Licensing:
- -The importance of licensing
- -How do I get licensed ?
- -The need for more licensed day care

✓House Bill #74
Day Care Facilities in State Office Buildings

Day Care Facility Revolving Loan Fund
- -The purpose of the loan fund
- -How do I apply?
- ✓-House Bill #806 -Day Care Revolving Loan Fund

Parents

Choosing good child care: What to look for

Child Care in Juneau
- -Providers will have the opportunity to spend a few minutes talking about their programs, and their plans for the summer.
- -Community Summer Programs

Protective Services
- -What is it?
- -Why might someone need it?
- -Who do I contact?

Day Care Assistance Program
- -What is it?
- ✓ -Proposed Regulations

Discussion

HB
917

M E M O R A N D U M

To: Lisa Rudd From: Annette Smith AS

Subject: Pension Fund Investments

The attached material pertains to investments of the pension fund. Legislative Audit provided me with a copy of the 1977 Audit and a copy of the pertinent statute pages.

Apparently, the system is administered by the Commissioner of Administration and governed by a 5 member Board of Directors (2 elected from members of the retirement system, and 3 appointed from the personnel board). However, the Commissioner of Revenue acts as the Treasurer of the fund and is empowered to invest and reinvest the assets of the pension fund. There is a long list of investments which can be made (AS 39.35.110) -- U.S. Treasury Bonds; FHA insured real estate mortgages; corporate stocks and bonds; other insured mortgages and real estate liens.

There are no particular regulations involved in the investments of these funds. The general outline of what is considered a good investment is pretty much spelled out in the list of possible investments which can be made. The Commissioner is supposed to "exercise the judgment and care under the circumstances then prevailing which a man of ordinary prudence, discretion, and intelligence exercises in the management of his own affairs...." The Commissioner of Administration has the financial statement and audit prepared for an annual report to the governor and to the Legislature.

The 1977 Audit does not show a specific loan or mortgage to the Fairbanks hospital. Presumably, it could be carried with a commercial mortgage company and listed under "Conventional/residential mortgages serviced by_____," at the back of the audit document.

Sterling Gallagher has an appointment with you at 8:00 a.m. Monday morning to discuss with you the loan to the Fairbanks hospital.

Touche Ross & Co

620

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FINANCIAL STATEMENTS:	
Accountants' report	1
Statements of assets and equity arising from cash transactions	2
Statements of changes in equity arising from cash transactions	3
Notes to financial statements	4
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Accountants' report	6
Details of invested funds	7

Touche Ross & Co.

September 16, 1977

Board of Directors
State of Alaska Public Employees
Retirement System
Juneau, Alaska

We have examined the statements of assets and equity arising from cash transactions of the State of Alaska Public Employees Retirement System as of June 30, 1977 and 1976, and the related statements of changes in equity arising from cash transactions for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Cash and investment accounts at June 30, 1977 and 1976 were confirmed by direct communication with the depositaries, custodians and servicing financial institutions.

As described in Note A, the System's policy is to prepare its financial statements on the basis of cash receipts and disbursements. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly the assets and equity arising from cash transactions of the State of Alaska Public Employees Retirement System as of June 30, 1977 and 1976, and the changes in equity arising from cash transactions for the years then ended, on the basis of accounting described in Note A, which basis has been consistently applied.

Touche Ross & Co.

Certified Public Accountants

510 L STREET - SUITE 600 - ANCHORAGE, ALASKA 99501 - (907) 272-8462

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATEMENTS OF ASSETS AND EQUITY
ARISING FROM CASH TRANSACTIONS

	June 30, 1977	June 30, 1976
ASSETS		
Cash	$ 578,477	$ 355,235
Certificates of deposit and savings accounts	4,233,569	1,208,807
Bonds, notes and debentures:		
United States Government, at cost (market $65,178,673 in 1977 and $45,945,516 in 1976)	63,855,756	45,666,027
Other, at cost (market $31,450,689 in 1977 and $35,665,800 in 1976)	30,806,498	35,521,942
Common stocks, at cost (market $17,455,313 in 1977 and $21,097,341 in 1976)	16,750,590	20,672,908
Real estate mortgages and SBA loans	74,729,682	38,563,725
	$190,954,572	$141,988,644
EQUITY		
Equity	$190,954,572	$141,988,644

See notes to financial statements.

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATEMENTS OF CHANGES IN EQUITY
ARISING FROM CASH TRANSACTIONS

	Year ended June 30,	
	1977	1976
Balance at beginning of year	$141,988,644	$107,556,336
Additions during the year:		
Employer contributions	34,881,182	22,712,558
Employee contributions	13,438,538	12,369,538
Investment income	12,602,465	8,367,857
	60,922,185	43,449,953
Deductions during the year:		
Refunds to terminating members	3,816,748	3,758,719
Retirement benefits paid	7,607,162	4,842,542
Administrative expenses	532,347	416,384
	11,956,257	9,017,645
Balance at end of year	$190,954,572	$141,988,644

See notes to financial statements.

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1977 AND 1976

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The State of Alaska Public Employees Retirement System, established January 1, 1961, is a contributory pension system covering substantially all full-time employees of the State of Alaska. In addition, employees of participating political subdivisions are included in the System. A separate retirement system covers teachers. Elected officials may participate in the System at their option.

Investments are stated at cost. Investment income consists of interest, dividends and the gain or loss on disposition of investments, which is the difference between the acquisition cost and the net sales proceeds.

The System maintains its records, and the financial statements are prepared, on the cash basis of accounting.

Contributions, interest and dividends, retirement benefits, refunds to terminating members and administrative expenses are recorded when cash is received or disbursed. Deferred discount or premium on mortgages is amortized over the terms of the mortgages.

NOTE B - DESCRIPTION OF THE SYSTEM:

Peace officers and firemen contribute 5% of gross pay to the System; other members contribute 4-1/4%. Members earn interest on their contributions at the rate of 2-1/4%, credited semiannually. Employers contribute at actuarially determined rates which are estimated to be sufficient to annually fund current service costs and fund prior service costs over 40 years.

Peace officers and firemen are entitled to full retirement benefits upon completion of 20 years of service or at age 55. Other participants may retire at age 55 with at least five years of service or at any age with at least 30 years of service. All members of the System may take early retirement as defined in the System with reduced benefits. Upon termination, member contributions are refundable with accrued interest. All retirees receive a minimum monthly benefit of $17.50 for each year of credited service.

NOTE C - ACTUARIAL METHOD:

The employer contribution rates are determined actuarially on the basis of the aggregate method with supplemental liability.

Significant actuarial assumptions affecting employer funding rates are: 5% investment yield and salary escalation of 5% per year. Assets are valued at cost.

The increase in the actuarially determined unfunded prior service liability, from $52,600,000 in 1976 to $77,132,000 in 1977, arises from legislation which reduced retirement ages and retroactively increased benefits.

ADDITIONAL INFORMATION

The additional information presented in the following pages has been taken from the accounting and other records of the System and has been subjected to the tests and other auditing procedures applied in the examination of the financial statements for the year ended June 30, 1977. In our opinion, such information is fairly presented in all material respects in relation to the financial statements taken as a whole although it is not necessary for a fair presentation of the System's assets and equity or changes in equity arising from cash transactions.

Touche Ross & Co.

Certified Public Accountants

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS

JUNE 30, 1977

	Maturity date	Cost	Interest rate
CERTIFICATES OF DEPOSIT AND SAVINGS ACCOUNTS:			
Certificates of deposit -			
Arctic First Federal Savings and Loan	10/25/77	$ 100,000	7.50
Arctic First Federal Savings and Loan	5/01/78	200,000	7.50
Arctic First Federal Savings and Loan	2/15/79	150,000	7.50
Arctic First Federal Savings and Loan	2/15/80	100,000	7.50
First Federal Savings and Loan	7/11/77	114,000	7.50
First Federal Savings and Loan	7/10/78	100,000	7.50
		764,000	
Savings accounts -			
Bank of California		3,331,940	5.00
National Bank of Alaska		137,629	5.00
		3,469,569	
		$4,233,569	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
UNITED STATES GOVERNMENT:						
U. S. Treasury Notes & Bonds -						
U. S. Treasury Notes	6.00	3/31/79	$ 1,000,000	$ 1,000,625	$ 1,000,000	5.960
U. S. Treasury Notes	6.50	2/15/80	1,000,000	996,780	1,002,000	6.520
U. S. Treasury Notes	7.00	5/15/82	1,000,000	1,001,719	1,011,000	6.990
U. S. Treasury Notes	7.625	2/15/07	1,000,000	977,500	1,001,300	7.800
U. S. Treasury Notes	7.000	11/15/81	2,000,000	2,005,000	2,025,625	6.983
U. S. Treasury Notes	7.875	11/15/82	2,000,000	1,996,724	2,096,250	7.888
U. S. Treasury Bonds	8.250	5/15/05	1,000,000	997,500	1,006,250	8.270
			9,000,000	8,975,848	9,202,425	
U. S. agencies -						
Twelve Federal Land Banks	8.800	10/21/85	8,750,000	8,829,922	9,526,563	8.672
GNMA mortgage-backed securities -						
Pool #5153	7.250	11/15/04	399,570	368,112	380,590	7.869
Pool #5903	7.250	2/15/05	851,905	791,912	811,439	7.799
Pool #7209	7.250	6/15/05	951,188	879,255	906,007	7.843
Pool #7638	7.250	8/15/05	412,436	383,383	392,845	7.799
Pool #3578	7.250	11/15/05	494,093	456,055	470,624	7.854
Pool #14296	7.500	2/15/07	996,766	951,911	964,059	7.853
Pool #14707	7.500	2/15/07	1,003,872	958,697	970,932	7.853
Pool #14699	7.500	3/15/07	1,497,902	1,437,987	1,448,753	7.813
Pool #16331	7.500	3/15/07	998,593	958,337	965,827	7.815
Pool #16487	7.500	3/15/07	1,019,573	981,977	986,119	7.787
Pool #16377	7.500	4/15/07	1,000,631	960,293	967,798	7.815
Pool #15864	7.500	5/15/07	499,657	481,232	483,262	7.787
Pool #17206	7.500	5/15/07	1,000,000	959,375	967,188	7.818
Pool #15969	7.500	6/15/07	2,000,000	1,900,000	1,934,375	7.895
Pool #16624	7.500	6/15/07	1,019,650	978,864	986,193	7.812
Pool #17515	7.500	6/15/07	1,024,507	982,886	990,890	7.818
Pool #18140	7.500	6/15/07	1,023,073	986,946	989,503	7.775
Pool #2905	8.000	4/15/04	4,480	4,555	4,480	7.867
Pool #5235	8.000	4/15/05	392,032	385,422	392,399	8.137
Pool #5818	8.000	6/15/05	481,008	472,893	481,459	8.137
Pool #6121	8.000	8/15/05	948,549	923,946	949,438	8.213
Pool #6538	8.000	8/15/05	448,176	440,620	448,596	8.137
Pool #9113	8.000	12/15/05	449,626	447,659	450,048	8.035
Balance carried forward			18,917,288	18,092,317	18,342,824	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
UNITED STATES GOVERNMENT (continued):						
GNMA mortgage-backed securities (continued) -						
Balance brought forward			$18,917,288	$18,092,317	$18,342,824	
Pool #11294	8.000	5/15/06	905,982	915,608	906,831	8.410
Pool #10039	8.000	6/15/06	958,358	926,014	959,257	8.279
Pool #10199	8.000	6/15/06	976,241	950,920	977,157	8.213
Pool #10652	8.000	6/15/06	961,836	936,888	962,737	8.213
Pool #11447	8.000	7/15/06	5,752	5,907	5,752	7.791
Pool #11548	8.000	8/15/06	1,010,764	1,017,082	1,011,712	7.950
Pool #10414	8.000	9/15/06	982,813	978,513	983,735	8.035
Pool #11537	8.000	9/15/06	336	337	336	7.968
Pool #12357	8.000	9/15/06	1,002,705	998,318	1,003,645	8.035
Pool #12569	8.000	9/15/06	3,817	3,811	3,817	8.013
Pool #13694	8.000	11/15/06	629	646	629	7.791
Pool #3985	8.500	8/15/04	796,637	819,043	820,039	8.267
Pool #4261	8.500	9/15/04	990,652	1,003,655	1,019,753	8.389
Pool #4347	8.500	9/15/04	86,854	89,080	89,405	8.288
Pool #5106	8.500	2/15/05	775,521	798,060	798,302	8.260
Pool #7460	8.500	10/15/05	458,917	464,079	472,397	8.405
Pool #7216	8.500	11/15/05	936,084	966,506	963,581	8.232
Pool #7723	8.500	11/15/05	469,651	474,934	483,447	8.405
Pool #6764	8.500	12/15/05	473,916	486,653	487,838	8.278
Pool #7057	8.500	12/15/05	459,967	474,916	473,479	8.232
Pool #7559	8.500	12/15/05	920,840	944,437	947,890	8.288
Pool #7966	8.500	12/15/05	971,148	1,002,711	999,676	8.232
Pool #5105	8.500	1/15/06	94,316	96,733	97,087	8.288
Pool #7760	8.500	1/15/06	896,030	918,991	922,351	8.288
Pool #6148	8.500	2/15/06	995,278	1,022,648	1,024,514	8.273
Pool #7474	8.500	2/15/06	890,346	913,161	916,500	8.288
Pool #7138	8.500	3/15/06	475,590	491,047	489,560	8.232
Pool #8017	8.500	3/15/06	495,371	499,706	509,923	8.426
Pool #8434	8.500	3/15/06	948,982	974,486	976,859	8.278
Pool #8817	8.500	3/15/06	498,844	505,703	513,498	8.385
Pool #10056	8.500	4/15/06	495,781	500,119	510,344	8.426
Pool #10404	8.500	4/15/06	459,371	484,062	472,865	8.066
Pool #10744	8.500	4/15/06	982,198	1,030,080	1,011,050	8.105
Pool #10738	8.500	5/15/06	999,158	1,020,702	1,028,508	8.321
Balance carried forward			41,297,973	40,807,873	41,187,298	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
UNITED STATES GOVERNMENT (continued):						
GNMA mortgage-backed securities (continued) -						
Balance brought forward			$41,297,973	$40,807,873	$41,187,298	
Pool #12368	8.500	8/15/06	237,952	250,741	244,941	8.066
Pool #5554	8.500	2/15/07	1,880,217	1,928,398	1,935,448	8.288
Pool #16900	8.500	2/15/07	497,985	509,189	512,613	8.313
Pool #17046	8.500	3/15/07	2,496,063	2,553,785	2,569,385	8.308
			46,410,190	46,049,986	46,449,685	
			$64,160,190	$63,855,756	$65,178,673	
OTHER BONDS, NOTES AND DEBENTURES:						
Corpor notes and bonds -						
Pacific Gas & Electric Co., 1st Ref. Mtg. Series 75A	9.500	6/01/85	$ 1,250,000	$ 1,243,750	$ 1,356,250	9.547
Montgomery Ward Credit Corp.	9.600	2/01/95	1,250,000	1,261,875	1,287,500	9.510
Penney, J. C., Inc.	8.875	7/15/95	1,000,000	988,590	1,055,000	8.977
Diamond Shamrock Corp.	9.000	4/01/99	1,000,000	1,020,000	1,067,500	8.823
Pfizer, Inc.	8.500	4/15/99	500,000	470,125	525,000	9.040
Sohio/BP Trans Alaska Pipeline	9.750	12/01/99	1,750,000	1,838,125	1,907,500	9.283
Pfizer, Inc.	9.250	8/15/00	500,000	493,750	546,250	9.367
Ashland Oil, Inc.	10.000	9/01/00	500,000	500,000	553,750	10.000
Exxon Corp.	8.250	3/01/01	1,000,000	1,027,500	1,037,500	8.029
Bankamerica Corp.	8.750	5/01/01	1,500,000	1,551,875	1,578,750	8.458
General Electric	8.500	5/01/04	2,000,000	2,115,000	2,150,000	8.038
Texas Power and Light	8.600	1/01/06	1,000,000	1,041,540	1,020,000	8.257
Commonwealth Edison	8.125	6/01/07	1,500,000	1,494,150	1,488,750	8.157
Mountain States Telephone	9.750	8/01/12	1,500,000	1,672,500	1,691,250	8.744
Illinois Bell Telephone	8.250	8/18/16	1,000,000	1,002,500	1,026,250	8.229
New Jersey Bell Tel.	8.000	9/15/16	1,500,000	1,473,750	1,503,750	8.142
Indiana Bell Telephone	8.125	3/01/17	250,000	248,387	253,438	8.178
Northwestern Bell Tel.	8.125	3/15/17	1,500,000	1,486,875	1,518,750	8.197
Southern Bell Telephone	8.125	5/01/17	1,500,000	1,518,750	1,516,875	8.025
			22,000,000	22,449,042	23,084,063	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
OTHER BONDS, NOTES AND DEBENTURES (continued):						
Short-term debt issues -						
G.M.A.C.	5.375	7/01/77	$ 1,000,000	$ 995,521	$ 995,521	5.375
Montgomery Ward Co.	5.125	7/05/77	1,000,000	998,007	998,007	5.125
Ford Motor Credit Co.	5.250	7/11/77	1,100,000	1,094,867	1,094,867	5.250
Wells Fargo & Co.	5.300	7/18/77	920,000	915,801	915,801	5.300
Wells Fargo & Co.	5.300	7/22/77	1,170,000	1,164,832	1,164,832	5.300
Security Pacific National Bank Bankers Acceptance	5.240	7/11/77	1,500,000	1,488,428	1,497,598	5.281
			6,690,000	6,657,456	6,666,626	
Other -						
M.G.I.C. Mortgage Corporation	7.750	12/15/77	1,000,000	1,000,000	1,000,000	7.750
Alaska Electric Light & Power Co.	10.500	9/15/91	700,000	700,000	700,000	10.500
			1,700,000	1,700,000	1,700,000	
			$30,390,000	$30,806,498	$31,450,689	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Shares	Cost	Market value
COMMON STOCKS:			
Alcan Aluminum Ltd.	10,000	$ 235,675	$ 271,250
American Broadcasting	20,000	768,323	877,500
American Home Products	10,000	392,160	287,500
American Hospital Supply	10,000	376,735	251,250
Atlantic Richfield	14,000	693,222	847,000
Avon Products	10,000	412,691	505,000
Baker Intl. Corp.	12,000	537,397	634,500
Beatrice Foods Co.	20,000	482,208	495,000
Boeing Company	2,700	141,392	156,262
Boise Cascade Corp.	15,000	482,735	420,000
Bucyrus-Erie Co.	10,000	244,500	225,000
CBS, Inc.	9,000	521,767	529,875
Continental Oil Co.	10,000	356,350	338,750
Cooper Industries, Inc.	12,000	500,450	552,000
Dresser Industries, Inc.	3,000	128,475	137,250
DuFont E. I. DeNemours	1,200	201,825	139,200
Exxon Corporation	15,000	689,181	802,500
Georgia-Pacific	20,400	558,764	637,500
Getty Oil Company	3,000	585,990	614,250
Harnischfeger Corp.	9,600	209,659	208,800
Houston Industries	4,000	128,560	135,500
IBM	5,500	1,290,273	1,452,000
Kaiser Alu. & Chemical	6,000	217,140	223,500
Koppers Company	23,000	535,106	540,500
MGIC Investments	12,000	535,821	190,500
Merck and Company	3,500	278,206	195,125
Missouri Pacific Corp.	15,000	587,995	720,000
Montana Power Company	16,400	407,845	434,600
Owens-Corning Fiberglass	7,800	524,756	523,575
Republic Steel Corp.	5,000	161,201	140,000
Safeco Corporation	10.000	410,000	468,750
Schlumberger, Ltd.	4,500	278,197	308,250
Standard Oil Co. of California	10,000	387,250	417,500
Standard Oil Co. of Ohio	6,000	385,837	532,500
Stauffer Chemical Co.	6,500	312,650	254,313
Sundstrand Corporation	20,000	697,682	815,001
Texas Instruments	1,500	193,299	134,812
Union Pacific Corp.	16,000	793,215	916,000
Whirlpool Corporation	5,000	106,058	122,500
		$16,750,590	$17,455,313

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS:				
FHA mortgages serviced by -				
Alaska Mutual Savings Bank, Anchorage	6.75	$ 89,750	$ 84,356	7.07
Alaska Mutual Savings Bank, Anchorage	7.50	553,082	522,663	7.77
Alaska Mutual Savings Bank, Anchorage	8.50	105,364	105,364	8.00
Alaska National Bank of Fairbanks	7.50	99,094	99,094	7.13
Alaska National Bank of Fairbanks	8.00	273,241	273,241	6.63
Alaska National Bank of Fairbanks	8.50	292,084	288,287	8.30
Alaska State Bank, Anchorage	5.25	228,963	217,515	5.20
Alaska State Bank, Anchorage	6.00	345,562	332,327	6.00
Alaska State Bank, Anchorage	6.75	55,650	52,306	7.34
Alaska State Bank, Anchorage	7.00	1,580,275	1,497,310	7.34
Alaska State Bank, Anchorage	7.50	31,477	30,832	7.41
Alaska State Bank, Anchorage	7.50	436,419	416,039	7.41
Alaska State Bank, Anchorage	8.00	37,256	37,908	7.29
Alaska State Bank, Anchorage	8.50	176,589	186,301	7.48
Alaska State Bank, Anchorage	8.50	255,609	268,390	7.40
First National Bank of Anchorage	5.25	421,920	402,512	5.16
First National Bank of Anchorage	5.50	48,307	46,858	5.28
First National Bank of Anchorage	5.75	29,540	29,983	5.11
First National Bank of Anchorage	7.00	361,202	340,975	7.39
First National Bank of Anchorage	7.50	712,799	666,325	7.92
First National Bank of Anchorage	8.50	240,654	228,622	8.92
First National Bank of Anchorage	8.50	441,204	430,725	8.39
First National Bank of Anchorage	8.75	237,031	228,736	8.95
First National Bank of Anchorage	9.00	103,924	101,846	8.50
National Bank of Alaska, Anchorage	5.25	29,158	26,534	5.60
National Bank of Alaska, Anchorage	6.00	633,172	597,714	6.24
National Bank of Alaska, Anchorage	7.00	699,968	665,670	7.30
National Bank of Alaska, Anchorage	7.50	57,289	56,487	7.32
National Bank of Alaska, Anchorage	8.50	489,045	480,438	8.25
Rainier Mortgage Company, Anchorage	5.25	25,636	24,354	5.21
Rainier Mortgage Company, Anchorage	5.75	175,058	168,055	5.63
Rainier Mortgage Company, Anchorage	6.00	135,683	130,486	5.63
Rainier Mortgage Company, Anchorage	7.00	901,432	857,262	7.30
Rainier Mortgage Company, Anchorage	7.50	250,631	234,291	7.92
Washington Mort age Company	7.00	929,096	854,768	7.87
		11,483,164	10,984,574	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Small business loans serviced by -				
Alaska Mutual Savings Bank, Anchorage	9.50		$ 270,0_9	9.00
Alaska State Bank, Anchorage	11.00		6,629	10.50
Alaska State Bank, Anchorage	10.50		156,546	10.00
Alaska State Bank, Anchorage	10.25		47,703	9.75
Alaska State Bank, Anchorage	9.00		18,414	8.50
Alaska State Bank, Anchorage	8.00		129,550	7.50
First National Bank of Ketchikan	10.50		342,544	10.18
First National Bank of Ketchikan	9.75		307,438	9.38
National Bank of Alaska, Anchorage	11.50		181,314	11.00
National Bank of Alaska, Anchorage	10.50		1,259,629	10.00
National Bank of Alaska, Anchorage	10.00		179,135	9.50
National Bank of Alaska, Anchorage	9.75		186,832	9.25
National Bank of Alaska, Anchorage	9.50		294,746	9.00
National Bank of Alaska, Anchorage	8.75		152,939	8.25
National Bank of Alaska, Anchorage	8.00		1,548,605	7.50
Peoples Bank & Trust Company, Anchorage	9.25		301,987	8.75
Peoples Bank & Trust Company, Anchorage	9.00		49,080	8.50
Peoples Bank & Trust Company, Anchorage	8.00		460,887	7.50
			5,893,997	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by -				
Alaska Bank of Commerce	9.50		$ 116,258	9.50
Alaska Bank of Commerce	9.50		580,236	10.75
Alaska Bank of Commerce	10.50		1,428,146	10.44
Alaska Federal Savings and Loan, Juneau	9.25		560,262	8.94
Alaska Federal Savings and Loan, Juneau	10.00		96,230	9.81
Alaska Mutual Savings Bank, Anchorage	10.375		103,226	10.19
Alaska Mutual Savings Bank, Anchorage	10.00		74,701	9.69
Alaska Mutual Savings Bank, Anchorage	9.75		221,999	9.44
Alaska Mutual Savings Bank, Anchorage	9.625		240,763	9.31
Alaska Mutual Savings Bank, Anchorage	9.375		451,905	9.06
Alaska Mutual Savings Bank, Anchorage	10.75		469,943	10.50
Alaska Mutual Savings Bank, Anchorage	10.50		82,159	10.19
Alaska Mutual Savings Bank, Anchorage	10.50		518,661	10.07
Alaska Mutual Savings Bank, Anchorage	10.375		75,151	10.06
Alaska Mutual Savings Bank, Anchorage	10.25		168,640	9.94
Alaska Mutual Savings Bank, Anchorage	10.25		99,788	10.06
Alaska Mutual Savings Bank, Anchorage	10.00		491,216	9.69
Alaska Mutual Savings Bank, Anchorage	9.75		338,464	9.44
Alaska Mutual Savings Bank, Anchorage	9.50		465,110	9.19
Alaska Mutual Savings Bank, Anchorage	9.375		431,865	9.06
Alaska Mutual Savings Bank, Anchorage	10.50		536,771	10.31
Alaska National Bank, Fairbanks	10.75		150,825	10.44
Alaska National Bank, Fairbanks	10.50		97,302	10.19
Alaska National Bank, Fairbanks	10.50		175,500	10.31
Alaska National Bank, Fairbanks	10.00		149,484	9.69
Alaska National Bank, Fairbanks	10.00		341,392	9.81
Alaska National Bank, Fairbanks	9.75		607,079	9.44
Alaska National Bank, Fairbanks	9.625		78,096	9.31
Alaska National Bank, Fairbanks	9.625		121,642	9.44
Alaska National Bank, Fairbanks	9.50		1,694,021	9.19
Alaska National Bank, Fairbanks	9.375		2,654,238	9.06
Alaska National Bank, Fairbanks	9.25		912,045	8.94
Alaska National Bank, Fairbanks	12.00		212,441	12.00
Alaska National Bank, Fairbanks	11.50		80,732	11.19
Alaska National Bank, Fairbanks	11.50		383,941	11.31
Alaska National Bank, Fairbanks	11.00		157,391	11.00
Balance carried forward			15,367,623	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			$15,367,623	
Alaska National Bank, Fairbanks	10.50		2,259,590	10.31
Alaska National Bank, Fairbanks	10.00		139,132	9.69
Alaska National Bank, Fairbanks	9.75		380,546	9.44
Alaska National Bank, Fairbanks	9.50		80,034	9.19
Alaska National Bank, Fairbanks	10.50		97,053	10.44
Alaska National Bank, Fairbanks	10.50		197,706	10.31
Alaska National Bank, Fairbanks	11.00		525,000	11.00
Alaska National Bank, Fairbanks	10.50		481,840	10.31
Alaska National Bank, Fairbanks	12.00		1,000,000	12.00
Alaska Pacific Bank	10.00		261,739	9.69
Alaska Pacific Bank	10.00		266,730	9.81
Alaska Pacific Bank	9.75		76,576	9.44
Alaska Pacific Bank	9.60		385,518	9.29
Alaska Pacific Bank	9.50		1,202,825	9.19
Alaska Pacific Bank	9.375		454,631	9.06
Alaska Pacific Bank	11.00		255,073	10.81
Alaska Pacific Bank	10.50		75,809	10.19
Alaska Pacific Bank	10.50		339,375	10.31
Alaska Pacific Bank	10.25		112,337	10.06
Alaska Pacific Bank	9.875		59,717	9.56
Alaska Pacific Bank	9.50		74,551	9.19
Alaska Pacific Bank	9.375		74,924	9.06
Alaska State Bank, Anchorage	11.00		841,979	10.69
Alaska State Bank, Anchorage	10.75		211,998	10.44
Alaska State Bank, Anchorage	10.75		147,871	10.56
Alaska State Bank, Anchorage	10.50		247,866	10.19
Alaska State Bank, Anchorage	10.50		301,126	10.31
Alaska State Bank, Anchorage	10.25		207,085	10.06
Alaska State Bank, Anchorage	10.00		336,294	9.69
Alaska State Bank, Anchorage	10.00		217,003	9.81
Alaska State Bank, Anchorage	9.75		834,343	9.44
Balance carried forward			27,513,894	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			$27,513,894	
Alaska State Bank, Anchorage	9.625		179,150	9.31
Alaska State Bank, Anchorage	9.50		1,932,638	9.19
Alaska State Bank, Anchorage	9.50		100,000	9.31
Alaska State Bank, Anchorage	9.375		1,749,254	9.06
Alaska State Bank, Anchorage	9.375		108,000	9.06
Alaska State Bank, Anchorage	10.50		90,000	10.19
Alaska State Bank, Anchorage	10.50		442,140	10.31
Alaska State Bank, Anchorage	10.25		143,691	10.06
AMFAC Mortgage Company	11.00		512,207	10.75
AMFAC Mortgage Company	10.50		83,350	10.44
Arctic First Federal Savings and Loan, Fairbanks	12.50		775,033	12.31
Arctic First Federal Savings and Loan, Fairbanks	10.75		906,715	10.50
First National Bank of Anchorage	10.75		408,396	10.56
First National Bank of Anchorage	10.50		477,468	10.19
First National Bank of Anchorage	10.50		215,715	10.31
First National Bank of Anchorage	10.25		208,802	9.94
First National Bank of Anchorage	10.25		490,260	10.06
First National Bank of Anchorage	10.00		849,748	9.69
First National Bank of Anchorage	10.00		581,646	9.81
First National Bank of Anchorage	9.75		1,341,548	9.44
First National Bank of Anchorage	9.75		130,436	9.56
First National Bank of Anchorage	9.625		440,269	9.31
First National Bank of Anchorage	9.50		2,629,885	9.19
First National Bank of Anchorage	9.375		812,443	9.06
First National Bank of Anchorage	9.00		50,086	9.06
First National Bank of Anchorage	12.00		90,682	11.69
First National Bank of Anchorage	12.00		156,737	11.75
First National Bank of Anchorage	11.00		827,934	10.81
First National Bank of Anchorage	10.75		485,439	10.56
Balance carried forward			44,733,566	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			$44,733,566	
First National Bank of Anchorage	10.50		38,667	10.19
First National Bank of Anchorage	10.50		599,212	10.19
First National Bank of Anchorage	10.25		195,274	10.06
First National Bank of Anchorage	10.25		96,875	10.25
First National Bank of Anchorage	9.75		57,516	9.44
First National Bank of Anchorage	9.50		78,766	9.19
First National Bank of Anchorage	9.375		87,244	9.06
First National Bank of Anchorage	9.25		363,025	8.94
First National Bank of Ketchikan	11.00		127,667	10.81
First National Bank of Ketchikan	10.50		41,847	10.19
First National Bank of Ketchikan	10.25		286,684	9.94
First National Bank of Ketchikan	10.00		329,203	9.69
First National Bank of Ketchikan	9.75		749,713	9.44
First National Bank of Ketchikan	9.50		110,728	9.19
First National Bank of Ketchikan	9.375		152,323	9.06
Home Federal Savings and Loan, Anchorage	10.75		81,556	10.44
Home Federal Savings and Loan, Anchorage	10.50		433,411	10.19
Home Federal Savings and Loan, Anchorage	10.50		459,966	10.31
Home Federal Savings and Loan, Anchorage	10.25		119,439	9.94
Home Federal Savings and Loan, Anchorage	10.25		137,477	10.06
Home Federal Savings and Loan, Anchorage	10.00		782,225	9.69
Home Federal Savings and Loan, Anchorage	10.00		425,973	9.81
Home Federal Savings and Loan, Anchorage	9.75		281,142	9.44
Home Federal Savings and Loan, Anchorage	9.625		548,290	9.31
Home Federal Savings and Loan, Anchorage	9.50		984,743	9.19
Home Federal Savings and Loan, Anchorage	11.00		367,082	10.81
Home Federal Savings and Loan, Anchorage	10.75		89,880	10.44
Home Federal Savings and Loan, Anchorage	10.75		108,980	10.44
Home Federal Savings and Loan, Anchorage	10.50		129,194	10.19
Home Federal Savings and Loan, Anchorage	10.50		139,991	10.31
Home Federal Savings and Loan, Anchorage	10.25		547,500	10.19
Balance carried forward			53,686,159	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			$53,686,159	
Peoples Mortgage Company	10.50		216,750	10.31
Peoples Mortgage Company	10.25		675,000	10.19
Security National Bank, Anchorage	11.50		1[illegible]7,377	11.25
Security National Bank, Anchorage	11.00		[illegible]7,821	10.81
Security National Bank, Anchorage	10.50		274,013	10.31
Security National Bank, Anchorage	10.25		74,537	9.94
Security National Bank, Anchorage	10.00		305,510	9.69
Security National Bank, Anchorage	10.00		131,763	9.81
Security National Bank, Anchorage	9.75		419,180	9.44
Security National Bank, Anchorage	9.50		483,499	9.19
Security National Bank, Anchorage	9.375		145,511	9.06
Security National Bank, Anchorage	9.25		428,879	8.94
Security National Bank, Anchorage	11.00		147,804	10.81
Security National Bank, Anchorage	10.50		237,308	10.31
			57,851,111	
			$74,729,682	

Nerland's
Home Furnishings
P.O. BOX 610 FAIRBANKS, ALASKA 99707

TELEX
09035-482

April 13, 1978

Representative Sally Smith
Pouch V
State Capitol
Juneau, AK 99811

Dear Sally:

As vice chairman of the Community & Regional Affairs Committee, I am sure you are aware that House Bill #917 has been referred to this committee. We appreciate very much the contact that you have maintained with us through Tom Mingen at the hospital.

I am sure you realize that this bill could result in excess of six million dollar savings to users of the hospital over the next several years. As we understand, this plan has the approval of the state's financial consultant as a very viable way of financing hospital additions.

It is imperative that this legislation or a reasonable facsimile thereof is passed this session. The present addition to our hospital will be completed early this summer and financing must be completed prior to December 1, 1978. If this bill is not passed, we will be forced to use conventional financing at an interest rate of approximately 10%.

I will greatly appreciate anything you can do to see that this legislation is enacted du ing this session.

Warmest regards.

Sincerely yours,

Ron Nerland

RN/pe

FAIRBANKS: 545 THIRD AVENUE (907) 456-6341 • ANCHORAGE: 433 FIFTH AVENUE (907) 272-7541 • HAWAII: 52 SOUTH LONO AVENUE, KAHULUI, MAUI (808) 877-3391

MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: April 25, 1978

TO: Lisa Rudd

FROM: The Legislative Advisory Committee of the Municipal Health Commission

SUBJECT: House Bill 917

We attempted to send comments on House Bill 917 for the public hearing scheduled by your committee on Friday, April 21. Unfortunately, the public hearing was over before we were able to telex the information to you. We were informed by your legislative assistant that the committee would accept comments on House Bill 917 through mid week. Found attached is the Legislative Review and Recommendations we developed on House Bill 917. We hope your committee will consider our input before making any decisions on this bill.

1) It transfers to the State the responsiblity of a private medical facility to obtain funding. We question this use of public assets to enhance private enterprise.

2) It creates an added layer of bureaucracy.

3) The Board of Directors are appointed rather than elected.

4) May be costly to the State taxpayers. Anytime a new office is established secretaries must be hired, phones enstalled, letterhead printed, public announcements made etc. An office to support the Medical Facility Authority would therefore be costly to the State taxpayers. Additionally, with this legislation allowing the State to manage and operate a medical facility as well as purchase and/or construct real or personal property, the costs and expenses incurred would directly affect the State budget. The potential for cost to the State taxpayers in this case is overwhelming.

5) May have adverse affects on the development of medical facilities. Criteria does not exist in this legislation for selection of the facilities or geographic areas that would benefit from this legislation. Those not selected could be adversely affected by the States action.

6). There exists State and Federal legislation that addresses and provides for planning organizations, Health Systems Agencies, that deal specifically with health facilities and programs. The Health Systems Agencies presently through their review and planning process assess the need for medical facilities throughout the state. This proposed legislation ignores these planning bodies and their orderly plans and processes for medical facility development.

TESTIMONY ON HB 917 FROM SUBCOMMITTEE OF THE ANCHORAGE MUNICIPAL HEALTH COMMISSION

Telefoned by Mary Wlters, Staff to Municipal Health Commission

The following is a statement by the Legislative Subcommittee.

The Municipal Health Commission will meet next Wednesday to discuss the subcommittee's recommendations.

The Legislative Committee of the Anchorage Municipal Health Commission urges defeat of HB 917 for the following reasons:

1. It transfers to the state the responsibility of a private medicatl facility to obtain funding. We question this use of public assets to enhance private enterprise.

2. It creates an added layer of bureaucracy.

3. The board of directors are appointed rather than elected.

4. The bill may be costly to state taxpayers.

5. It may have an adverse effect on the development of medical facilities.

6. There exists state and federal legislation that addresses and provides for planning oranizations that deal specifically with health facilities and programs. This proposed legislation ignores these planning bodies.

I asked Ms Walters for some amplification of objections #4, 5 & 6 in the written statement which they will send down. She also mentioned that the committee had discussed that section of the legislation which seems to set up the authority as a possible regulatory agency, if not immediately, at least setting the stage for the future.

A more complete statement will be forthcoming next week.

Annette Smith
4/21/78 12:00 p.m.

Mary Walters 264-4261

POSITION PAPER/Department of Health and Social Services

HOUSE BILL 917

"An Act relating to an Alaska Medical Facility Authority."

Accessibility to adequate medical care is not available to all Alaskans due to the lack of certain medical facilities and the inadequacy of other medical structures throughout the State.

Planning surveys indicate a need for additional mental health centers, public health centers, facilities for the developmentally disabled, rehabilitation facilities and drug abuse and alcoholism treatment facilities. Architectural surveys of hospitals, nursing homes and intermediate care homes often indicate a need for modernization or replacement of many of these facilities. As the population increases, additions to these facilities may be needed. Many of Alaska's existing facilities do not meet Life Safety requirements and are not functionally designed to operate efficiently or to provide cost savings through such means as energy conservation.

The intent of House Bill 917 is to establish a means of financing the construction and equipping of medical facilities for which a community-based need has been demonstrated. By providing an economic mechanism to finance such facilities, efforts to contain spiraling health care costs could be enhanced. Both municipal, non-profit and profit-making entities are eligible to apply to the proposed Alaska Medical Facility Authority for funding, thus enabling all potential consumers of service to take advantage of the cost-savings realized through the financing mechanism.

As a part of its efforts to contain rising health care costs, the Department of Health and Social Services is naturally concerned about curbing the unnecessary proliferation of medical facilities. Section 18.26.220 stipulates that any medical facility assisted in any way by the proposed Medical Facility Authority would be subject to those licensure and determination of need provisions currently a part of the Alaska Statutes. Any additional requirements promulgated at a future date would also need to be satisfied before eligibility for application was granted. Even those facilities "grandfathered in" under special provision of AS 18.07 must meet the community-determination of need test before being eligible for funding from the proposed Medical Facility Authority. These provisions not only assist the State in guarding against the over-building of medical facilities, but ensure that those facilities utilizing this source of State support benefit from inclusion in the comprehensive State and regional planning process.

The establishment of an alternative financing mechanism for non-municipally owned medical facilities would assist communities in developing the services necessary to meet the health needs of their residents in the most cost-effective manner possible.

POSITION PAPER/Department of Health and Social Services

Recommended by: D. Sharon Osborne Date 4/19/78

D. Sharon Osborne, Coordinator
Office of Planning and Research

Approved by: Helen D Beirne Date 4/19/78

Helen D. Beirne, Commissioner
Department of Health & Social Services

Attachment

HSA - all pub. members
Health Coord. Council - all pub. members

HB 917 Relating to Alaska Medical Facility Authority

Questions:

1. Where is the need? For an extra commission and authority?

2. Are health facilities in Alaska lucrative enough to repay loans adequately?

3. Is the authority limited to financing municipal and non-profit health corporations?

4. Exec. Dir. pd. out of bond $?

Amendments:

1. Public members on the Board.
   Appointed for their expertise in the field.

2. Local laws and ordinances to be applicable to facilities constructed.

3. The maximum amount of a loan not to exceed the total cost ofthe facility.

5. What commercial firm has For. loan -?

6. ability to ... pay?

7. p. 5, line 27

8. Conflicts of interest?

Arch. Health Commission

M E M O R A N D U M

TO: Lisa Rudd FROM: Annette Smith

REF: HB 917

I received a telephone call from Ron Nerland, President of the Community Hospital Foundation in Fairbanks (456-6641) He wanted to talk with you about HB 917 and provide any information you may need. He said a Mr. William Doolittle will be attending the hearing on Friday to testify for the Fairbanks hospital and will be bringing with him backup information and letters of support.

This bill, he said, is largely created at the request of the Fairbanks hospital foundation. For a little background, the Community Hospital Foundation was created about 10 years ago and a hospital was built and paid for. About two years ago, an addition was planned for and construction begun. This construction is to be completed late this summer.

The initial cost of this new addition was to be $8 million. The Foundation had a fund raising campaign with a goal of $6 million. They already had $1 million in the bank, and another $1 million was anticipated through revenue sharing.

The total cost has turned out to be $11 million. They received $2.5 million on their first fund raising campaign. They had a second campaign and have $3+ million pledged and they anticipate another $2 million pledged.

Their present financing is through a commercial mortgage financing firm, with a 25 year pay-off at 10% interest. The financing firm has given them interim financing with a committment deadline of December on the total financing package.. Mr. Nerland stated that the shortage of finances will have to come out of room rents.

The more attractive alternative is using tax free revenue bonds at an interest rate of 7%. Over the years this will save the hospital $10 million -- a savings to hospital users as well.

I asked him about the possibility of having the municipality carry the bonds for the hospital. He stated that in order for the municipality to do that, the hospital would have to turn over the title to the municipality. He said there is a very strong feeling in Fairbanks about their people's hospital. The people built it themselves, and they do not wish to turn over the title to any government.

He wanted to stress that if HB 917 is not passed this year, it will not do the Fairbanks people any good, since they must take the first alternative, i.e., commercial financing at 10% by December of this year.

SECTIONAL ANALYSIS: HB 917

Sterling Gallagher
Commissioner of Revenue

The Alaska Medical Facility Authority is designed to aid in the construction and equipping of established and potential medical facilities through financing in the municipal bond market. Similar financial assistance is available to municipalities that wish to expand medical services via medical facilities through the Municipal Bond Bank. This bill provides an additional means of financing to those profit or non profit medical entities which are not municipally owned or eligible for participation in the Municipal Bond Bank. Section 103 of the Internal Revenue Code permits tax exempt financing for these purposes.

18.26.010. The Legislative finding and policy section is necessary to establish the public purpose under which medical facilities can be financed in the municipal market. The Legislative findings are that there are inadequate medical facilities in certain localities. One of the policies is to provide alternative methods of financing and assistance in obtaining financing for the purpose of building or upgrading medical facilities in those localities.

18.26.020. Creation of the authority as a public corporation and instrumentality of the state within the Department of Revenue, but with a separate and independent legal existence.

18.26.030. Establishes the Commissioner of Revenue as chairperson of the Board of Directors, and the Commissioner of Community and Regional Affairs and Commissioner of Health and Social Services as the other two members of the Board.

18.26.040. This section establishes a quorum of two for the Board to function and states that members will serve without salary and that they may hire an Executive Director. Notice of meetings must be given in accordance with regulations adopted by the board and all meetings must be open to the public.

18.26.050. The powers of the authority are set forth in this section. They are comparable to those of similar bodies created in the state.

18.26.060. This section states that the Authority may not maintain or operate any medical facility except as provided in a trust indenture under default.

18.26.070. All expenses incurred by the authority are the sole obligations of the authority and no liability will accrue to the state.

18.26.080. The authority may borrow money and issue revenue bonds after the Board finds by resolution that the operator of the medical facility is financially competent to operate the facility and to retire the debt. Also a resolution may be passed establishing the public purpose of the particular facility and its projected cost. The bond resolution shall set out all the terms and conditions on the sale of the bonds. Bonds are negotiable instruments for purposes of the Uniform Commercial Code. The bond resolution must provide for the establishment of a special fund and may specify contractual terms. The superior court has jurisdiction to hear and determine actions or proceedings relating to the authority.

18.26.090. The authority may issue Bond Anticipation Notes under terms and conditions set by resolution.

18.26.100. This section states that the bonds may be secured by trust agreements.

18.26.110. There is no personal liability for the members of the authority or the person executing the bonds.

18.26.120. All notes and bonds issued against any special funds are a valid claim against that fund.

18.26.130. No member of the board, advisory employees or consultants may vote on a resolution or influence any decision where she/he has a conflict of interest. If violated, monetary gain must be returned, and person may be fined and jailed.

18.26.140. Any pledge of revenue or assets by the authority is binding from the time the pledge is made against any party irrespective of the actual notice.

18.26.150. The revenue bonds issued by the authority are not either directly, indirectly or contingently obligations of the State; they are paid solely from the revenue of the authority.

18.26.160. The rights of bondholders to protect investments via court intervention is specifically established.

18.26.170. The authority may invest its funds in prudent investments as defined in AS 37.10, but may pay no higher price for the investments than the offering or market price.

18.26.180. The bonds are legal security for banks, trust companies, savings and loans and other fiduciaries.

18.26.190. The State of Alaska pledges that it will not alter or limit the rights vested in this authority with respect to outstanding obligations.

18.26.200. The authority shall keep accurate accounting and shall make a report each year to the Governor and the Legislature. The Governor may investigate the affairs of the authority, may examine the property and records of the authority, and may prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by the authority.

18.26.210. All medical facilities are subject to state requirements for public buildings and structures.

18.26.220. All facilities shall meet state licensing requirements and shall obtain a certificate of need before financing under this authority.

18.26.230. The bonds of the authority are exempt from all taxes except for gift, inheritance and estate taxes. However real and personal property that is leased to a third party is subject to all local taxes.

18.26.240. All earnings of the authority excess to its needs are the exclusive property of the state.

18.26.250. The authority is not a political subdivision of the state for purposes of AS 37.10, a municipal corporation for purposes of AS 29. or a state agency for purposes of AS 37.

18.26.900. Definition of terms.

Nerland's
Home Furnishings
P.O. BOX 610 FAIRBANKS, ALASKA 99707

TELEX
09035-482

file HB 917

April 13, 1978

Representative Sally Smith
Pouch V
State Capitol
Juneau, AK 99811

Dear Sally:

As vice chairman of the Community & Regional Affairs Committee, I am sure you are aware that House Bill #917 has been referred to this committee. We appreciate very much the contact that you have maintained with us through Tom Mingen at the hospital.

I am sure you realize that this bill could result in excess of six million dollar savings to users of the hospital over the next several years. As we understand, this plan has the approval of the state's financial consultant as a very viable way of financing hospital additions.

It is imperative that this legislation or a reasonable facsimile thereof is passed this session. The present addition to our hospital will be completed early this summer and financing must be completed prior to December 1, 1978. If this bill is not passed, we will be forced to use conventional financing at an interest rate of approximately 10%.

I will greatly appreciate anything you can do to see that this legislation is enacted du ring this session.

Warmest regards.

Sincerely yours,

Ron Nerland

RN/pe

FAIRBANKS: 515 THIRD AVENUE (907) 456-5441 • ANCHORAGE: 413 FIFTH AVENUE (907) 272-7541 • HAWAII: 52 SOUTH LONO AVENUE, KAHULUI, MAUI (808) 877-3391

M E M O R A N D U M

TO: Lisa Rudd FROM: Annette Smith

RE: HB 917

I spoke with Jack Chenoweth today about HB 917. He said you had asked him to look at the bill. Basically, he had no legal problems with the provisions in the bill. His two questions were:

1. Where is the need for this bill? He said there are very few health facilities in the state which can show enough of a profit to adequately pay back revenue bonds. Anchorage and possibly Fairbanks being the only places where medical care is actually good business. The other hospitals in the state, those run by municipalities or the PHS are operated at an expense to the taxpayers. How would a health center in Nome make enough money to pay back a loan from the authority. There just is not that much use.
Since the basis of this medical facility authority is revenues from the pay back on loans and bonds, I believe it would be worth asking the Administration to show where they think the use of this authority would come from.

2. Is it possible to use the Municipal Bond Bank to accomplish the same thing? I explained to him the opinions of Mr. Berrier and Mr. Rose in this regard; that opening up the Municipal Bond Bank to non-profit or other public corporations would in fact be detrimental to the municipal bonds which it handles. We did talk about including medical facilities in the Industrial Development Authority.

One question that I have is if this authority is limited to dealing with municipalities and non-profit corporations only? The bill states something to this effect on p. 4 (8), but this may not be a strict limitation. Would you ask Revenue at the hearing?

M E M O R A N D U M

TO: Lisa Rudd FROM: Annette Smith

Comparison of HB 917 to South Dakota statute

A quick comparison of HB 917 to the South Dakota statute of health and educational facilities authority indicates they contain essentially the same provisions. The South Dakota statute is more elaborate in that it goes into more detail on each provision. This seems to be a drafting style preferred in the Lower 48.

The basic differences are as follows:

1. The authority is operated by a 7 member board rather than the 3 member board contained in HB 917. The members are chosen according to their experience in various fields considered important to the program. E.g., One member is to be experienced in hospital ahd health care construction and financing; another in health facility architecture; another in municipal and state financing, etc. This board made up of public members requires then provisions for terms of office, vacancies, election of officers and other organizational details. HB 917 provides for 3 commissioners to make up the governing board. Terms of office are therfore not an issue. the commissioners may designate an alternate from their departments. Board members must provide a surety bond for the performance of their duties. Presumably, all commissioners give such a bond upon appointment to the office of commissioner.

2. Public works laws of the state are not applicable to the projects financed by the South Dakota authority. Also, competitive bidding is not required. HB 917 is just the opposite; it specifically states that both are applicable.

3. Local laws and ordinances are applicable to facilities constructed by the South Dakota authority. There is no such statement in HB 917.

4. The South Dakota law is more elaborate on the leasing of facilities. It contains four sections on the terms of the leases, option to purchase, duration of the leases which may not be shorter than the maturity of the bonds, establishment of rent and charges and rules and regulations for use of the facilities. HB 917 does not go into such detail and it probably is extraneous.

5. A maximum on the amount of loans is established. The amount of any loan may not exceed the total cost of the facility (p. 87) HB 917 does not provide for a limit.

6 In the refunding of loans, the South Dakota authority must make a series of findings: that financing is in the public interest, that it will alleviate a financial hardship upon the participating health institution; that it will result in lesser cost of patient care and will result in a savings to third parties. HB 917 does not require the authority to make any such findings for refunding.

more...

7. Initial and annual planning service fees are required of participating institutions which are to be used for consultant planning services to determine the need and location of facilities in a given area. The only mention of determining need in HB 917 is requiring a certificate of need as a prerequisite for funding any facility construction. (p. 17)

The basic provisions for financing seem to be the same between the two bills. Jack Chenoweth took a quick look at HB 917 and had no legal problems with it.

April 12, 1978

Representative Lisa Rudd, Chairman
House Community and Regional Affairs
Committee
Pouch V
Juneau, AK 99811

Dear Representative Rudd:

We the undersigned, representing varied public and private interests in our community, are in support of House Bill 917. This act, creating a bonding mechanism to provide additional alternatives to medical facilities for issuing bonds under a State authority, is a necessity in the Fairbanks area and in other areas throughout the State. This act would provide a mechanism for Fairbanks Memorial Hospital to finance its new addition and thus would save an approximate six million dollars in interest costs. We are extremely supportive of House Bill 917 and urge your committee to take immediate action on this bill.

NAME	ADDRESS	OCCUPATION
1. Ruth Donnson	SR Box 30218, Fairbanks	College Health Nurse
2. Dorothy Crockett	P.O. Box F, College	Public Relations/Homemaker
3. Carol A. Johnson	705 B Tamara Dr. UofA Fbks	Secretary
4. Marcia Andree	SR 40567 Fairbanks AK.	Homemaker
5. Jean Kelly	410 Jennie St. Anchorage, AK	Homemaker
6. Barbara Hall	624 Geyser Rd FB.	Customer Service Representative
7. Esther M. Lee	3496 Sandvik Rd FBX	Secretary - Housewife
8. Ronald C Anderson	Box 80299 College	Self employed - furniture refinishing
9. Maryann W Reed	1614 Central Fairbanks AK	Teacher
10. Tom Morse	216 Skarland Hall, U of Alaska, College, AK.	
11. Walter N. Bruce	Box 80091, College, AK 99708	Retired Engr.
12. Miriam Barker	4.3 Mi Goldstream Rd	Secretary
13. Janet W Lewis	416 Jennie St. Fairbanks, Ak.	Electronic Tech.
14. Donna Woodcock	PO Box E College	Manager
15. Julie Jensen	SR 20114 Fbks.	RN
16. Lone Christiansen	SR 40460-C Fbks.	R.N.
17. Elita Mercer	SR 31077 Fbks.	R.N.
18. Margaret Martin	4650 Harvard Circle Fbks	RN
19. Wayne N. Klein	SR Box 2000-9 Mile Lawler Rd	Domestic Engineer
20. Darlene N Peterson	118 Slater Dr, Fbks	Domestic Engineer
21. Beverley J Kopjes	Box 80707, College, AK	Medical technologist
22. Tracie A. Konieczny	102 Slater Drive Fbks	Teacher
23. Gwen Witt	SR 2 Box 30031	day care attendent
24. Margaret Andrews	3155 Totem Drive	Board Member - director Day Care Center
25. Doris Lundgren	420 College Rd	Temporary Nursery worker

14

April 12, 1978

Representative Lisa Rudd, Chairman
House Community and Regional Affairs
Committee
Pouch V
Juneau, AK 99811

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NAME	ADDRESS	OCCUPATION
1. Ralph W. Dow	S.R. 70071 Fbks.	Food Serv. Mgr.
2. Joan Worthington	Box 60223 Fbks	Dietitian
3. Joan Mikow	4508 Dartmouth Rd.	Dietitian
4. Willie L. Rice	1919 Lathrop	Physician
5. U.D. Faiden	SR 20005	M.D.
6. Roger P. Harding	102 10th St Fbks	MD
7. James Fitzgerald	SR Box 31446 Fbks	physician
8. Bill Hoke	8 CRAIG Fbks	Biochemist
9. Pat Gee	5195 D KODIAK ST	Business office
10. Sam Emmons	162 ALLEGNEY	MANAGER
11. Margie Pitts	5-1-11 Koyuk St Eielson	billing clerk
12. Anita Hansen	104 B	
13. Joanie Swanson	5075 #P Eielson	Billing clerk
14. Mary Ann Evans	P.O. Box [illegible] 3½ miles	Medicaid billing clerk
15. Tom Mayo	116 Craig Street	Hospital Administrator
16. Brenda J. [illegible]	1500 Bluebell	X-Ray Tech
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April 12, 1978

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House Community and Regional Affairs
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NAME	ADDRESS	OCCUPATION
1. Wm R. Wood	665 TENTH AVE. FAIRBANKS, AK., 99701	President (Emeritus) University of Alaska
2. W. Ronald Wood	1020 Kellum	Merchant.
3. Delores Wood	1020 Kellum	Interim Manager
4. Paul O Smith	4273 Birch Lane FBKS	Public Health Officer
5. Ralph H Haugh	2519 Ruby Ave	DAC
6. [illegible]	666 - 10th Ave	[illegible]
7. Dave L Baker	235 Farewell	Fairbanks Manager NCNMach.
8. [illegible]	541-473 Fbks	Merchant,
9. [illegible]	425 Glacier	Attorney
10. Earl A Beistline	Box 80148, Fbks 99708	Univ. of Alaska
11. Howard A. Otte	711 Kobuk Y of A Fbks	Univ of Alaska
12. C.L. Workman	SR Box 21053, FBKS	RCA Alascom
13. Dale Gyde	Box 529 FBKS	Late Insurance
14. Charles Ekubey	P.O. Box 2725 Fbks	United Way
15. Clyde Gustavis	Box 80532	Fairbanks Rocks
16. Jack Radtke	304 College Rd	~~Fbks, AK Bus.~~
17. [illegible] Parker	SR Box 10571 Fbks	Consultant
18.		
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25.		

POSITION PAPER/Department of Health and Social Services

HOUSE BILL 917

"An Act relating to an Alaska Medical Facility Authority."

Accessibility to adequate medical care is not available to all Alaskans due to the lack of certain medical facilities and the inadequacy of other medical structures throughout the State.

Planning surveys indicate a need for additional mental health centers, public health centers, facilities for the developmentally disabled, rehabilitation facilities and drug abuse and alcoholism treatment facilities. Architectural surveys of hospitals, nursing homes and intermediate care homes often indicate a need for modernization or replacement of many of these facilities. As the population increases, additions to these facilities may be needed. Many of Alaska's existing facilities do not meet Life Safety requirements and are not functionally designed to operate efficiently or to provide cost savings through such means as energy conservation.

The intent of House Bill 917 is to establish a means of financing the construction and equipping of medical facilities for which a community-based need has been demonstrated. By providing an economic mechanism to finance such facilities, efforts to contain spiraling health care costs could be enhanced. Both municipal, non-profit and profit-making entities are eligible to apply to the proposed Alaska Medical Facility Authority for funding, thus enabling all potential consumers of service to take advantage of the cost-savings realized through the financing mechanism.

As a part of its efforts to contain rising health care costs, the Department of Health and Social Services is naturally concerned about curbing the unnecessary proliferation of medical facilities. Section 18.26.220 stipulates that any medical facility assisted in any way by the proposed Medical Facility Authority would be subject to those licensure and determination of need provisions currently a part of the Alaska Statutes. Any additional requirements promulgated at a future date would also need to be satisfied before eligibility for application was granted. Even those facilities "grandfathered in" under special provision of AS 18.07 must meet the community-determination of need test before being eligible for funding from the proposed Medical Facility Authority. These provisions not only assist the State in guarding against the over-building of medical facilities, but ensure that those facilities utilizing this source of State support benefit from inclusion in the comprehensive State and regional planning process.

The establishment of an alternative financing mechanism for non-municipally owned medical facilities would assist communities in developing the services necessary to meet the health needs of their residents in the most cost-effective manner possible.

COMMITTEE REPORT

HOUSE

4/5/78

FURTHER: HESS

Date: 5/3/78

Mr. Speaker:

The Committee on C&RA has had HB 917
"An Act relating to an Alaska Medical Facility Authority; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) 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 _____ ( ) new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

Mike H. Lindauer Jr.

OTHER RECOMMENDATIONS:

Mike H Snyder NO REC

_____
Chairman

H 60 (rev. 6/77)

COMMITTEE REPORT

HOUSE

4/5/78

FURTHER: HESS

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( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

Mel U. Anderson Jr.

OTHER RECOMMENDATIONS:

Pete Kelly N. Rec.
Mich H Sharp NO REC.
Ist Lman NO R.
JS Rudd " "

JS Rudd
Chairman

H 60 (rev. 6/77)

POSITION PAPER/Department of Health and Social Services

HOUSE BILL 917

"An Act relating to an Alaska Medical Facility Authority."

Accessibility to adequate medical care is not available to all Alaskans due to the lack of certain medical facilities and the inadequacy of other medical structures throughout the State.

Planning surveys indicate a need for additional mental health centers, public health centers, facilities for the developmentally disabled, rehabilitation facilities and drug abuse and alcoholism treatment facilities. Architectural surveys of hospitals, nursing homes and intermediate care homes often indicate a need for modernization or replacement of many of these facilities. As the population increases, additions to these facilities may be needed. Many of Alaska's existing facilities do not meet Life Safety requirements and are not functionally designed to operate efficiently or to provide cost savings through such means as energy conservation.

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The establishment of an alternative financing mechanism for non municipally owned medical facilities would assist communities in developing the services necessary to meet the health needs of their residents in the most cost-effective manner possible.

POSITION PAPER / Department of Health and Social Services

Recommended by: D. Sharon Osborne Date 4/19/78

D. Sharon Osborne, Coordinator
Office of Planning and Research

Approved by: Helen D Beirne Date 4/19/78

Helen D. Beirne, Commissioner
Department of Health & Social Services

Attachment

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
[illegible]
[illegible]

#

02130 NL ANCHORAGE ALASKA 419 04-20 830P AST

PMS REP LISA RUDD DELIVER ABOUT 9AM

ROOM 647 COURT BLDG Attn: Members of House C+RA Committee

JUN

FOR TESTIMONY BEFORE THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE ON HB917

PROVIDENCE HOSPITAL OPPOSED HB917, QUOTE AN ACT RELATING TO AN (ALASKA MEDICAL FACILITY AUTHORITY) UNQUOTE FOR THE FOLLOWING REASONS:

1. WE DO NOT UNDERSTAND WHY THIS BILL WAS FILED AT ALL. THERE IS ABSOLUTELY NO CLEAR EVIDENCE THAT THERE EXISTS INADEQUATE OR INSUFFICIENT MEDICAL CARE AND HEALTH CARE FACILITIES FOR THE RSIDENTS OF THE STATE OF ALASKA.

2. ADEQUATE PUBLIC AND PRIVATE FINANCING OF MEDICAL FACILITIES IS ALREADY AVAILABLE WHENTHERE IS A DEMONSTRATED NEED FOR A FACILITY AND DEMONSTRATED FINANCIAL FEASIBILITY ADDITIONAL SOURCES OF FUNDING ARE NOT NEEDED. PRIVATE SOURCES OF MONEY AVAILABLE INCLUDE DIRECT OBLIGATION BONDS AND MORTGAGES. GOVERNMENT SOURCES INCLUDE MUNICPAL TAX-EXEMPT BONDS, FUNDS UNDER PUBLIC LAW 93-641 (THE OLD HILL BURTON LAW), AND FUNDS BY THE PUBLIC HEALTH SERVICE, NATIVE CORPORATIONS, REVENUE SHARING AND OTHER PROGRAMS.

3. THE BILL IS VERY UNCLEAR REGARDING THE RELATIONSHIP OF FACILITIES FUNDED BY THE AUTHORITY TO THE EXISTING STATE

CERTIFICATE OF NEED LAW. ANY MEDICAL FACILITY CONSTRUCTION MUST GO THROUGH THE CURRENT STATE CERTIFICATE OF NEED PROCESS PRIOR TO MAKING FUNDING AVAILABLE.

4. THE BILL IS DIRECTLY CONTRARY, IN PHILOSOPHY, TO ALL EXISTING CONFLICT OF INTEREST LEGISLATION IN ALASKA. SECTION 18.26.130 OF THIS BILL PERMITS BOARD MEMBERS OF THE AUTHORITY TO DIRECTLY BENEFIT FROM THE DESIGNATION OF THE BOARD. ALL A BOARD MEMBER HAS TO DO IS TO DISCLOSE A CONFLICT OF INTEREST AND REMOVE HIMSELF FROM THE VOTING ON THAT ISSUE.

5. THE BILL MAY BE IN VIOLATION OF THE CONSTITUTION OF THE STATE OF ALASKA. SECTION 18.26.140 OF THIS BILL, PROVIDES THAT ONCE THE AUTHORITY PLEDGES REVENUE TOBOND HOLDERS, THAT THE PLEDGE WILL TAKEPRIORITY OVER ALL CONTRACT OR TORT OBLIGATIONS TO THE EXTENT THE LAW PERMITS THE AUTHORITY TO NOT BE FINANCIALLY RESPONSIBLE FOR BREACHES OF CONTRACTS OR TORTS, IT IS IN VIOLATIONOF ARTICLE I SECTION 15 OF THE ALASKA CONSTITUTION. THIS COULD MEAN, FOR EXAMPLE,THAT EITHER THE TATE GETS LEFT HOLDING THE BAG OR AN INJURED PERSON MAY NOT BE JUSTLY COMPENSATED.

6. THE BILL APPEARS TO ESTABLISH ANOTHER BUREAUCRATIC LAYER, WHOSE POWERS HAVE NOT BEEN THOROUGHLY THOUGHT OUT.

7. IN CONCLUSION, THE PEOPLE OF ALASKA HAVE NOT HAD THE OPPORTUNITY FOR ADEQUATE PUBLIC EXPLANATION AND DISCUSSION OF THIS VERY COMPLEX LEGISLATION. WE DO NOT FEEL THIS BILL IS IN THE BEST INTEREST OF THE PEOPLE OF THE STATE OF ALASKA. FOR THESE REASONS, PROVIDENCE HOSPITAL MUST OPPOSE THE PASSAGE OF HB917

CHRIS BEARDELEY FOR AL M. CAMOSSO ADMINISTRATOR

M E M O R A N D U M

TO: Lisa Rudd FROM: Annette Smith

REF: HB 917

I received a telephone call from Ron Nerland, President of the Community Hospital Foundation in Fairbanks (456-6641) He wanted to talk with you about HB 917 and provide any information you may need. He said a Mr. William Doolittle will be attending the hearing on Friday to testify for the Fairbanks hospital and will be bringing with him backup information and letters of support.

This bill, he said, is largely created at the request of the Fairbanks hospital foundation. For a little background, the Community Hospital Foundation was created about 10 years ago and a hospital was built and paid for. About two years ago, an addition was planned for and construction begun. This construction is to be completed late this summer.

The initial cost of this new addition was to be $8 million. The Foundation had a fund raising campaign with a goal of $6 million. They already had $1 million in the bank, and another $1 million was anticipated through revenue sharing.

The total cost has turned out to be $11 million. They received $2.5 million on their first fund raising campaign. They had a second campaign and have $3+ million pledged and they anticipate another $2 million pledged.

Their present financing is through a commercial mortgage financing firm, with a 25 year pay-off at 10% interest. The financing firm has given them interim financing with a committment deadline of December on the total financing package.. Mr. Nerland stated that the shortage of finances will have to come out of room rents.

The more attractive alternative is using tax free revenue bonds at an interest rate of 7%. Over the years this will save the hospital $10 million -- a savings to hospital users as well.

I asked him about the possibility of having the municipality carry the bonds for the hospital. He stated that in order for the municipality to do that, the hospital would have to turn over the title to the municipality. He said there is a very strong feeling in Fairbanks about their people's hospital. The people built it themselves, and they do not wish to turn over the title to any government.

He wanted to stress that if HB 917 is not passed this year, it will not do the Fairbanks people any good, since they must take the first alternative, i.e., commercial financing at 10% by December of this year.

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

Municipality of Anchorage

MEMORANDUM

DATE: April 25, 1978

TO: Lisa Rudd

FROM: The Legislative Advisory Committee of the Municipal Health Commission

SUBJECT: House Bill 917

We attempted to send comments on House Bill 917 for the public hearing scheduled by your committee on Friday, April 21. Unfortunately, the public hearing was over before we were able to telex the information to you. We were informed by your legislative assistant that the committee would accept additional comments on House Bill 917 through mid week. Found attached is the Legislative Review and Recommendations we developed on House Bill 917. We hope your committee will consider our input before making any decisions on this Bill.

LEGISLATIVE REVIEW & RECOMMENDATIONS
OF THE LEGISLATIVE ADVISORY COMMITTEE
OF THE MUNICIPAL HEALTH COMMISSION

1. BILL NUMBER AND TOPIC: House Bill 917 - Alaska Medical Facility Authority.

2. WHAT IS THE CURRENT STATUS OF THE BILL? Presently in House Community and Regional Affairs with additional referral to House HESS.
WHAT IS THE TIME FRAME FOR INFLUENCING THE BILL'S OUTCOME BY THIS COMMITTEE OR COMMISSION? This legislative session.

3. WHAT DOES THE BILL DO? Provides for an organization in the State government that will function as a mechanism through which medical facilities (proposed or existing) can obtain financing.

4. WHO DOES IT AFFECT? Existing and proposed medical facilities and state taxpayers.

5. HOW MUCH DOES IT COST? Unknown.

6. IS IT DIRECTED TO A SPECIFIC GEOGRAPHIC AREA? No.

7. IS IT DIRECTED TO A SPECIFIC GROUP? Yes.
WHO? Owners and operators of existing and proposed medical facilities.
HOW DOES IT AFFECT OTHERS? May affect the public through increased taxes.

8. WHAT ARE ITS STRENGTHS? Alternative (public) mechanism for financing medical facilities.

9. WHAT ARE ITS DRAWBACKS, WEAKNESSES? 1) Transfers to the State the responsibility of a private medical facility to obtain funding. We question this use of public assets to enhance private enterprise.
2) Could be costly to the State taxpayers.
3) Is an added layer of bureaucracy.
4) The Board of Directors are appointed rather than elected.
5) Already have a state and federal legislation that addresses and provides two planning organizations that deal specifically with health facilities and programs. This legislation ignores those planning bodies.
6) May have adverse affects on the development of medical facilities.

10. IS THE IDEA NEW? No.
ARE THERE PRECEDENTS? Yes.
WHERE? Federal Public Law.

11. HOW WOULD THIS BILL AFFECT THE ANCHORAGE HEALTH SERVICES PLAN? Would affect the Anchorage Health Services Plan adversely.

12. WHAT IS THE COMMITTEE'S RECOMMENDATION? That HB 917 DOES NOT become law. for the following reasons:
1) It transfers to the State the responsibility of a private medical facility to obtain funding. We question this use of public assets to enhance private enterprise.
2) It creates an added layer of bureaucracy.
3) The Board of Directors are appointed rather than elected.

4) May be costly to the State taxpayers. Anytime a new office is established secretaries must be hired, phones installed, letterhead printed, public announcements made etc. An office to support the Medical Facility Authority would therefore be costly to the State taxpayers. Additionally, with this legislation allowing the State to manage and operate a medical facility as well as purchase and/or construct real or personal property, the costs and expenses incurred would directly affect the State budget. The potential for cost to the State taxpayers in this case is overwhelming.

5) May have adverse affects on the development of medical facilities. Criteria does not exist in this legislation for selection of the facilities or geographic areas that would benefit from this legislation. Those not selected could be adversely affected by the States action.

6) There exists State and Federal legislation that addresses and provides for planning organizations, Health Systems Agencies, that deal specifically with health facilities and programs. The Health Systems Agencies presently through their review and planning process assess the need for medical facilities throughout the state. This proposed legislation ignores these planning bodies and their orderly plans and processes for medical facility development.

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

HCR
125

LETTER OF INTENT -- CSHCR 125

By the Community and Regional Affairs Committee

Testimony received by the Community and Regional Affairs Committee identified two provisions of regulations submitted by the Alaska Coastal Policy Council for which change is suggested. Both bear upon the desire of members of the committee to maintain the broadest possible opportunity for public participation in and understanding of the process of developing district and state coastal management programs. Specifically,

(1) in 6 AAC 85.120(b), it is the intent of the committee that, in addition to giving of notice of public hearing by newspaper advertisement, where no newspaper of general circulation exists within a community or region, general notice should be given by radio;

(2) in 6 AAC 85.140, it is the intent of the committee that broad public circulation through general notice or radio broadcast be given to recommendations of the Coastal Policy Council in its review of district programs, that the public at-large (rather than only those persons specifically served a written copy of the Council's recommendation) have opportunity to respond with written comments, and that the public at-large enjoy the opportunity to attend all subsequent sessions, including mediation sessions.

Language adopted by the Coastal Policy Council in each of sections cited complies with the letter of each underlying statute; the committee recommends reconsideration and change to more nearly accord with the spirit of public participation and understanding which is the basis of the coastal management program.

PART 6.
ALASKA COASTAL POLICY COUNCIL

Chapter
80. Standards of the Alaska Coastal Management Program
85. Guidelines for District Coastal Management Programs

CHAPTER 80.
STANDARDS OF THE ALASKA COASTAL MANAGEMENT PROGRAM

Article
1. Government process
2. Uses and activities
3. Resources and habitats
4. Areas which merit special attention
5. General provisions

ARTICLE 1.
GOVERNMENT PROCESS

Section
10. Coverage of regulations
20. Public participation and information
30. Program management and coordination

6 AAC 80.010. COVERAGE OF REGULATIONS. (a) This title contains guidelines and standards for the use of and application by districts and state agencies in carrying out their responsibilities under the Alaska Coastal Management Act, AS 46.40, and AS 44.19.891 -- 44.19.894.

(b) Nothing in this chapter or in any district program may be construed as displacing or diminishing the authority of any state agency or local government with respect to resources in the coastal area. Uses and activities conducted by state agencies in the coastal area shall be consistent with the applicable district program and the standards contained in this chapter. In authorizing uses or activities in the coastal area under its statutory authority, each state agency shall grant authorization if, in addition to finding that the use or activity complies with the agency's statutes and regulations, the agency finds that the use or activity is consistent with the applicable district program and the standards contained in this chapter.

(c) At a minimum, the Council will review this title annually.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.020. PUBLIC PARTICIPATION AND INFORMATION. (a) The Council will provide adequate, effective, and continuing opportunities for public participation from the beginning of the Alaska Coastal Management Program. The Council will give notice of when and where opportunities for public participation will be provided before adoption of guidelines and standards, review and approval of district programs and amendments to district programs, and amendments to the Alaska Coastal Management Program.

(b) The Council will not approve a district program or significant amendment of a district program unless evidence of [significant] opportunities for public participation at the district level has been provided.

(c) The Council will make available to the public information and educational materials concerning coastal management, in understandable form, including

(1) a guide for the development of district programs;

(2) maps and narratives describing physical and biological characteristics to be used in establishing boundaries of coastal areas;

(3) areas recommended for Council designation as areas which merit special attention;

(4) maps showing the distribution and abundance of coastal fish and wildlife species with commercial, recreational, subsistence, or general ecological importance;

(5) an identification of major data and information sources concerning coastal management;

(6) a summary of information regarding coastal regions;

(7) summaries of public hearings and workshops;

(8) films and slide programs;

(9) written material summarizing or explaining the Alaska Coastal Management Program; and

(10) the Council's annual report to the legislature.

(d) At public meetings concerning the Alaska Coastal Management Program, the Council will insure that, where reasonably requested, translation into appropriate Native language is provided.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.030. PROGRAM MANAGEMENT AND COORDINATION. (a) The Office of Coastal Management is the designated lead agency for the Alaska Coastal Management Program. The Office of Coastal Management will

(1) present the staff position regarding matters before the Council;

(2) coordinate the activities of state agencies participating in the Alaska Coastal Management Program; and

(3) review state and federal actions for consistency with the Alaska Coastal Management Program, subject to Council review.

(b) The Council will initiate an interagency program of comprehensive resource management for each geographic region contained in AS 44.19.891(a)(1). Regional programs will

(1) assist the Council and districts in identifying uses of state concern[1] and developing management policies for these uses;

(2) provide resource, social, and economic information on a coordinated regional basis; and

(3) assist the Council and districts in identifying, avoiding, or minimizing existing or potential conflicts.

(c) Plans and recommendations developed as part of the regional program described in (b) of this section shall be transmitted to the district through the Office of Coastal Management. District planning efforts shall demonstrate review and consideration of these plans and recommendations. If the final district program proposed does not agree with the regional program plans and recommendations, the differences will be resolved by the Council.

(d) The Council will prepare a manual of standards for the management of land and water uses in the coastal area to assist in the development of district and state agency programs.

Authority: AS 44.19.893
AS 46.40.040

1. "uses of state concern" is defined in AS 46.40.210(6).

ARTICLE 2.
USES AND ACTIVITIES

Section
40. Coastal development
50. Geophysical hazard areas
60. Recreation
70. Energy facilities
80. Transportation and utilities
90. Fish and seafood processing
100. Timber harvest and processing
110. Mining and mineral processing
120. Subsistence

6 AAC 80.040. COASTAL DEVELOPMENT. (a) In planning for and approving development in coastal areas, districts and state agencies shall give, in the following order, priority to

(1) water-dependent uses and activities;

(2) water-related uses and activities; and

(3) uses and activities which are neither water-dependent nor water-related for which there is no feasible and prudent inland alternative to meet the public need for the use or activity.

(b) The placement of structures and the discharge of dredge or fill material into coastal water shall, at a minimum, comply with Parts 320-323, Title 33, Code of Federal Regulations, Navigation and Navigable Waters.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.050. GEOPHYSICAL HAZARD AREAS. (a) Districts and state agencies shall identify known geophysical hazard areas and areas of high development potential in which there is a substantial possibility that geophysical hazards may occur.

(b) Development in areas identified under (a) of this section may not be approved by the appropriate state or local authority until siting, design, and construction measures for minimizing property damage and protecting against loss of life have been provided.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.060. RECREATION. (a) Districts shall designate areas for recreational use. Criteria for designation of areas of recreational use are:

(1) the area receives significant use by persons engaging in recreational pursuits or is a major tourist destination; or

(2) the area has potential for high quality recreational use because of physical, biological, or cultural features.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.070. ENERGY FACILITIES. (a) Sites suitable for the development of major onshore, nearshore, offshore, and OCS energy facilities shall be identified by the state in cooperation with districts.

Who in State?

(b) The siting and approval of major oil and gas facilities shall be based on the policies of the State of Alaska concerning the onshore and nearshore aspects of oil and gas development.

(c) Districts shall consider that the uses authorized by the issuance of state leases for mineral and petroleum resource extraction are specific uses of state concern. District programs and plans shall be consistent with such uses.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.080. TRANSPORTATION AND UTILITIES. (a) Transportation and utility routes and facilities in the coastal area shall be sited, designed, and constructed so as to be compatible with local community goals and desires as expressed in district programs and local comprehensive plans.

(b) Transportation and utility routes and facilities shall be sited inland from beaches and shorelines unless the route or facility is water-dependent or no feasible and prudent inland alternative exists to meet the public need for the route or facility.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.090. FISH AND SEAFOOD PROCESSING. Districts shall identify and may designate areas of the coast suitable for the location or development of facilities related to commercial fishing and seafood processing.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.100. TIMBER HARVEST AND PROCESSING. (a) Commercial timber harvest activities in the coastal area shall be sited in areas where the management of reforestation, using the best available technology, will result in producing a sustained yield of merchantable timber unless the area is to be converted to a use other than timber harvest.

(b) Commercial timber harvest activities in the coastal area shall be conducted so as to meet the following standards:

(1) the location of facilities and the layout of logging systems shall be managed so as to minimize potential for adverse environmental impacts;

(2) assure unrestricted fish movement in coastal waters; and

(3) timber harvest and timber management activities shall be planned and implemented so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats as determined on a case-by-case basis by the Alaska Departments of Natural Resources, Environmental Conservation, and Fish and Game, districts, and appropriate federal agencies.

(c) Commercial timber transport, storage, and processing in the coastal area shall be conducted so as to meet the following standards:

(1) onshore storage of logs shall be encouraged where compatible with the objectives of the Alaska Coastal Management Program;

(2) sites for in-water dumping and storage of logs shall be selected and these activities conducted so as to minimize adverse effects on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not constitute a hazard to navigation;

(3) roads for log transport and harvest area access shall be planned, designed, and constructed so as to minimize mass wasting, erosion, sedimentation, interference with drainage, and adequately maintained until such time as they are returned to their pre-road natural drainage pattern (put to bed); and

(4) stream crossings, including bridges and culverts, shall be kept to a minimum number, designed to withstand seasonal high water and flooding, and provide for unrestricted passage of fish.

(d) Upon the effective date of a regulation adopted under the authority of forest practices legislation establishing a standard corresponding to a standard in this section, the standard in this section will not be applicable.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.110. MINING AND MINERAL PROCESSING. (a) Mining and mineral processing in the coastal area shall be permitted, designed, and conducted so as to be compatible with the standards contained in this chapter, adjacent uses and activities, regional programs, statewide and national needs, district programs, and local comprehensive plans.

(b) Sand and gravel may be extracted from coastal waters, intertidal areas, barrier islands, and spits when there is no feasible and prudent alternative to coastal extraction which will meet the public need for the sand or gravel.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.120. SUBSISTENCE. (a) Districts and state agencies shall recognize and assure opportunities for subsistence usage of coastal areas and resources.

(b) Districts shall identify areas in which subsistence is the dominant use of coastal resources.

(c) Districts may, after consultation with appropriate state agencies, Native corporations, and any other persons or groups, designate areas identified under (b) of this section as subsistence zones in which subsistence shall have priority over all non-subsistence uses and activities.

(d) Before a potentially conflicting use or activity may be authorized within areas designated under (c) of this section, a study of the possible adverse impacts of the proposed potentially conflicting use or activity upon subsistence usage shall be conducted and appropriate safeguards to assure subsistence usage shall be provided.

(e) Districts sharing migratory fish and game resources shall be required to submit compatible plans for habitat management.

Authority: AS 44.19.893
AS 46.40.040

ARTICLE 3.
RESOURCES AND HABITATS

Section
130. Habitats
140. Air, land, and water quality
150. Historic, prehistoric, and archaeological resources

6 AAC 80.130. HABITATS. (a) Habitats in the coastal area which are subject to the Alaska Coastal Management Program include

(1) offshore areas;

(2) estuaries;

(3) wetlands and tideflats;

(4) rocky islands and seacliffs;

(5) barrier islands and lagoons;

(6) exposed high energy coasts;

(7) rivers, streams, and lakes; and

(8) important upland habitat.

(b) The habitats contained in (a) of this section shall be managed so as to maintain or enhance the biological, physical, and chemical characteristics of the habitat which contribute to its capacity to support living resources.

(c) In addition to the standard contained in (b) of this section, the following standards apply to the management of the following habitats:

(1) manage offshore areas as a fisheries conservation zone so as to maintain or enhance the state's sport, commercial, and subsistence fishery;

(2) manage estuaries so as to assure adequate water flow, natural circulation patterns, nutrients, and oxygen levels, and avoid the discharge of toxic wastes, silt, and destruction of productive habitat;

(3) manage wetlands and tideflats so as to assure adequate water flow, nutrients, and oxygen levels and avoid adverse effects on natural drainage patterns, the destruction of important habitat, and the discharge of toxic substances;

(4) manage rocky islands and seacliffs so as to avoid the harassment of wildlife, destruction of important habitat, and the introduction of competing or destructive species and predators;

(5) manage barrier islands and lagoons so as to maintain adequate flows of sediments, detritus, and water, avoid the alteration or redirection of wave energy which would lead to the filling in of lagoons or the erosion of barrier islands, and discourage activities which would decrease the use of barrier islands by coastal species, including polar bears and nesting birds;

(6) manage high energy coasts by assuring the adequate mix and transport of sediments and nutrients and avoiding redirection of transport processes and wave energy; and

(7) manage rivers, streams, and lakes to protect natural vegetation, water quality, important fish or wildlife habitat, and natural water flow.

(d) Uses and activities in the coastal area which will not conform to the standards contained in (b) and (c) of this section may be allowed by the district or appropriate state agency providing the following are established:

(1) significant public need for the proposed use or activity;

(2) no feasible and prudent alternative to meet the public need for the proposed use or activity which would conform to the standards contained in (b) and (c) of this section; and

(3) all feasible and prudent steps to maximize conformance with the standards contained in (b) and (c) of this section will be taken.

(e) In applying this section, districts and state agencies may use appropriate expertise, including regional programs referred to in sec. 30(b) of this chapter.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.140. AIR, LAND, AND WATER QUALITY. Notwithstanding any other provision of this chapter, the statutes, regulations, and procedures of the Alaska Department of Environmental Conservation with respect to the protection of air, land, and water quality are incorporated into the Alaska Coastal Management Program and, as administered by that agency, constitute the components of the coastal management program with respect to those purposes.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.150. HISTORIC, PREHISTORIC, AND ARCHAEOLOGICAL RESOURCES. Districts and appropriate state agencies shall identify areas of the coast which are important to the study, understanding, or illustration of national, state, or local history or prehistory.

Authority: AS 44.14.893
AS 46.40.040

ARTICLE 4.
AREAS WHICH MERIT SPECIAL ATTENTION

Section
160. Areas Which Merit Special Attention

6 AAC 80.160. AREAS WHICH MERIT SPECIAL ATTENTION. (a) Districts and appropriate state agencies shall recommend to the Council areas to be designated as areas which merit special attention.[2] Recommendations shall include the following information:

(1) the basis or bases for designation pursuant to AS 46.40.210(1) or (b) of this section;

(2) a map showing the geographical location, surface area, and, where appropriate, bathymetry of the area;

(3) a description of the area which includes dominant physical and biological features;

(4) the existing ownership, jurisdiction, and management status of the area, including existing uses and activities;

(5) the existing ownership, jurisdiction, and management status of adjacent shoreland and sea areas, including existing uses and activities;

(6) present and anticipated conflicts among uses and activities within or adjacent to the area, if any; and

(7) a proposed management scheme, consisting of the following:

(A) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to land and water within the area;

(B) a summary or statement of the policies which will be applied in managing the area; and

(C) an identification of the authorities which will be used to implement the proposed management scheme.

(b) In addition to the categories contained in AS 46.40.210(1), areas which merit special attention may include the following:

(1) areas important for subsistence hunting, fishing, food gathering, and foraging;

(2) areas with special scientific values or opportunities, including those where ongoing research projects could jeopardized by development or conflicting uses and activities; and

2. "areas which merit special attention" is defined in AS 46.40.210(1).

(3) potential estuarine or marine sanctuaries.

(c) Management schemes for areas which merit special attention shall preserve, protect, enhance, or restore the value or values for which the area was designated.

Authority: AS 44.19.893
AS 46.40.040

ARTICLE 5.
GENERAL PROVISIONS

Section
170. Definitions

6 AAC 80.170. DEFINITIONS. In this chapter

Real Word?

(1) "barrier islands and lagoons" means depositional coastal environments formed by deposits of sediment offshore or coastal remnants which form a barrier of low-lying islands and bars protecting a salt-water lagoon with free exchange of water to the sea;

(2) "coastal water" means those waters adjacent to shorelines which contain a measurable quantity of seawater, including sounds, bays, lagoons, bayous, ponds, and estuaries, and the living resources which are dependent on these waters;

(3) "Council" means the Alaska Coastal Policy Council;

(4) "district" means coastal resource district as defined in AS 46.40.210(2);

(5) "district program" means district coastal management program;

(6) "estuary" means a semi-closed, coastal body of water which has a free connection with the sea and within which seawater is measurably diluted with freshwater derived from land drainage;

(7) "exposed high-energy coasts" means open and unprotected sections of coastline with direct exposure to ocean generated wave impacts and usually characterized by coarse sand, gravel, boulder beaches, and well-mixed coastal waters;

(8) "facilities related to commercial fishing and seafood processing" include hatcheries and related facilities, seafood processing plants and support facilities, marine industrial and commercial facilities, and aquaculture facilities;

(9) "geophysical hazards" include potential flooding, tsunami run-up, landslides, snowslides, severe faults, and ice hazards;

(10) "mining and mineral processing" means the development of mineral resources extracted in tidal rivers, coastal waters, and on continental shelves of the open sea, and found in surface, subsurface, and aqueous deposits;

(11) "offshore areas" means submerged lands and waters seaward of the coastline;

(12) "rocky islands and seacliffs" means islands of volcanic or tectonic origin with rocky shores and steep faces, offshore rocks, capes, and steep rocky seafronts;

(13) "tideflats" means mostly unvegetated areas that are alternately exposed and inundated by the falling and rising of the tide;

(14) "transportation and utility routes and facilities" include power transmission lines, mineral slurry, oil and gas pipelines, land and marine corridors, railways, highways, roadways, air terminals, water and sewage transfer, and facilities required to operate and maintain them;

(15) "upland" means drainages, aquifers, and land, the use of which would have a direct and significant impact on coastal waters;

(16) "water-dependent" means a use or activity which can be carried out only on, in, or adjacent to water areas because the use requires access to the water body;

(17) "water-related" means a use or activity which is not directly dependent upon access to a water body, but which provides goods or services that are directly associated with water-dependence and which, if not located adjacent to water, would result in a public loss of quality in the goods or services offered; and

(18) "wetlands" includes both freshwater and saltwater wetlands; freshwater wetlands means those environments characterized by rooted vegetation which is partially submerged either continuously or periodically by surface freshwater with less than .5 parts per thousand salt content and not exceeding three meters in depth; saltwater wetlands means those coastal areas along sheltered shorelines characterized by halophytic hydrophytes and macroalgae extending from extreme low tide to an area above extreme high tide which is influenced by sea spray or tidally-induced watertable changes.

Authority: AS 44.19.893
AS 46.40.040

CHAPTER 85.
GUIDELINES FOR DISTRICT COASTAL MANAGEMENT PROGRAMS

ARTICLE 1
PROGRAM ELEMENTS

Section
10. Needs, objectives and goals
20. Organization
30. Boundaries
40. Resource inventory
50. Resource analysis
60. Subject uses
70. Proper and improper uses
80. Policies
90. Implementation
100. Public participation

6 AAC 85.010. NEEDS, OBJECTIVES, AND GOALS. Each district program shall include a statement of the district's overall coastal management needs, objectives, or goals, or the district's comprehensive land and resource use plan.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.020. ORGANIZATION. Each district program shall include a description of the district program organization for coastal management. Budgetary and staff needs and, where appropriate, a schedule for necessary reorganization shall be included.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.030. BOUNDARIES. (a) Each district program shall include a map of the boundaries of the coastal area within the district subject to the district program.

(b) Prior to Council approval of the district program, initial boundaries shall be based on Biophysical Boundaries of Alaska's Coastal Zone,[1] and shall include the zone of direct interaction and the zone of direct influence.

(c) Final boundaries of the coastal area subject to the district program may diverge from the initial boundaries if the final boundaries:

1. available from the Office of Coastal Management, Division of Policy Development and Planning, Office of the Governor.

(1) extend inland and seaward to the extent necessary to manage uses and activities that have or are likely to have a direct and significant impact on coastal waters; and

(2) include all transitional and intertidal areas, salt marshes, saltwater wetlands, islands, and beaches.

(d) Providing that the criteria contained in (c) of this section are met, final boundaries of the coastal area subject to the district coastal management program may be based on political jurisdiction, cultural features, planning areas, watersheds, topographic features, uniform setbacks, or the dependency of uses and activities on water access.

(e) The boundaries of the district shall be sufficiently compatible with those of adjoining areas to allow consistent administration of the Alaska Coastal Management Program. What Mean ?

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.040. RESOURCE INVENTORY. Each district program shall include a resource inventory which describes, in a manner, sufficient for program development and implementation:

(1) habitats contained in 6 AAC 80.130 that are found within and adjacent to the district;

(2) major cultural resources that are found within and adjacent to the district;

(3) major land and water uses and activities which are conducted within and adjacent to the district;

(4) major land and resource ownership and management responsibilities within and adjacent to the district; and

(5) major historic, prehistoric, and archaeological resources which are found within and adjacent to the district.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.050. RESOURCE ANALYSIS. Each district program shall include a resource analysis which describes, in a manner sufficient for program development and implementation:

(1) significant anticipated changes in elements listed under sec. 40 of this chapter;

(2) an evaluation of the environmental capability and sensitivity of resources and habitats, including cultural resources, for land and water uses and activities; and

(3) an assessment of the present and anticipated needs and demands for coastal habitats and resources.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.060. SUBJECT USES. Each district program shall include a description of the land and water uses and activities which are subject to the district program. The uses and activities contained in 6 AAC 80 shall, if applicable, be subject to the district program.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.070. PROPER AND IMPROPER USES. Each district program shall include a description of the uses and activities, including uses of state concern, that will be considered proper and the uses and activities, including uses of state concern, that will be considered improper within the coastal area, including land and water use designations. This description shall be based on the district's statement of overall needs, objectives, or goals, or the district's comprehensive land and resource use plan, under sec. 10 of this chapter, and shall be consistent with the standards contained in ch. 80 of this title.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.080. POLICIES. Each district program shall include a summary or statement of the policies that will be applied to land and water uses and activities subject to the district program and the process which will be used to determine whether specific proposals for land and water uses and activities will be allowed. It shall be the general policy of the district to approve specific proposals for uses and activities within areas designated for those uses and activities under sec. 70 of this chapter. Districts shall use existing means appropriate for the evaluation of specific proposals to the greatest extent feasible and prudent. Policies and procedures under this section shall be consistent with the standards contained in ch. 80 of this title and shall meet the following criteria:

(1) comprehensiveness, so as to apply to all uses, activities, and areas in need of management;

(2) specificity, so as to allow clear understanding of who will be affected by the district program, how they will be affected, and whether specific proposals for land and water uses and activities will be allowed; and

(3) enforceability, so as to insure implementation of and adherence to the district program.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.090. IMPLEMENTATION. Each district program shall include a description of the methods and authorities which will be used to implement the district program. Methods and authorities must be adequate to insure program implementation and any additional methods or authorities which are required shall be specified. Methods and authorities include: land and water use plans; municipal ordinances and resolutions, including shoreline, zoning, and subdivision ordinances and building codes; state and federal statutes and regulations; capital improvements programs; the purchase, sale, lease, or exchange of coastal land and water resources; cooperative agreements; tax exemptions for non-development purchase of development rights; memoranda of understanding; and coordinated project or permit review procedures.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.100. PUBLIC PARTICIPATION. Each district program shall include evidence of effective and significant opportunities for public participation in program development, under sec. 120 of this chapter.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

ARTICLE 2.
GOVERNMENT PROCESS

Section
110. Submittals to Council
120. Public involvement
130. Coordination and review
140. Council review

6 AAC 85.110. SUBMITTALS TO COUNCIL. (a) During program development, districts shall submit brief annual progress reports concerning program development to the Council

(b) Following adoption of the final program, districts shall submit brief annual progress reports concerning program implementation to the Council.

(c) All significant amendments to the district program shall be submitted to the Council for approval. The Office of Coastal Management will review proposed amendments to determine if Council approval is required. This determination is subject to Council review when requested by a Council member.

(d) Districts shall give conceptual approval to district programs and significant amendments to district programs prior to their submittal to the Council. The district program as approved by the Council becomes effective upon adoption by the district.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.120. PUBLIC INVOLVEMENT. (a) No less than two public meetings shall be held within the district during program development to inform the public and receive comments concerning the program. A brief summary or report of the matters considered at the public meeting held under this subsection shall be prepared by the district, made available to the public, and retained for inclusion in the record file referred to in sec. 140(c) of this chapter.

(b) At least 30 days before giving conceptual approval to the district program or significant amendment to the district program, the district shall give public notice of the proposed action by conspicuous advertisement in a newspaper of general circulation within the district. The notice must specify the time and place of a public hearing on the proposed action. The public hearing under this subsection may be held not sooner than 10 days after first publication of the notice. At the public hearing, each interested person shall be given the opportunity to present statements, arguments, or contentions, orally or in writing. Districts shall insure that, where reasonably requested, translation into appropriate Native language is provided. The district shall consider all relevant matter presented to it. A written transcript or electronic recording of the public hearing shall be submitted to the Council.

radio also

(c) In addition to the requirements of (b) of this section, districts shall provide publically advertised opportunities for public involvement in the development of all program elements contained in secs. 10 -- 100 of this chapter.

(d) Districts shall provide the public, in a timely manner and in understandable form, information explaining the district coastal management program, the requirements of public participation in program development, how and when the public may

participate in program development, what information is available, and where such information may be obtained.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.130. COORDINATION AND REVIEW. Districts shall provide opportunities for coordination and review by federal, state, and local governmental agencies, including adjacent districts, and others with a significant interest in coastal resources or which are conducting or may conduct uses and activities that have or are likely to have a direct and significant impact on the district's coastal area.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.140. COUNCIL REVIEW. (a) When a district program or significant amendment to a district program is given conceptual approval by the district, the program or amendment together with the transcript or recording of the public hearing held under sec. 120(b) of this chapter and all other material on which the district based its decision shall be submitted to the Council.

(b) Within 30 days of submission of the district program or amendment under (a) of this section, the Office of Coastal Management will issue a quasi-legislative recommendation. The recommendation may be based, in whole or in part, on matters not submitted by the district under (a) of this section. Any matters so used shall be identified in the recommendation. The recommendation will contain findings and conclusions based on this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, and AS 46.40.070. The recommendation will be served on the district, the Council, and all persons who testified or submitted timely written statements at the public hearing held under sec. 120(b) of this chapter.

(c) A record file containing all matter submitted by the district under (a) of this section, the Office of Coastal Management's recommendation under (b) of this section, and all matters on which the recommendation was based will be maintained at the Office of Coastal Management and at a convenient location within the district.

(d) Within 30 days after service of the recommendation, any person served with the recommendation may serve upon the Council comments on the recommendation. Within 10 days after the deadline for serving comments on the Council under this subsection, the Office of Coastal Management may submit additional matter to the Council in response to the comments. All comments served and all additional matter submitted under this subsection will be placed in the record file.

(e) Within 20 days after the deadline for the Office of Coastal Management's submission of additional matter to the Council under (d) of this section, the Council will approve or disapprove the district program, in whole or in part. The Council's decision will contain findings and conclusions based on this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, AS 46.40.070, and matter contained in the record file. The Council will, in its discretion, adopt the findings and conclusions of the Office of Coastal Management by reference. The Council will serve its decision under this subsection on the district, on all persons who submitted timely comments on the staff recommendation under (d) of this section, and place the decision in the record file.

(f) If the Council's decision under (e) of this section disapproves, in whole or in part, the district program, the decision will specify the date and location for the initial mediation session under AS 46.40.060(b). Mediation sessions will be held within the district and scheduled with due regard for the convenience of the participants. Any person served with the Council's decision under (e) of this section may attend mediation sessions.

(g) If the Council and district reach accord in mediation sessions held under (f) of this section, the Council will, within 20 days after reaching accord, serve its modified decision on the district, all persons who were served with the Council's decision under (e) of this section, and place the modified decision in the record file. The modified decision will contain findings and conclusions, based on the record file and additional matters adduced during mediation, necessary to demonstrate that the modified decision does not violate this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, and AS 46.40.070.

(h) If the Council and the district do not reach an accord, the Council will, within 20 days after its determination that an impasse has been reached, set the matter for adjudicatory hearing pursuant to AS 46.40.060(c). Notice of the hearing under AS 44.62.370(c) will be served on the district and all persons who were served with the Council's decision under (e) of this section. Any person served with notice of the hearing under this subsection may intervene as a party to the hearing.

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

ARTICLE 3.
GENERAL PROVISIONS

Section
150. Definitions

6 AAC 85.150. DEFINITIONS. In this chapter

(1) "beaches" means the area affected by wave action directly from the sea;

(2) "coastal water" has the same meaning as in 6 AAC 80.170(2);

(3) "Council" means the Alaska Coastal Policy Council;

(4) "district" means coastal resource district as defined in AS 46.40.210(2);

(5) "district program" means district coastal management program;

(6) "islands" means bodies of land surrounded by water on all sides; interior portions of major islands may be excluded if uses of these lands do not cause direct and significant impacts on coastal waters;

(7) "saltwater wetlands" has the same meaning as that contained in 6 AAC 80.170(18); and

(8) "transitional and intertidal areas" means areas subject to periodic or occasional inundation by tides, as, for example, coastal floodplains, storm surge areas, tsunami and hurricane zones, and washover channels.

ALASKA
STATE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

State Capitol

INTER-AGENCY ROUTING SLIP

TO: Annette

ATTN:

REMARKS: I think this should take care of the problem with respect to the CZM regs and their subsequent amendment by the Coastal Policy Council.

FROM: jc DATE: 5/2

AS 46.40.080 is amended to read:

Sec. 46.40.080. EFFECTIVE DATE OF ALASKA COASTAL MANAGEMENT REGULATIONS AND PROGRAM. The Alaska coastal management regulations adopted under sec. 40 of this chapter, the coastal management program adopted by the council, and any additions, revisions, or amendments of those regulations or of the program, take effect upon adoption of a concurrent resolution of approval adopted by a majority of the members of each house of the legislature or by a vote of approval of a majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.

SUMMARY OF COUNCIL CHANGES TO FINAL DRAFT,

ACMP GUIDELINES AND STANDARDS

This paper summarizes the major comments received from public hearings on the Hearing Draft of the Guidelines and Standards, and shows in a general way, how the Alaska Coastal Policy Council dealt with those comments. At its meeting on March 30 and 31, the Council was presented with a Staff Recommendations draft of the Guidelines. The Council used this and the hearing comments to produce their final guidelines which were then sent to the Legislature and the Attorney General in early April.

Since then, the Attorney General has examined the final guidelines and made a number of clerical and grammatical changes. A revised final draft is now available and attached which contains those changes.

HEARING COMMENTS	COUNCIL RESPONSE
1. Guidelines are too vague, and could lead to interpretation problems. Conversely, others said that the guidelines were too strict and eliminated too many local options.	The Council elected to retain more flexible language to protect local options. To protect from arbitrary interpretation, a careful review and approval procedure was devised and inserted at the end of Chapter 85.(85.140)
2. Unclear as to status of Guidelines, upon whom are they effective?	A new section, 80.010. was added to clarify the applicability of the guidelines.
3. Timber harvest too strict.	This section has been slackened and reduced to allow more flexibility. (See 80.100)
4. All Standards (Art. 80.) sections contain undefined terms, or words which will be difficult to interpret.	All sections in Article 80 have been streamlined with interpretive words eliminated or replacwith court-tested phrases like "feasible and prudent".
5. Many sections contain redundant provisions.	A careful edit has eliminated this,
6. Needs definitions.	A definitions section has been added to the end of each of the two main chapters.
7. Subsistence use needs more detail.	A substantial addition was provided for the subsistence section.

Legislative Intent - As part of the Resolution or separate Letter of Intent

In approving the guidelines and standards as part of the coastal management program, the Legislature does not abrogate its right to annul any regulations in the future as it sees fit.

General Comments on Final Draft of Coastal Management Guidelines and Standards

The final draft of the Guidelines and Standards was extensively rewritten during the Coastal Policy Council's meeting in Juneau March 30-31.

The revision was based essentially on the staff recommendations presented at the Council meeting. The recommendations were designed to reflect the comments and objections that had been made in regard to the previous draft through the public hearing process and written comments from the public.

In general, the final draft represents a shortened, less mandatory, and more forthcoming attitude towards economic activity than the earlier draft.

Two new sections were added: the first section on Coverage of the Regulations and additional sections on Definitions. These were added in response to public hearing comments.

Certain phraseology was either eliminated from the draft or rephrased in the interest of avoiding possible court tests. Phrases such as "to the maximum extent possible (or feasible)" have been eliminated. Mandatory language such as "districts shall avoid" or "actions shall not interfere with...." have also been modified

In place of phrases "to the maximum extent possible", the words "feasible and prudent" have been used extensively. The words "feasible and prudent" were chosen as preferable since they have been defined in federal court cases -- feasible meaning "technologically possible" and prudent meaning "economically and socially reasonable".

In place of wording such as "shall avoid" or "shall not interfere", new language such as "shall be managed so as to minimize potential for adverse impacts" has been substituted.

New flexibility has been put into the regulations under subsistence, for example, by using the phrasing "shall recognize and assure opportunities for subsistence usage" instead of the previous "shall assure subsistence" in an earlier draft. Districts are given the option of designating subsistence as the priority use in subsistence zones, but are not mandated to do so across the board as the earlier draft implied.

Attached are reference sheets to the sections of the Act pertaining to the guidelines and standards and definitions of "uses of state concern" and "areas which merit special attention."

Attachments

Annette Smith
5/2/78

ALASKA COASTAL MANAGEMENT ACT

Sec. 46.35.040. DUTIES OF THE ALASKA COASTAL POLICY COUNCIL. Through the public hearing process and the recording of the minutes of the hearings, the Alaska Costal Policy Council shall

(1) by regulation, adopt under the provisions of the Administrative Procedure Act (AS 44.62), within six months of the effective date of this Act, for the use of and application by coastal resource districts and state agencies for carrying out their responsibilities under this chapter, guidelines and standards for:

(A) identifying the boundaries of the coastal area subject to the district coastal management program;

(B) determining the land and water uses and activities subject to the district coastal management program;

see p.3 (d)

(C) Developing policies applicable to the land and water uses subject to the district coastal management program;

(D) Developing regulations applicable to the land and water uses subject to the district coastal managment program;

(E) developing policies and procedures to determine whether specific proposals for the land and water uses or activities subject to the district coastal management program shall be allowed;

(F) designating and developing policies for the use of areas of the coast which merit special attention; and

(G) measuring the progress of a coastal resource district in meeting its responsibilities under this chapter;

(2) develop and maintain a program of technical and financial assistance to aid coastal resource districts in the development and implementation of district coastal management programs;

(3) undertake review and approval of district coastal managment programs in accordance with this chapter;

(4) initiate a process for identifying and managing uses of state concern within specific areas of the coast;

(5) develop procedures or guidelines for consultation and coordination with federal agencies managing land or conducting activities potentially affecting the coastal area of the state.

COASTAL MANAGEMENT ACT

Definitions from the Act:

(1) AREA WHICH MERITS SPECIAL ATTENTION means a delineated geographic area within the coastal area which is sensitive to change or alteration and which, because of plans or commitments or because a claim on the resources within the area delineated would preclude subsequent use of the resources to a conflicting or incompatible use, warrants special management attention, or which, because of its value to the general public, should be identified for current or future planning, protection, or acquisition; these areas, subject to council definition of criteria for their identification, include:

(A) areas of unique, scarce, fragile or vulnerable natural habitat, cultural value, historical significance, or scenic importance;

(B) areas of high natural productivity or essential habitat for living resources;

(C) areas of substantial recreational value or opportunity;

(D) areas where development of facilities is dependent upon the utilization of, or access to, coastal waters;

(E) areas of unique geologic or topographic significance which are susceptible to industrial or commercial development;

(F) areas of significant hazard due to storms, slides, floods, erosion or settlement; and

(G) areas needed to protect, maintain, or replenish coastal land or resources, including coastal flood plains, aquifer recharge areas, beaches and offshore sand deposits.

COASTAL MANAGEMENT ACT

Definitions from the Act:

(6) USES OF STATE CONCERN means those land and water uses which would significantly affect the long-term public interest; these uses, subject to council definition of their extent, include:

(A) uses of national interest, including the use of resources for the siting of ports and major facilities which contribute to meeting national energy needs, construction and maintenance of navigational facilities and systems, resource development of federal land, and national defense and related security facilities that are dependent upon coastal locations;

(B) uses of more than local concern, including those land and water uses which confer significant environmental, social, cultural, or economic benefits or burdens beyond a single coastal resource district;

(C) the siting of major energy facilities or large-scale industrial or commercial development activities which are dependent on a coastal location and which, because of their magnitude or the magnitude of their effect on the economy of the state or the surrounding area, are reasonably likely to present issues of more than local significance;

(D) facilities serving statewide or interregional transportation and communication needs; and

(E) uses in areas established as state parks or recreational areas under AS 41.20 or as state game refuges, game sanctuaries or critical habitat areas under AS 16.20.

M E M O

TO; Lisa FROM: Annette

May 1, 1978

SUBJECT: CZM Guidelines and Standards

I asked Murray Walsh of the Coastal Management Office to provide us with a one or two page summary of the major changes from the hearing draft of the guidelines to the final draft. Murray will also be here Wednesday morning to answer questions about the Guidelines. Mr. Allington also plans to attend.

Murray reported the Attorney General has made several changes in the final draft -- mostly clerical, he assures me. He expects to have the new final draft delivered to us tomorrow. I will distribute it to the members as soon as I get it.

Vivian Hegg of the Legue of Women Voters, paid a visit. She will be prepared to give testimony on the guidelines and standards on Wednesday. Her main concerns were that if the Legislature annulled some of the regulations, the Districts would be left at a disadvantage in developing their programs. She asked if there were problems areas if a letter of intent could accomplish the same purpose without annulling the regulations.

I can appreciate her point with regard to guidance for the local districts. However, I would be a bit concerned about the legal and political ramifications of a letter of intent to the effect that certain regulations need revision. Such a letter could be used as evidence in a suit for ex mple. Better, a simple letter to the Council requesting revisions, though this is not as strong as outright annullment.

Ms Hegg also raised a possible problem with the guidelines and standards being accepted as part of the program and/or being approved by the full Legislature.

1) The Act does not state they are part of the program;
2) The Act does not state that they need approval by the Legislature;
3) Question of whether the Administrative Regulation Review Committee can review and recommend annulment of regulations once approved by the whole body;
4) What happens with future revisions and amendments to the regulations by the Counci? Is Legislative approval needed before any changes can take effect?
5) Jack Chenoweth recommends clarifying the Act as to whether guidelines and standards will be part of the program or if not, how any future amendments to the regulations will be handled.

02-001B (Rev. 10/76)

STATE
of ALASKA

MEMORANDUM

TO: Annette Smith
Administrative Assistant
House Community and Regional
Affairs Committee

DATE: May 1, 1978

FILE NO:

TELEPHONE NO:

FROM: Murray R. Walsh
Coordinator
Alaska Coastal Management Program

SUBJECT: Summary of Changes to ACMP Guidelines and Standards

As you requested I have written a short summary of the major areas of change between the January 1978 Hearing Draft of the ACMP Guidelines and Standards. The revision as per the Attorney General's review is not available this afternoon, but will be sent to you as soon as possible.

cc: Ben Harding
Senate Community and Regional
Affairs Committee

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Since then, the Attorney General has examined the final guidelines and made a number of clerical and grammatical changes. A revised final draft is now available and attached which contains those changes.

HEARING COMMENTS	COUNCIL RESPONSE
1. Guidelines are too vague, and could lead to interpretation problems. Conversely, others said that the guidelines were too strict and eliminated too many local options.	The Council elected to retain more flexible language to protect local options. To protect from arbitrary interpretation, a careful review and approval procedure was devised and inserted at the end of Chapter 85.(85.140)
2. Unclear as to status of Guidelines, upon whom are they effective?	A new section, 80.010. was added to clarify the applicability of the guidelines.
3. Timber harvest too strict.	This section has been slackened and reduced to allow more flexibility. (See 80.100)
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5. Many sections contain redundant provisions.	A careful edit has eliminated this,
6. Needs definitions.	A definitions section has been added to the end of each of the two main chapters.
7. Subsistence use needs more detail.	A substantial addition was provided for the subsistence section.

STATE OF ALASKA

THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 28, 1978

SUBJECT: Opinion request: Review and approval of coastal management regulations

TO: Senator Joseph L. Orsini

FROM: John B. Chenoweth
Legislative Counsel

Your March 27th request of Bill Berrier with respect to the scope of legislative review of pending coastal management regulations has been referred to me for reply.

The scope of legislative review of regulations embodying guidelines and standards applicable to the adoption and implementation of coastal management programs by municipalities and service areas does not appear to me to differ from the scope of review authorized for other agency regulations under AS 44.62.320: the Legislature may, by concurrent resolution, annul an agency-adopted regulation. Nothing requires the Legislature to act on this body of regulations as a single unit, though that is, of course, one means by which the Legislature may proceed.

I am aware of the contention that the regulations required to be adopted by the Coastal Policy Council are ineffective until approved by adoption of a concurrent resolution or by vote of the members at a joint session of the Legislature. The argument presumably rests on AS 46.40.080:

> The Alaska coastal management program adopted by the council, and any additions, revisions, or amendments of the program, take effect upon adoption of a concurrent resolution by a majority of the members of each house of the legislature or by a vote of the majority of the members of each house at the time the houses are convened in joint session to confirm executive appointments submitted by the governor.

I cannot say that the section cited requires prior affirmative action of the council's regulations. Prior approval is mandated for "the coastal management program" and for "additions, revisions, and amendments of the [coastal management] program," which, in the context of the legislation (absent a definition of the term "program"), appears to include only the individual planning elements prepared by the municipalities and service areas. As AS 46.40 now reads, it is not certain that approval by the Legislature is a requisite to having the regulations take effect.

The Legislature may not directly rewrite or repromulgate administrative regulations. It may amend or repeal the underlying statutory authority, thereby necessitating review and repeal or revision of affected regulations.

Because prior legislative approval of the council submission is not required under the interpretation offered herein, your question regarding the propriety of approval followed by later legislative review (presumably for purposes of annulment of the regulation) is moot.

JBC:jpd

STATE OF ALASKA

COASTAL POLICY COUNCIL

January 23, 1978

LOCAL MEMBERS:
Roger Allington,
Northern Southeast,
Co-Chairman
Roger Eaperstrom,
Bering Straits
Donald Gilman,
Lower Cook Inlet
Eben Hopson,
Northwest
Malcolm "Pete" Isleib,
Prince William Sound
Stan Paulson,
Southwest
Robert Sanderson,
Southern Southeast
Lidia Selkregg,
Upper Cook Inlet
Betty Wallin,
Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer,
Director of Policy
Development &
Planning,
Co-chairwoman
Donald Harris,
Commissioner of
Transportation &
Public Facilities
Phillip Hubbard,
Commissioner of
Commerce &
Economic
Development
Robert LeResche,
Commissioner of
Natural Resources
Lee McAnerney,
Commissioner of
Community &
Regional Affairs
Ernst Mueller,
Commissioner of
Environmental
Conservation
Ronald Skoog,
Commissioner of
Fish & Game

Pursuant to your interest in the Alaska Coastal Management Program we are sending you a copy of the proposed Guidelines and Standards as approved for public hearing by the Coastal Policy Council at their January 13th-14th meeting. Statewide public hearings have been scheduled from February 15th through March 4th as indicated on the hearing notice attached.

If you have any questions, please call the Office of Coastal Management at 465-3541.

Sincerely,

Frances A. Ulmer

Frances A. Ulmer, Co-Chairman

Roger W. Allington, Co-Chairman

ALASKA
COASTAL MANAGEMENT PROGRAM

NOTICE OF PROPOSED ADOPTION OF REGULATIONS

OF THE ALASKA COASTAL POLICY COUNCIL

Notice is hereby given that the Alaska Coastal Policy Council, under authority vested by AS 46.40.040(1) and AS 44.19.893(1), proposes to adopt regulations in Title 6, Part 5 of the Alaska Administrative Code to implement AS 46.40.040(1) and AS 44.19.893(1). These proposed regulations will constitute the guidelines and standards of the Alaska Coastal Management Program, for the use of and application by coastal resource districts and state agencies, and include comprehensive standards for the management of uses, activities, resources, and habitats in the coastal area and guidelines for the development of district coastal management programs.

The proposed regulations are organized as follows:

Chapter 80: Standards of the Alaska Coastal Management Program.

Article 1: Government process.
Article 2: Uses and activities.
Article 3: Resources and habitats.
Article 4: Areas which merit special attention.

Chapter 85: Guidelines for District Coastal Management Programs.

Notice is also given that any person interested may present oral or written statements or arguments relevant to the action proposed at hearings to be held at the following locations and times:

Juneau 7:00 pm on Feb. 15 in the City-Borough Assembly Chambers.
Kodiak 7:30 pm on Feb. 20 in the Borough Assembly Chambers.
Sitka 7:00 pm on Feb. 20 in the Centennial Building.
Barrow 7:30 pm on Feb. 20 in the North Slope Borough Building.
Anchorage 7:00 pm on Feb. 22 in the Anchorage Historical and Fine Arts Museum.
Nome 7:30 pm on Feb. 22 in the City Hall, Council Chambers.
Unalaska 7:30 pm on Feb. 23 in the Unalaska School.
Kotzebue 7:30 pm on Feb. 24 in the City Hall, Council Chambers.
Cordova 7:30 pm on Feb. 28 in the Library Council Chambers.
Dillingham 7:30 pm on Feb. 28 in the City Hall.
Valdez 7:30 pm on Mar. 1 in the Council Chambers.
Ketchikan 7:30 pm on Mar. 1 in the Council Chambers.
Bethel 7:30 pm on Mar. 2 in the Courthouse/City Office Building, Council Chambers.
Kenai 7:30 pm on Mar. 3 in the Kenai Peninsula Borough Building, Assembly Room.
Homer 1:00 pm on Mar. 4 at the Homer Museum.

Copies of the proposed regulations may be obtained from municipal offices in the above listed locations or from the following address:

Coordinator
Office of Coastal Management
Division of Policy Development & Planning
Pouch AP
Juneau, Alaska 99811

Any person may file written statements or arguments relevant to the proposed action with the Coordinator, Office of Coastal Management, at the above address. Comments to be considered must be received at the above address on or before March 6, 1978.

The Alaska Coastal Policy Council may at any time after March 6, 1978 adopt the proposals substantially as described above without further notice.

DATED at Juneau, Alaska this 18 day of January, 1978.

Frances A. Ulmer
Co-Chairman
Alaska Coastal Policy Council

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TITLE 6. GOVERNOR'S OFFICE

PART 5. ALASKA COASTAL POLICY COUNCIL.

Chapter
30. Standards of the Alaska Coastal Management Program
85. Guidelines for District Coastal Management Programs

CHAPTER 80.
STANDARDS OF THE ALASKA COASTAL MANAGEMENT PROGRAM

Article
1. Government process
2. Uses and activities
3. Resources and habitats
4. Areas which merit special attention

ARTICLE 1. GOVERNMENT PROCESS

Section
10. Public participation and information
20. Program management and coordination

6 AAC 80.010. PUBLIC PARTICIPATION AND INFORMATION. (a) The Council will provide adequate, effective, and continuing opportunities for public participation from the beginning in the Alaska Coastal Management Program. The Council will give notice of when and where opportunities for public participation will be provided before the adoption of guidelines and standards, the review and approval of district coastal management programs, and the review and approval or adoption of amendments, revisions, or additions to the Alaska Coastal Management Program.

(b) The Council will not approve a district coastal management program or any amendment, revision, or addition thereto unless evidence of significant opportunities for public participation at the district level has been provided.

(c) The Council will make available to the public information and educational materials concerning the Alaska Coastal Management Program in understandable form, including but not limited to the following:

(1) a guide for the development of district coastal management programs;

(2) comprehensive policies to guide the management of coastal uses and activities as they occur in specific coastal areas;

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(3) maps and narratives describing the physical and biological characteristics of coastal areas to be used in establishing boundaries;

(4) areas identified by state agencies and the public for Council designation as areas which merit special attention;

(5) a guide for the siting and development of major petroleum-related facilities in onshore and nearshore areas;

(6) an inventory of coastal fish and wildlife resources, with maps showing the location and range of species with commercial, recreational, or subsistence importance;

(7) an identification of major data and information sources concerning coastal management;

(8) a compilation and summary of information regarding coastal regions, including, where appropriate, a comprehensive list of issues and policies;

(9) summaries of public hearings and workshops;

(10) films and slide and tape programs;

(11) brochures, pamphlets, and tabloids summarizing and explaining the Alaska Coastal Management Program; and

(12) The Council's annual report to the legislature.

(d) At any public meeting concerning the Alaska Coastal Management Program, the Council will insure that, where necessary, translation into the appropriate Native language is provided.

6 AAC 80.020. PROGRAM MANAGEMENT AND COORDINATION. (a) The Office of Coastal Management, in its capacity as staff to the Council, shall be the designated lead agency for the Alaska Coastal Management Program. The Office of Coastal Management shall:

(1) present the official staff position regarding matters before the Council, including but not limited to the review and approval of district coastal management programs;

(2) apply for, receive, use, and distribute funds provided under all sections, except section 308, of the Coastal Zone Management Act of 1972, 16 USC 1451 et. seq., as amended, PL 94-370.

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(3) coordinate the activities of state agencies participating in the Alaska Coastal Management Program and delegate tasks to a specific agency or agencies, as appropriate;

(4) determine the consistency of state actions with the Alaska Coastal Management Program, subject to Policy Council determination if requested by a Council member; and

(5) respond to federal agency determinations of the consistency of federal actions with the Alaska Coastal Management Program, subject to Policy Council response if requested by a Council member.

(b) The Council will identify and adopt management policies and practices for specific uses of state concern and areas of the coast where uses of state concern may be sited and managed.[1] The Council will direct the development of management policies and practices for uses of state concern by state agencies and coastal resource districts.

(c) The Council will initiate an interagency program of comprehensive resource management for each geographic region described in AS 44.19.891(a)(1). Regional programs shall be conducted to:

(1) assist the Council in identifying uses of state concern within specific areas of the coast and developing management policies and practices for these uses and areas;

(2) provide resource, social, and economic information on a coordinated regional basis as necessary for development and implementation of the Alaska Coastal Management Program; and

(3) assist the Council in identifying, avoiding, and minimizing existing or potential conflicts between coastal resource districts and state and national interests.

(d) The mechanics of coordinating district plans with state agency plans and recommendations developed as part of the regional program outlined in (c) of this section shall be as described herein. State agencies having jurisdiction within a district shall transmit their plans and recommendations to the district through the Coordinator of the Office of Coastal Management. District planning efforts shall demonstrate a review and consideration of state agency plans and recommendations. If the final district plan proposed does not agree with state agency plans and recommendations, the differences will be resolved by the Council

1. "Uses of state concern" is defined in AS 46.40.210(6).

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in accordance with this Title and the Alaska Coastal Management Act.

(e) The Council will prepare a manual of standards for the management of land and water uses in the coastal area to assist in the development of district and state agency plans.

ARTICLE 2. USES AND ACTIVITIES

Section
30. Offshore, shoreline, and waterfront development
40. Geophysical hazard areas
50. Recreation and tourism
60. Energy-related facilities
70. Transportation and utilities
80. Fishing and seafood processing
90. Timber harvest
100. Mining and mineral processing
110. Air, land, and water quality
120. Subsistence

6 AAC 80.030. OFFSHORE, SHORELINE, AND WATERFRONT DEVELOPMENT. (a) Development and activities related to development conducted in offshore, shoreline, and waterfront areas shall, to the greatest extent practicable, maintain and enhance:

(1) the resource values and biological productivity of the coastal area;

(2) access to coastal waters by the public;

(3) the availability of sites for water-dependent or water-related uses and activities; and

(4) the national and statewide interests in navigation.

(b) The provisions of 11 AAC 62.030, Protection of Fish and Game, shall apply to development and activities related to development in the coastal area.

(c) Dredging shall be conducted in a manner which minimizes bottom disturbance and adverse effects on mollusks, shellfish, marine and anadromous fish, marine birds and animals, and water quality.

(d) The placement of structures and the discharge of dredged or fill material into coastal waters, nontidal streams, lakes, and adjacent wetlands shall, as a minimum standard, be conducted

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pursuant to Parts 320-323, Title 33, Code of Federal Regulations, Navigation and Navigable Waters, and AS 16.05.870, Protection of Fish and Game.

(e) In planning for and approving uses and activities in shoreline and waterfront areas, coastal resource districts and state agencies shall give, in the following order, priority to:

(1) water-dependent uses and activities;

(2) water-related uses and activities; and

(3) uses and activities which are neither water-dependent nor water-related for which there is no feasible inland location.

6 AAC 80.040. GEOPHYSICAL HAZARD AREAS. (a) Coastal resource districts and appropriate state agencies shall identify or cause to be identified geophysical hazard areas in the coastal area, including but not limited to areas of potential flooding, tsunami run-up, landslides, snowslides, earthquakes, subsidence, severe erosion, and ice hazards.

(b) Development and related activities in geophysical hazard areas may not be approved until siting, design, and construction measures for avoiding or minimizing potential loss of life and damage to property have been provided. In areas of severe hazard potential where siting, design, and construction measures may not be sufficient to avoid or minimize potential loss of life and damage to property, development and related activities shall be prohibited.

6 AAC 80.050. RECREATION AND TOURISM. (a) Coastal resource districts and appropriate state agencies shall identify areas of the coast which:

(1) have been designated as a unit of a local, state, or national park, refuge, or wilderness system;

(2) receive significant use by persons engaging in recreational pursuits or are major tourist destinations;

(3) have a potential for high quality recreational use because of unique physical, biological, ecological, or cultural features;

(4) are important for recreational use because of their proximity to population centers or transportation systems;

(5) provide access to recreational resources;

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(6) are recognized for their scenic value;

(7) are listed or nominated for listing on the National Register of Historic Places; or

(8) are determined to be significant by the state historic preservation officer.

Areas so identified shall have as their dominant management value the protection and public use of the recreation, scenic, or heritage resource for which the area was identified and shall be managed consistently with that value.

(b) The development of recreation and tourism and facilities related to recreation and tourism in the coastal area shall be consistent with the preservation, protection, and enhancement of natural and cultural resources.

6 AAC 80.060. ENERGY-RELATED FACILITIES. Sites suitable for the development of major nearshore and onshore energy-related facilities shall be identified by the state in cooperation with coastal resource districts. The siting and approval of these facilities shall be based on the policies of the State of Alaska concerning the onshore and nearshore aspects of OCS development.[2] Coastal resource districts may use and apply these policies in the preparation of district coastal management programs.

6 AAC 80.070. TRANSPORTATION AND UTILITIES. (a) Transportation and utility routes and facilities in the coastal area shall, to the greatest extent practicable, be sited, designed, and constructed so as to:

(1) avoid adverse impacts on the resources and habitats identified in sec. 130 of this chapter;

(2) be compatible with adjacent uses and activities, local community goals and desires, and regional and statewide needs;

(3) combine more than one mode of transport or utility into common corridors;

(4) allow for the concurrent use of facilities; and

(5) maintain scenic values.

2. As adopted on 01/13/78 by the Alaska Coastal Policy Council; available from the Department of Community and Regional Affairs or the Office of Coastal Management.

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(b) Land based transportation and utility routes and corridors and air-related transportation facilities shall be sited upland from beaches and shorelines unless access to the water is a primary goal or requirement of the route, corridor, or facility and no feasible inland alternative exists.

(c) Water-based transportation and utility routes shall be sited and designed so as to minimize interference with uses and activities related to the harvest of marine plants and animals.

(d) Air-related transportation routes and facilities shall be sited, designed, and constructed so as to minimize interference with wildlife migration, nesting, and breeding provided that such placement does not interfere with safety.

(e) Traditional navigation and transportation routes and aides to navigation shall have high priority for shoreline and in-water locations.

(f) Transportation and utility routes and facilities include but are not limited to power transmission lines, mineral slurry, oil and gas pipelines, land and marine corridors, railways, highways, roadways, air terminals, water and sewage transfer, and facilities required to operate and maintain them.

6 AAC 80.080. FISHING AND SEAFOOD PROCESSING. (a) The offshore waters within the state's jurisdiction are designated a fisheries conservation zone and uses and activities conducted in this area shall be managed so as to maintain and enhance the Alaska sport and commercial fishery. In the management of this area, the State shall coordinate, as appropriate, with the North Pacific Fishery Management Council, the National Marine Fisheries Service, the U.S. Coast Guard, and other federal agencies responsible for implementation of the Fishery Conservation and Management Act of 1976 (Pub. L. 94-265, April 13, 1976).

(b) Coastal resource districts and appropriate state agencies shall identify sites suitable for the location or development of facilities related to commercial fishing and seafood processing. Criteria for the identification of these sites are:

(1) avoidance of adverse impacts on resources and habitats identified in sec. 130 of this chapter;

(2) adherence to all federal and state water quality standards;

(3) minimization of obstructions to navigation; and

(4) compatibility with adjacent uses and activities and community goals and desires.

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(c) Facilities related to commercial fishing and seafood processing include but are not limited to hatcheries and related facilities, seafood processing plants and support facilities, and marine industrial and commercial facilities.

6 AAC 80.090. TIMBER HARVEST. (a) Timber harvest is limited to areas where data and information indicate an absence of reforestation problems that would preclude that area from producing a sustained yield of merchantable timber unless the area is to be converted to a use other than timber harvest.

(b) Timber harvest and associated activities in the coastal area shall be conducted so as to meet the following standards:

(1) the location of facilities and the layout of logging systems shall not adversely impact sensitive areas and shall utilize land that has a minimum potential for water pollution and other adverse environmental impacts;

(2) blockage of and interference with fish movement and habitat in streams, lakes, wetlands, estuaries, and other bodies of water shall be avoided;

(3) shoreline management zones, including but not limited to buffer strips and riparian zones, shall be planned and established along all water courses, lake shores, and marine shorelines; the width of this zone shall be based on ability to withstand blowdown and prevent impacts on fish or wildlife resources as determined on a case-by-case basis by appropriate federal, state, and local expertise; resource values and environmental sensitivity shall determine whether and to what extent timber may be harvested from these zones;

(4) slash, logging debris, and other materials shall be treated so as to enhance reforestation, not constitute a fire hazard, and not interfere with wildlife and fish habitat; and

(5) minimal habitat to maintain game populations and key migratory routes shall be left in timber harvest areas.

(c) Timber transport, storage, and processing in the coastal area shall be conducted so as to meet the following standards:

(1) the onshore storage of logs shall be encouraged where compatible with other objectives of the Alaska Coastal Management Program;

(2) sites for the in-water dumping and storage of logs shall be selected and these activities shall be conducted

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so as to minimize adverse effects on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not consitute a hazard to navigation;

(3) roads for log transport and harvest area access shall be planned, designed, and constructed so as to avoid mass wasting, minimize erosion, sedimentation, and interference with drainage, and adequately maintained for the entire period of timber processing or put to bed; and

(4) stream crossings, including bridges and culverts, shall be kept to a minimum number and designed to withstand seasonal high water and flooding and to prevent obstructions to the migration of anadromous and resident fish.

6 AAC 80.100. MINING AND MINERAL PROCESSING. (a) Mining and mineral processing in the coastal area, including but not limited to the development of mineral resources extracted in tidal rivers, coastal waters, and on continental shelves of the open sea, and found in surface, subsurface, and aqueous deposits, shall be sited, designed, and conducted so as to:

(1) avoid adverse impacts on the resources and habitats identified in sec. 130 of this chapter; and

(2) be compatible with adjacent uses and activities, local community goals and desires, and regional and statewide needs.

(b) Mining and mineral development in the coastal area shall conform to all applicable air and water quality standards and any rules, regulations, or statues relevant to mining and mineral development conducted in coastal waters.

(c) Extraction of sand and gravel in the coastal area shall meet the following additional standards:

(1) all feasible alternatives, including upland alternatives, have been considered;

(2) extraction takes place only during that portion of the year when it will be least harmful to anadromous fish, marine fish, shellfish, mollusks, and marine birds and mammals affected by the extraction;

(3) extraction on marine beaches or offshore dune systems may not initiate or increase significant adverse erosion or deposition; and

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(4) sand or gravel may be removed from estuaries only in areas of active shoaling, provided the shoal is not critical marine habitat. Only the accreted material may be removed.

6 AAC 80.110. AIR, LAND AND WATER QUALITY. Coastal resource districts and state agencies shall use and apply all applicable provisions of 18 AAC, Environmental Conservation, to maintain high standards of air, land, and water quality in the coastal area.

6 AAC 80.120. SUBSISTENCE. Coastal resource districts and appropriate state agencies shall recognize and assure subsistence usage of coastal areas and resources.

ARTICLE 3. RESOURCES AND HABITATS

Section
130. Resources and Habitats

6 AAC 80.130. RESOURCES AND HABITATS. (a) Natural resources and habitats in the coastal area that are subject to the Alaska Coastal Management Program include but are not limited to the following:

(1) offshore areas, including the submerged lands and waters seaward of the coastline extending to the continental shelf break;

(2) estuaries, including semi-enclosed bodies of water having an opening to the sea and containing greater than 0.5 ppt of salt, including but not limited to river mouths, deltas, fjords, inlets, bays, and tidewater glaciers;

(3) wetlands and tideflats, including lands shallowly submerged by water and characterized by vegetation complexes consisting primarily of sedges, rushes, and grasses; coastal wetlands are not strictly limited to the zone inundated by tides and are characterized by coastal marshes which generally have an extensive freshwater zone in the higher area and a tidally influenced saltwater zone in the lower area;

(4) rocky islands and seacliffs, including islands of predominantly volcanic or tectonic origin with rocky shores and steep faces, offshore rocks, capes, and steep rocky sea fronts;

(5) barrier islands and lagoons, including depositional coastal environments formed by deposits of sediments offshore which form a barrier of low-lying islands and bars protecting a salt-water lagoon with a free exchange of water to the sea;

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(6) exposed high energy coasts, including relatively featureless sections of the coastline with direct exposure to ocean generated wave impacts and usually characterized by mixed sand and gravel beaches and an active surf zone;

(7) rivers and lakes; and

(8) coastal uplands, including those upland areas having a direct or significant impact on the coastal area.

(b) Coastal resource districts and appropriate state agencies shall identify and plan for the management of the resources and habitats listed in (a) of this section. The following are the standards which apply to the management of these resources and habitats:

(1) offshore areas - maintain the capacity of offshore areas to support anadromous fish, marine fish, shellfish, marine birds, marine mammals, and supporting species;

(2) estuaries - maintain the capacity of estuaries to support anadromous fish, marine fish, migratory birds, marine birds, mammals and supporting species; maintain adequate water flows and oxygen levels where fish populations overwinter; prohibit the discharge of toxic wastes and materials into estuaries in the winter;

(3) wetlands and tideflats - maintain wetlands habitat for migratory birds, anadromous fish, big game, small mammals, and supporting species;

(4) rocky islands and seacliffs - maintain the availability and quality of rocky island and seacliff breeding habitat for marine mammals, seabirds, and supporting species; avoid harassment, pollution, or the introduction of unnatural predators;

(5) barrier islands and lagoons - maintain the flow of sediments and water; prevent the alteration or redirection of wave energy; prevent the filling in of lagoons or the destruction of barrier islands; discourage activities which may cause polar bears to avoid denning on barrier islands;

(6) exposed high energy coasts - avoid the dumping of materials toxic or harmful to marine life, including but not limited to larvae and juvenile stages of crabs, shrimp, and razor clams, marine fish, and supporting species;

(7) rivers and lakes - maintain the capacity of rivers and lakes to support anadromous fish, migratory birds, small mammals, big game, and supporting species; and

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(3) coastal uplands - maintain upland bird and big game populations.

ARTICLE 4. AREAS WHICH MERIT SPECIAL ATTENTION

Section
140. Areas Which Merit Special Attention

6 AAC 80.140. AREAS WHICH MERIT SPECIAL ATTENTION. (a) Coastal resource districts and appropriate state agencies shall recommend to the Council areas to be designated as areas which merit special attention.[3] Recommendations shall include the following information:

(1) the basis or bases for designation pursuant to AS 46.40.210(1) or (c) of this section;

(2) a map showing the geographical location, surface area and, where appropriate, bathymetry of the area;

(3) a description of the area which includes dominant physical and biological features;

(4) the existing ownership, jurisdiction, and management status of the area, including existing uses and activities;

(5) the existing ownership, jurisdiction, and management status of adjacent shoreland and sea areas, including existing uses and activities;

(6) present and anticipated conflicts among uses and activities within an adjacent to the area, if any;

(7) a proposed management scheme, consisting of the following:

(A) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to land and water within the area;

(B) a summary or statement of the policies which will be applied in managing the area; and

(C) an identification of the authorities which will be used to implement the proposed management scheme.

3. "Areas which merit special attention" is defined in AS 46.40.210(1).

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(b) The Council will designate and establish management schemes for areas which merit special attention. Approval of a district coastal management program which recommends designation of an area pursuant to (a) of this section constitutes a Council designation.

(c) In addition to the categories contained in AS 46.40.210(1), areas which merit special attention may include the following:

(1) areas important for subsistence hunting, fishing, food gathering, and foraging;

(2) areas with special scientific values or opportunities, including but not limited to those where ongoing research projects could be jeopardized by development or conflicting uses and activities; and

(3) potential estuarine or marine sanctuaries.

(d) Management schemes for areas which merit special attention shall preserve, protect, enhance, or restore the value or values for which the area was designated.

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CHAPTER 85. GUIDELINES FOR DISTRICT COASTAL MANAGEMENT PROGRAMS

Section
10. Program elements
20. Submittals to Council
30. Public involvement
40. Coordination and review

6 AAC 85.010. PROGRAM ELEMENTS. Each district coastal management program shall include the elements listed in this section.

(1) A statement of the district's overall needs, objectives, or goals, or the district's comprehensive land and resource use plan.

(2) A description of the district's administrative structure. This structure shall be sufficient for program development and implementation. Budgetary and staff needs, and, where appropriate, a schedule for reorganization shall be included.

(3) A map of the boundaries of the coastal area within the district which is subject to the district coastal management program.

(A) Prior to Council approval of the district program, interim boundaries shall be based on Biophysical Boundaries of Alaska's Coastal Zone[1] and shall include the zone of direct interaction and the zone of direct influence but shall exclude the zone of indirect influence.

(B) Final boundaries of the coastal area subject to the district coastal management program may diverge from the interim boundaries providing the final boundaries:

(i) extend inland and seaward to the extent necessary to manage uses and activities that have or are likely to have a direct and significant impact on the coastal ecosystem; and

(ii) include all transitional and intertidal areas, salt marshes, islands, and beaches.

1. Developed by the Alaska Department of Fish and Game, Marine Coastal Habitat Management Program, 1977; available from the Office of Coastal Management, Division of Policy Development and Planning.

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(C) Providing that the criteria contained in (B) of this subsection are met, final boundaries of the coastal area subject to the district coastal management program may be based on political jurisdiction, cultural features, planning areas, watersheds, topographic features, uniform setbacks, or the dependency of uses and activities on water access.

(D) The Council will insure that the boundaries of an approved district program are sufficiently compatible with those of adjoining areas to allow consistent administration of the Alaska Coastal Management Program.

(4) A resource inventory which describes, in a manner sufficient for program development and implementation, the following:

(A) resources and habitats identified in 6 AAC 80.130 that are found within and adjacent to the district;

(B) major cultural resources that are found within and adjacent to the district, including but not limited to demographic, historical, and financial resources, utilities, and major facilities;

(C) major land and water uses and activities that are conducted within and adjacent to the district; and

(D) major land and resource ownership and management within and adjacent to the district.

(5) A resource analysis which describes, in a manner sufficient for program development and implementation, the following:

(A) significant anticipated changes in (4)(A)-(D) of this section;

(B) an evaluation of the environmental capability and suitability of resources and habitats, including cultural resources, for land and water uses and activities;

(C) an assessment of the present and anticipated needs and demands for coastal resources;

(D) geophysical hazard areas identified pursuant to 6 AAC 80.040;

(E) areas related to recreation and tourism identified pursuant to 6 AAC 80.050;

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(F) sites suitable for the development of major nearshore and onshore energy related facilities identified pursuant to 6 AAC 80.060;

(G) sites suitable for the development of facilities related to fisheries enhancement and commercial fishing and seafood processing identified pursuant to 6 AAC 80.080;

(H) areas important for subsistence hunting, fishing, food gathering, and foraging, pursuant to 6 AAC 80.120.

(I) areas to be recommended for designation as areas which merit special attention pursuant to 6 AAC 80.140; and

(J) an assessment of present and anticipated power and economic development requirements, including but not limited to designation of areas or sites suitable for the development of uses, activities, and facilities, as deemed appropriate by the district.

Existing data and information, including but not limited to data and information listed in 6 AAC 80.010, shall be utilized to the greatest extent practicable in the preparation of the resource inventory and analysis. Appropriate state agencies shall assist coastal resource districts in preparing the resource inventory and analysis.

(6) A statement, list, or definition of the land and water uses and activities which are subject to the district coastal management program. The uses and activities contained in 6 AAC 80.030 - 6 AAC 80.120 shall, if applicable, be subject to the district coastal management program. A district coastal management program may consider uses and activities which are conducted outside of the district if these uses and activities have or could have a direct and significant impact on the district.

(7) A description of the uses and activities, including uses of state concern,[2] that will be considered proper and the uses and activities that will be considered improper with respect to the land and water within the coastal area. This description shall be based upon the district's statement of overall needs, objectives, or goals, or the district's comprehensive land and resource use plan, and shall be consistent with the standards of the Alaska Coastal Management Program contained in 6 AAC 80 and the Alaska Coastal Management Act.

(8) A summary or statement of the policies and regulations that will be applied to the land and water uses and activities subject to the district coastal management program and the policies and procedures which will be used to determine whether

2. "Uses of state concern" is defined in AS 46.40.210(6).

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specific proposals for land and water uses and activities may be allowed. It shall be the general policy of the coastal resource district to approve specific proposals for land and water uses and activities which are consistent with the district coastal management program. Districts shall utilize existing forums and procedures appropriate for the determination of specific proposals to the greatest extent practicable, including but not limited to forums and procedures related to planning and zoning. Policies, regulations, and procedures shall be consistent with the standards of the Alaska Coastal Management Program contained in 6 AAC 80 and shall meet the following criteria:

(A) comprehensibility, so as to provide for all uses, activities, and areas in need of management;

(B) specificity, so as to allow clear understanding of who will be affected by the district coastal management program, how they will be affected, and whether specific proposals for land and water uses and activities may be allowed; and

(C) enforceability, so as to insure implementation of and adherence to the district coastal management program.

(9) A description of the methods and authorities that will be used to implement the district coastal management program. Methods and authorities must be adequate to insure program implementation. Additional methods and authorities which are required shall be specified. Methods and authorities may include but are not limited to land and water use plans, municipal ordinances and resolutions, including shoreline ordinances, zoning ordinances, subdivision ordinances, and building codes, state and federal statutes and regulations, capital improvements programs, the purchase, sale, lease, or exchange of coastal land and water resources, cooperative agreements, memoranda of understanding, and coordinated permit or project review procedures. Coastal resource districts may enter into cooperative management agreements with parties conducting uses or activities outside of the district in conformity with the Alaska Coastal Management Program and this Title.

(10) Evidence of effective and significant public involvement in program development, pursuant to sec. 030 of this chapter.

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6 AAC 85.020. SUBMITTALS TO COUNCIL. (a) During program development, coastal resource districts shall submit brief annual progress reports concerning program development to the Council.

(b) Following approval of the district coastal management program by the Council and adoption of the program by the district, coastal resource districts shall submit brief annual progress reports concerning program implementation to the Council. The Council will review annual progress reports to insure that the district is making adequate progress in complying with the Alaska Coastal Management Act, this Title, and the adopted district coastal management plan.

(c) All significant additions, amendments, and revisions to the district coastal management program shall be submitted to the Council. The Office of Coastal Management shall review proposed additions, amendments, and revisions to determine if Council approval is required. This determination is subject to review by the Council when requested by a council member.

(d) Coastal resource districts shall give conceptual approval to the district coastal management program and significant additions, amendments, and revisions to the district coastal management program prior to their submittal to the Council. Following Council approval, the district shall adopt the program, addition, amendment, or revision.

6 AAC 85.030. PUBLIC INVOLVEMENT. (a) At least two public meetings shall be held within the coastal resource district during coastal management program development to inform the public about and to solicit public comments concerning the program. A brief summary or report of the matters considered shall be prepared by the district and made available to the public following each meeting.

(b) At least 30 days before giving conceptual approval to the district coastal management program or significant additions, amendments, or revisions thereto, the coastal resource district shall give public notice of the proposed action. At least one public hearing shall be held during the period of the notice. At the public hearing, each interested person shall be given the opportunity to present statements, arguments, or contentions, orally or in writing. Districts shall insure that, where necessary, translation into the appropriate Native language is provided. The district shall consider all relevant matter presented to it. A written transcript, minutes, or an electronic recording of the public hearing shall be submitted to the Council as an element of the district coastal management program.

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(c) In addition to the requirements of (b) of this section, coastal resource districts shall provide opportunities for public involvement from the beginning in the development of all program elements.

(d) Coastal resource districts shall provide to the public, in a timely manner and in understandable form, information explaining the district coastal management program, the requirements of public participation in program development, how and when the public may participate in program development, and what information is available.

6 AAC 85.040. COORDINATION AND REVIEW. Coastal resource districts shall provide opportunities for coordination and review by federal, state and local governmental agencies and other parties with a significant interest in coastal resources within or adjacent to the district or which are conducting or may conduct uses and activities that have or are likely to have a direct and significant impact on the coastal resource district.

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--referred to in 6 AAC 80.060--

Policies of the State of Alaska Concerning the Onshore and Nearshore aspects of OCS Development[1]

Policy 1. Optimum location. The state shall ensure that the siting of major onshore and nearshore petroleum-related[2] facilities minimizes adverse environmental and social effects while satisfying industrial requirements. Where possible, siting decisions will not foreclose other land and water uses.

1a. Preliminary siting criteria. The state shall develop preliminary siting criteria for major nearshore and onshore petroleum-related facilities.[3] These criteria should consist of basic siting considerations that would capitalize on the public benefits of OCS development and reduce its adverse effects.

1b. Information needs for evaluating proposals. In order to adequately evaluate major development proposals, the state requires from developers at least the information listed in Table 5.2.[4]

Policy 2. Consolidation. Major petroleum-related facilities shall be consolidated to the maximum extent feasible unless consolidation produces greater adverse environmental or social consequences.

2a. Planning provisions. The state shall encourage industrial facility planning that allows for reasonable expansion and offers adequate assurance that other operators and necessary support industries could share the facility.

2b. Exceptions. Consolidation of onshore facilities shall be discouraged if the capacity of existing facilities cannot be expanded in an environmentally and socially acceptable way. Instances when this might occur include, but are not limited to, the following:

(1) Affected communities oppose the expansion of existing facilities.

1. As adopted by the Alaska Coastal Policy Council 01/13/78.

2. Major nearshore and onshore petroleum-related facilities include: a) marine service bases; b) air transport facilities; c) pipelines and rights-of-way; d) separation, treatment and storage facilities; e) LNG plants; f) transfer terminals related to petroleum production; g) concrete platform fabrication yards; h) refineries; and i) petrochemical plants.

3. Table 5.1, Appendix A.

4. Appendix B.

(2) Additional harbor activities would seriously jeopardize marine safety.

(3) Water supply is insufficient for future demand.

(4) Environmental protection measures (e.g., ballast treatment facilities and solid waste disposal sites) at existing facilities could not be expanded to handle new loads.

(5) Air and water quality problems would be compounded to a point where projected environmental degradation would exceed allowable air and water quality standards.

Policy 3. Compatibility. Industrial and commercial use of land shall be compatible with adjacent uses, projected community needs and high standards of environmental quality.

Policy 4. Concurrent use, reuse, conversion and removal. The state shall encourage the concurrent use of petroleum-related facilities for other economic or public uses if possible, the reuse or conversion of these facilities when no longer needed for petroleum-related activities, and the removal of the facility if it cannot be used for other purposes. The state shall further encourage reclamation and restoration of disturbed areas upon termination of active use.

4a. Study possibilities. The state shall investigate possibilities for concurrent use, reuse and conversion of petroleum-related facilities and incorporate these findings in state land use, economic and public facility planning.

4b. Lease stipulations. Where appropriate, the state will specify concurrent use, reuse, conversion or removal of facilities as stipulations on leases of state uplands, tidelands, submerged lands and shorelands. The state shall also require reclamation or restoration of distrubed areas upon termination of active use on these lands.

Policy 5. Protection of environmental quality. The state shall in all cases consider the effect of development upon: a) vulnerable or unique populations and habitats, b) renewable resources having a high commercial, recreational, cultural and/or aesthetic value, c) areas of high biological productivity and/or diversity, and d) areas of high development hazard. The effect of development on these features of the natural and human environment must be considered in determining optimum locations of development activities (Policy 1), appropriate design of facilities, and compatibility of the proposed development with maintenance of a high level of environmental quality (Policy 3).

5a. Sensitive areas. The state shall protect ecologically sensitive areas, including but not limited to: estuaries, wetlands river deltas, fish spawning grounds, intensive use habitat, bird nesting areas, waterfowl and shorebird staging areas, migration routes, wildlife wintering habitat, and sea mammal rookeries and hauling out grounds, by requiring environmentally acceptable technology or, if necessary, recommending alternate sites.

5b. Facility design. These state shall encourage design, construction, and operation of facilities to maintain a high level of environmental quality through, for example:

(1) use of existing facilities and consolidation of new facilities;

(2) minimizing dredge and fill, clearing, and other surface alteration;

(3) use of environmentally safe technology;

(4) adherence to Alaska's environmental protection laws and regulations pertaining to air quality, water use, water quality and solid waste disposal;

(5) proper burial of submarine pipelines, particularly in trawling areas;

(6) operation of helicopters at sufficient altitudes above seabird colonies and other noise-sensitive habitats to minimize disruption; and

(7) reclamation or restoration of disturbed areas upon termination of active industrial use.

Policy 6. Shoreline development. The state shall encourage reservation of the shoreline for water dependent or water related uses.

Policy 7. Resident employment preferences. Alaskan residents shall receive preference for employment. Resident employment preference shall apply to retention as well as hiring.

7a. Voluntary agreements. The state will encourage the petroleum industry and related companies to adopt resident employment preference policies.

7b. Lease stipulation. As a stipulation on all state leases, the state will require that employment preference be given to Alaskan residents.

Policy 8. Manpower training. The state shall encourage manpower training programs that would qualify the existing resident labor force for jobs in the petroleum industry.

Policy 9. Public costs. Public costs resulting from OCS-related activities shall be shared by state and local governments, the federal government, the petroleum industry and other private developers.

Policy 10. Public facilities. The state shall promote full use of public facilities[5] while ensuring high standards of public service.

10a. New facilities. Before the state plans, funds or constructs new public facilities, they must be justified by the level of economic activity and stable population growth expected through at least the production phase of OCS development.

10b. Temporary facilities. The state shall encourage temporary means of expanding public facilities to handle increased demands of a temporary nature.

Policy 11. Public services. The state shall provide new or expanded public services[6] in a timely fashion.

Policy 12. Public information and opinion. Early in the OCS development process the state shall inform the public about OCS development and obtain public opinion on industrial growth and technological options.

12a. Attitudinal surveys and workshops. The state will encourage and participate in the dissemination of public information on OCS development and the conduct of attitudinal surveys and workshops early in the OCS development process.

12b. Local coastal management programs. The state will encourage the development of local coastal management programs in OCS-affected coastal communities. An approved local coastal management plan will be recognized as an expression of community views regarding industrial growth.

5. Public facilities include, but are not limited to, sewerage and water systems, ports, airports, roads, schools and hospitals.

6. Public servies include, but are not limited to, education, health care, child care, planning, manpower training, social services, and the criminal justice system.

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12c. Orientation of non-resident employees. The state will encourage development companies to conduct orientation programs for non-resident employees on community values and the results of attitudinal surveys to minimize misunderstandings between temporary residents and permanent members of a community.

Policy 13. Local management. The state shall seek to strengthen local planning, fiscal and management roles, including human resources planning and program development. The state shall also offer assistance to communities in coping with the adverse effects of development.

13a. Technical assistance. The state will assist communities in directing growth according to local preferences. In rendering assistance, the state will emphasize consideration of state-wide, regional and minority interests.

13b. State land disposal. The state will to the maximum extent feasible lease, sell or exchange state land in the vicinity of existing communites: a) if such actions enhance local control over development and the site satisfies the state's siting criteria; and b) an approved municipal plan establishes the desirability of expansion onto state-owned parcels and provides for phased growth. Although local preference is a significant factor in deciding whether to lease, sell or exchange state land near existing communities, it is not the only factor. Additional considerations are specified in the Alaska Statutes and Administrative Code.

Policy 14. State-local coordination. Where a community makes a concerted effort to develop and act on its position regarding OCS development, the state shall adapt its actions (e.g. capital investments, leasing, permit issuance) to community preference to the extent that such actions also respect state-wide, regional and minority interests.

Policy 15. Coordination among state agencies. The state shall seek to coordinate at the outset the actions of all state agencies that must eventually act on major development proposals.

15a. Interagency review. The A-95 Clearinghouse should coordinate review of major state actions related to development of the outer continental shelf.

15b. Major state actions. The state shall establish a process through which all major state actions regarding OCS development are coordinated.

15c. Information exchange. The state shall establish a system for improving the transfer of information among state agencies and between them and the public.

Policy 16.. State-federal coordination. The state shall seek to coordinate state and federal development decisions.

16a. Pipeline transportation plan. The state should prepare a comprehensive plan regarding pipeline trasportation and encourage the participation of appropriate federal agencies (e.g., FPG, ICC, BLM, Department of Transportation).

16b. Coastal management. The state's OCS policies will be incorporated into the state's coastal management program. When Alaska's coastal management program receives federal approval, these policies will significantly influence federal coastal decisions.

Policy 17. Cooperative management and development. The state shall seek to cooperate with landowners, developers and government agencies in the development and management of OCS-related onshore facilities.

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APPENDIX A

TABLE 5.1

PRELIMINARY SITING CRITERIA
FOR
MARINE SERVICE BASES
OIL TERMINALS
LNG PLANTS

Onshore vs. offshore. Site facilities onshore until alternatives offshore are proven safe and environmentally acceptable.

Expansion. Select sites with sufficient acreage to allow for reasonable expansion of facilities. (1)

Infrastructure. If possible, site facilities where existing infrastructure (e.g., roads, docks, airstrips) is capable of satisfying industrial requirements. (1)

Navigational safety. Avoid harbors and shipping routes with reefs, shoals, drift ice, and other obstructions that might jeapordize safe navigation.

Site preparation. Select sites where development would entail minimal site clearing, dredging, and construction in productive wetlands, estuaries, deltas, and other sensitive areas. (1)

Tsunami. Site fuel, crude oil, and LNG storage tanks at elevations sufficiently above mean sea level to escape the highest tsunami run-up.

Pipelines. Align pipelines away from active faults and areas of subsidence.

Shipping routes. Site oil terminals so as to minimize the probability of oil spills affecting fishing grounds and spawning grounds.

Fire and explosion. Site fuel, crude oil and LNG storage and transfer areas downwind from populated areas to reduce the hazard of fire and explosion to human populations.

Resource protection. Site facilities so that unique environments and areas of particular scenic, recreational, and cultural value will be protected.

Water quality. Site facilities in areas of least biological productivity, diversity, and vulnerability, and where effluents and spills can be controlled or contained easily.

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Air quality. Site facilities where winds and air currents freely disperse pollutants, thereby reducing their concentrations.

Compatibility. Select sites designated for industrial purposes or well separated from residential, commercial, and institutional land uses, where industrial traffic will not pass through population centers, and vessel movements will not result in overcrowded harbors or interfere with fishing operations and equipment.

---

(1) Application of site preparation, expansion and infrastructure criteria requires basic information on harbor dimensions, acreage and infrastructure needs.

	SERVICE BASE	OIL TERMINAL	LNG PLANT
Harbor depth (ft. below MLLW)		-----	-----
Access channel	20	66	46
Turning basin	19	61	42
Berthing area	18	58	40
Turning Basin (diameter in ft.)	420-840	2,000-4,000	2,100-4,200
Level land near waterfront (ac.)	4-20 (1-2 berths) 63-88 (10 berths)	70-500	40-500
Infrastructure			
Airstrip (ft.)	5,000	5,000	5,000
Dock (ft.)	200-2,000	1,000	1,000
Road network connecting dock, airstrip and community	yes	yes	yes

APPENDIX B

TABLE 5.2

INFORMATION NEEDS

1. Type of facility proposed, e.g., service base, marine terminal, LNG plant.

2. Location of all facilities and activities associated with or expected to be attracted to the proposed development, e.g., helicopter operations, construction camps. motels.

3. Description of proposed facility, e.g., acreage, site plans.

4. Expansion: probability of additional demand on the proposed facility in the future; provisions for expansion and sharing of the facility with other companies.

5. Schedule: proposed construction schedule and anticipated operational timetable over the life of the facility, e.g., type and level of seasonal activities, anticipated years of peak usage.

6. Land status and ownership of development site and other land affected by the proposal, e.g., private, public, unpatented, in litigation.

7. Management of the project, e.g., an oil company, a Native corporation, joint management.

8. Contractors and subcontractors for all or portions of the project.

9. Resource requirements: quantities and probable sources of power, water, gravel, and other materials.

10. Transport: frequency and routes of boat and aircraft movements and expected level of vehicular traffic in the region resulting from construction or operation of the facility.

11. Employment: anticipated number of persons to be employed by job description, tenure (permanent/temporary), and place of employment.

12. Population: approximate addition to the population of Alaska by place.

13. Public services: extent of need for and means of providing public services, e.g., roads, sewers, water, solid waste disposal, medical care, police and fire protection, and other health and social services

14. Environmental implications: potential environmental benefits,

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conflicts and mitigative measures, particularly concerning solid waste management and air and water quality.

15. Siting and design features to compensate for natural processes (e.g., floods, earthquakes, storms, erosion and sedimentation), to provide for safe and effective management of sewage and solid waste; and to minimize noise and visual impacts.

16. Economic implications, e.g., public cost and revenues resulting from the proposed project; potential conflicts with existing industry; anticipated expenditures by Alaska by place.

17. Social implications, e.g., training programs, local hiring policy, housing.

18. Arrangements for reducing environmental, economic, and social conflicts, e.g., traffic control systems, oil spill contingency plan, compensation plan.

19. Alternative sites for the required facilities and operations, and reasons for rejecting alternative sites.

MEMORANDUM State of Alaska

TO: Rep. Lisa Rudd, Chairman
Community and Regional Affairs
Committee

DATE: 1 February 1978

FILE NO:

TELEPHONE NO:

FROM: Glenn Akins, Coordinator
Alaska Coastal Management Program

SUBJECT: Guidelines & Standards

One of the questions I felt we could have answered better today was your concern about what "state" meant within the guidelines and standards.

The Alaska Coastal Management Act identifies specific tasks for the Department of Community and Regional Affairs (providing technical and financial assistance to the districts, consolidating service areas). All other tasks are to be carried out by other state agencies, coordinated by the Council and the "Office of Coastal Management". I would have preferred to use the "Division of Policy Development and Planning" in the guidelines and standards, but the Council wanted to single out OCM. In my opinion, OCM is not separate in any way from DPDP.

Many of the responsibilities in the guidelines and standards may be assigned to a specific state agency. We will have to do this in the management program document (to be submitted to the Department of Commerce in June). Some agency responsibilities are not clear to us now, however. We are due reports from three state agencies which will enable us to identify more clearly what agency will be responsible for each part of the guidelines and standards. But, at present, it is left to the Council, and its staff, to sort that out.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

State of Alaska
Position on OCS-Related
Onshore and Nearshore Activities

April 1977

The position in this report concerns state actions regarding onshore and nearshore activities associated with development of the outer continental shelf (OCS). It has been adopted for the Administration by the Coastal Management Policy Committee and the Governor. The policies are one component of the general policy base for the Alaska Coastal Management Program (ACMP). By virtue of their adoption, these policies are now the interim operating policies for the state and shall guide all state actions dealing with OCS-related onshore and nearshore activities until the full coastal management policy base is formulated and approved. Because of the immediate need for a unified state position on OCS-related onshore and nearshore activities, and because of the complexity and importance of the subject area, these policies have been developed in advance of the remainder of ACMP policy. Federal approval of ACMP under the provisions of Section 306 of the Coastal Zone Management Act of 1972 is scheduled for June of 1978. At this time, the OCS policies will take on added significance as they relate to federal coastal decisions on OCS matters.

The state's position regarding OCS-related onshore and nearshore activities consists of goals, findings, policies and procedures for carrying out the policies. Goals are broad statements of long-term end results the state wishes to achieve; findings are facts, observations and concerns specific to OCS-related onshore development; and policies are guidelines for state actions. The state's goals, findings and policies are presented under six headings: industrial facility planning, resource management, employment, public expenditures, local self-determination and coordination.

GOALS

1. INDUSTRIAL FACILITY PLANNING: Optimum location and efficient use of industrial facilities in terms of the public interest.

2. RESOURCE MANAGEMENT: Balanced development and protection of natural and human resources.

3. EMPLOYMENT: Increased employment opportunities for the resident labor force.

4. PUBLIC EXPENDITURES: A fiscally sound and equitable approach to public expenditures.

5. LOCAL SELF-DETERMINATION: Support of life-style preferences and local management of OCS-related activities.

6. COORDINATION: Timely, coordinated development decisions.

FINDINGS AND POLICIES

INDUSTRIAL FACILITY PLANNING

Findings

Public involvement in facility siting. Public involvement in the siting of industrial facilities is customarily triggered by specific development proposals. Waiting until a proposal is well developed reduces uncertainty regarding the location, design and operation of a facility. A firm proposal, however, tends to restrict public comment to the pros and cons of establishing a facility at a particular location, thereby foreclosing the option of siting the facility at an alternative site. A preferable approach to facility siting is to ensure protection of the public interest through early public assessment of potential development sites and later public scrutiny of specific proposals.

Information. Accurate assessments of oil and gas reserves, employment and demands on local resources such as water, electricity and sewage treatment are essential to planning for onshore activities. Notices of support activities (Stipulation 5) and development plans (OCS Order 15), required of all operators in the northern Gulf of Alaska, provide some of this information. There is, however, no mechanism for verifying this information. Furthermore, the notices of support activities and development plans are not made public in sufficient time to influence the planning that must be undertaken by state and local governments, and other affected parties. This information essentially reports on industrial planning that has already taken place. What is needed is advance information

about development options so that the public is involved early in the facility siting process.

Consolidation. In the strictest sense, consolidation refers to a) the development and operation of an industrial facility as a unit by a single company or group of companies (unitization) or b) the sharing of the same facility. Broadly, however, consolidation refers to the concentration of different industrial activities in a single location, as in an industrial park.

Consolidation of petroleum facilities offers several benefits. The greatest public advantage of consolidation is that the effects of development - visual, environmental, social and economic - are concentrated in the fewest different locations. Cost savings may be realized from reduced capital and operating expenditures and avoidance of delays in processing necessary permits. Fewer sites imply less complicated and less costly systems of monitoring and of providing basic services such as fire and police protection.

Incompatible land uses. Industrial activities may not be compatible with neighboring land uses. An important mechanism for ensuring compatibility with existing and projected land uses is zoning. Most local governments in Alaska can exercise zoning powers, as can the state in certain instances. These powers are not always exercised, however.

Concurrent use, reuse and conversion. In many Alaskan communities there is a need for better port facilities. With proper planning, concurrent use of industrial facilities for community purposes could alleviate such shortages. Service bases offer the greatest potential for concurrent use, particularly as a general cargo dock, because of a similarity of purpose and vessel size.

If a facility's operations are replaced by similar activities, only minor rehabilitation and structural alterations might be necessary. Many facilities including docks, fuel storage tanks, warehouses, outside storage yards, office buildings, onshore pipelines and repair shops could be reused in this manner.

The use of warehouses, office buildings and other structures for radically different activities such as seafood processing, tourism or recreation would require substantial interior redesign. If ultimate uses of facilities are anticipated and desired, siting decisions and arrangements for conversion could be made when the facility is first designed.

Reclamation or restoration. Specialized oil and gas facilities such as crude oil storage tanks and liquefaction plants usually are not directly reusable or easily converted. If no appropriate ultimate use is determined for these facilities, they should be removed and the site reclaimed or restored. Land disturbed temporarily by construction activities should also be reclaimed or restored. Since this will be costly, provisions for ensuring and financing site reclamation or restoration should be specified in stipulations to leases or permits.

Policies

Policy 1. Optimum location. The state shall ensure that the siting of major onshore and nearshore petroleum-related facilities* minimizes adverse environmental and social effects while satisfying industrial requirements. Where possible, siting decisions will not foreclose other land and water uses.

To ensure that the most suitable sites are chosen, the petroleum industry, government and the local communities must cooperate closely. An informed public must be involved early in the industrial siting process, before firm proposals are presented. A constructive way to influence industrial siting decisions would be for the public to develop and communicate its preliminary siting criteria. Later public scrutiny of specific proposals will be most efficient, thorough and equitable if the public also conveys its information needs.

1a. Preliminary siting criteria. The state shall develop preliminary siting criteria for major nearshore and onshore petroleum-related facilities. These criteria should consist of basic siting considerations that would capitalize on the public benefits of OCS development and reduce its adverse effects.

*Major nearshore and onshore petroleum-related facilities include: a) marine service bases; b) air transport facilities; c) pipelines and rights-of-way; d) separation, treatment and storage faciliities; e) LNG plants; f) transfer terminals related to petroleum production; g) concrete platform fabrication yards; h) refineries and i) petrochemical plants.

Preliminary siting criteria have been developed for service bases, oil terminals and LNG plants. They are listed in Table 5.1. These criteria were designed for the Gulf of Alaska, and reflect resource management concerns, consideration of the facilities likely to be built in the Gulf, and also specific conditions there such as earthquakes. As types of facilities, conditions and our understanding of OCS facility siting change, we can expect these preliminary siting criteria to change also.

1b. Information needs for evaluating proposals. In order to adequately evaluate major development proposals, the state requires from developers at least the information listed in Table 5.2.

TABLE 5.1

PRELIMINARY SITING CRITERIA
FOR
MARINE SERVICE BASES
OIL TERMINALS
LNG PLANTS

Onshore vs. offshore. Site facilities onshore until alternatives offshore are proven safe and environmentally acceptable.

Expansion. Select sites with sufficient acreage to allow for reasonable expansion of facilities. (1)

Infrastructure. If possible, site facilities where existing infrastructure (e.g., roads, docks, airstrips) is capable of satisfying industrial requirements. (1)

Navigational safety. Avoid harbors and shipping routes with reefs, shoals, drift ice, and other obstructions that might jeopardize safe navigation.

Site preparation. Select sites where development would entail minimal site clearing, dredging, and construction in productive wetlands, estuaries, deltas, and other sensitive areas. (1)

Tsunami. Site fuel, crude oil and LNG storage tanks at elevations sufficiently above mean sea level to escape the highest tsunami run-up.

Pipelines. Align pipelines away from active faults and areas of subsidence.

Shipping routes. Site oil terminals so as to minimize the probability of oil spills affecting fishing grounds and spawning grounds.

Fire and explosion. Site fuel, crude oil and LNG storage and transfer areas downwind from populated areas to reduce the hazard of fire and explosion to human populations.

Resource protection. Site faciliites so that unique environments and areas of particular scenic, recreational, and cultural value will be protected.

Water quality. Site faciliites in areas of least biological productivity, diversity and vulnerability, and where effluents and spills can be controlled or contained easily.

Air quality. Site facilities where winds and air currents freely disperse pollutants, thereby reducing their concentrations.

Compatibility. Select sites designated for industrial purposes or well separated from residential, recreational, commercial, and institutional land uses, where industrial traffic will not pass through population centers, and vessel movements will not result in overcrowded harbors or interfere with fishing operations and equipment.

Local acceptance. Site facilities at locations acceptable to local communities provided there is no overriding and opposing state-wide, regional or minority interest.

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(1) Application of site preparation, expansion and infrastructure criteria requires basic information on harbor dimensions, acreage and infrastructure needs.

	SERVICE BASE	OIL TERMINAL	LNG PLANT
Harbor depth (ft. below MLLW)		-----	-----
Access channel	20	66	46
Turning basin	19	61	42
Berthing area	18	58	40
Turning Basin (diameter in ft.)	420-840	2,000-4,000	2,100-4,200
Level land near waterfront (ac.)	4-20 (1-2 berths) 63-88 (10 berths)	70-500	40-500
Infrastructure			
Airstrip (ft.)	5,000	5,000	5,000
Dock (ft.)	200-2,000	1,000	1,000
Road network connecting dock, airstrip and community	yes	yes	yes

TABLE 5.2

INFORMATION NEEDS

1. Type of facility proposed, e.g., service base, marine terminal, LNG plant.

2. Location of all facilities and activities associated with or expected to be attracted to the proposed development, e.g., helicopter operations, construction camps, motels.

3. Description of proposed facility, e.g., acreage, site plans.

4. Expansion: probability of additional demand on the proposed facility in the future; provisions for expansion and sharing of the facility with other companies.

5. Schedule: proposed construction schedule and anticipated operational timetable over the life of the facility, e.g., type and level of seasonal activities, anticipated years of peak usage.

6. Land status and ownership of development site and other land affected by the proposal, e.g., private, public, unpatented, in litigation.

7. Management of the project, e.g., an oil company; a Native corporation, joint management.

8. Contractors and subcontractors for all or portions of the project.

9. Resource requirements: quantities and probable sources of power, water, gravel and other materials.

10. Transport: frequency and routes of boat and aircraft movements and expected level of vehicular traffic in the region resulting from construction or operation of the facility.

11. Employment: anticipated number of persons to be employed by job description, tenure (permanent/temporary), and place of employment.

12. Population: approximate addition to the population of Alaska by place.

13. Public services: extent of need for and means of providing public services, e.g., roads, sewers, water, solid waste disposal, medical care, police and fire protection, and other health and social services.

14. Environmental implications: potential environmental benefits, conflicts and mitigative measures, particularly concerning solid waste management and air and water quality.

15. Siting and design features to compensate for natural processes (e.g., floods, earthquakes, storms, erosion and sedimentation); to provide for safe and effective management of sewage and solid waste; and to minimize noise and visual impacts.

16. Economic implications, e.g., public cost and revenues resulting from the proposed project; potential conflicts with existing industry; anticipated expenditures in Alaska by place.

17. Social implications, e.g., training programs, local hiring policy, housing.

18. Arrangements for reducing environmental, economic and social conflicts, e.g., traffic control systems, oil spill contingency plan, compensation plan.

19. Alternative sites for the required facilities and operations. and reasons for rejecting alternative sites.

Policy 2. Consolidation. Major petroleum-related facilities shall be consolidated to the maximum extent feasible unless consolidation produces greater adverse environmental or social consequences.

This policy means the state will discourage new onshore petroleum-related facilities as long as existing sites are capable of handling anticipated demand. The effects of consolidation may not always be desirable, however, so it is important to discuss exceptions to the basic policy.

2a. Planning provisions. The state shall encourage industrial facility planning that allows for reasonable expansion and offers adequate assurance that other operators and necessary support industries could share the facility.

2b. Exceptions. Consolidation of onshore facilities shall be discouraged if the capacity of existing facilities cannot be expanded in an environmentally and socially acceptable way. Instances when this might occur include, but are not limited to, the following:

(1) Affected communities oppose the expansion of existing facilities.

(2) Additional harbor activities would seriously jeopardize marine safety.

(3) Water supply is insufficient for future demand.

(4) Environmental protection meansures (e.g., ballast treatment facilities and solid waste disposal sites) at existing facilities could not be expanded to handle new loads.

(5) Air and water quality problems would be compounded to a point where projected environmental degradation would exceed allowable air and water quality standards.

Policy 3. Compatibility. Industrial and commercial use of land shall be compatible with adjacent uses, projected community needs and high standards of environmental quality.

As stated in the findings for this section, zoning is a major mechanism for ensuring compatibility. Under existing statutes, the state has the authority to zone the unorganized borough and land surrounding airports. It should use these authorities to ensure that major petroleum-related facilities and associated activities are compatible with other land and resource uses. In incorporated areas, the state should abide by local zoning ordinances.

Policy 4. Concurrent use, reuse, conversion and removal. The state shall encourage the concurrent use of petroleum-related facilities for other economic or public uses if possible, the reuse or conversion of these facilities when no longer needed for petroleum-related activities,

and the removal of the facility if it cannot be used for other purposes. The state shall further encourage reclamation and restoration of disturbed areas upon termination of active use.

In this policy the state acknowledges the contribution OCS-related onshore facilities could make to local and regional economies if planned with imagination and foresight. Provisions for long-term use of facilities should be included in initial stages of planning.

4a. Study possibilities. The state shall investigate possibilities for concurrent use, reuse and conversion of petroleum-related facilities and incorporate these findings in state land use, economic and public facility planning.

4b. Lease stipulations. Where appropriate, the state will specify concurrent use, reuse, conversion or removal of facilities as stipulations on leases of state uplands, tidelands, submerged lands and shorelands. The state shall also require reclamation or restoration of disturbed areas upon termination of active use on these lands.

RESOURCE MANAGEMENT

Findings

Coastal resources. The coastal regions of the state exhibit a great diversity and vitality of living and aesthetic resources which are important aspects of the character and economy of these regions. Marine mammals, fish, shellfish, terrestrial game mammals, furbearers, waterfowl and shorebirds abound along with forests, kelp and seagrass beds and a rich and complex understory of supporting plant and animal communities. Three classes of areas are particularly important in sustaining these resources - areas of high productivity, areas of high diversity, and areas of high vulnerability.

Estuaries, wetlands, shorelands, river deltas and intertidal zones are among the important features providing essential habitat in coastal regions. Maintaining the ecological integrity of these features is critical to preserving the value of coastal resources for commercial and subsistence use, recreational appreciation and scientific study, and for protecting the natural environment.

Demands upon renewable resources. Increasing and competing demands are placed upon coastal lands and waters of Alaska through industrial development, commerce, transportation, extraction of renewable and non-renewable resources, residential development, recreation and waste disposal. These demands necessarily alter to some degree the balance of coastal

ecological systems. Essential habitat may be physically lost, diversity and productivity reduced, and populations of mammals, fish, and birds disturbed.

Critical habitat. Some coastal resources have an inherent vulnerability that makes protection especially critical. Fish spawning and rearing grounds, bird nesting and staging areas, sea mammal rookeries and hauling out grounds, and wildlife wintering areas are among the well-defined and limited habitats the protection of which are essential to maintaining valued resource diversity and productivity. Both habitat requirements and resident populations at risk must be recognized in establishing critical areas.

Water supply. Service bases, oil terminals and LNG plants require dependable sources of fresh water in large quantities. Fresh water is used for domestic purposes, drilling, fire protection and cooling. Increased demand for fresh water in coastal areas raises concerns as to: a) potential impacts on ground and surface water such as lowering of the water table, saltwater intrusion and reduced stream flow; b) adverse effects on fish and wildlife if surface water sources are reduced below the minimum flow necessary to sustain them; and c) possible competition with municipal water systems and other users.

Saltwater could also be used for drilling and cooling. If seawater is withdrawn in large quantities, many marine organisms will be entrained upon intake and killed by pressure and temperature change or chemicals.

Waste disposal and water quality. Service bases, oil terminals and LNG plants also produce solid wastes and effluents that present special disposal problems. Solid wastes include contaminated drilling wastes, lubrication oils and waxes, oil sludges and chemical slurries that require disposal in a sanitary landfill. Sludges produced during storage and treatment of crude oil may contain heavy metals and hazardous chemicals.

Service bases, oil terminals and LNG plants will also discharge effluents into nearby waters. Liquid waste is produced from sewage treatment, ballast treatment and cooling water that is significantly warmer than the receiving waters into which it is discharged and often contains biocides and rust inhibitors. The chronic introduction of soluble hydrocarbons into receiving waters adjacent to ballast treatment facilities could impose a long-term toxic effect on sensitive marine organisms.

Hazardous wastes and effluents from OCS-related facilities raise serious concerns as to their proper disposal and subsequent effects on water quality, biota and human health. Proper management of hazardous wastes and effluents requires well designed sanitary landfill sites, effluent standards and monitoring systems.

Air quality. OCS-related activities will emit a number of pollutants that may cause air quality and related health and nuisance problems under unfavorable topographical and meteorological conditions. Major

emissions will include particulates and sulphur dioxide from tanker and shore facility combustion, dust from wind and traffic, and evaporation of hydrocarbons from fuel storage tanks and tankers.

Policies

Policy 5. Protection of environmental quality. The state shall in all cases consider the effect of development upon: a) vulnerable or unique populations and habitats, b) renewable resources having a high commercial, recreational, cultural and/or aesthetic value, c) areas of high biological productivity and/or diversity, and d) areas of high development hazard. The effect of development on these features of the natural and human environment must be considered in determining optimum locations of development activities (Policy 1), appropriate design of facilities, and compatibility of the proposed development with maintenance of a high level of environmental quality (Policy 3).

5a. Sensitive areas. The state shall protect ecologically sensitive areas, including but not limited to: estuaries, wetlands, river deltas, fish spawning grounds, intensive use habitat, bird nesting areas, waterfowl and shorebird staging areas, migration routes, wildlife wintering habitat, and sea mammal rookeries and hauling out grounds, by requiring environmentally acceptable technology or, if necessary, recommending alternate sites.

5b. Facility design. The state shall encourage design, construction, and operation of facilities to maintain a high level of environmental quality through, for example:

(1) use of existing facilities and consolidation of new facilities;

(2) minimizing dredge and fill, clearing, and other surface alteration;

(3) use of environmentally safe technology;

(4) adherence to Alaska's environmental protection laws and regulations pertaining to air quality, water use, water quality and solid waste disposal;

(5) proper burial of submarine pipelines, particularly in trawling areas;

(6) operation of helicopters at sufficient altitudes above seabird colonies and other noise-sensitive habitats to minimize disruption; and

(7) reclamation or restoration of disturbed areas upon termination of active industrial use.

Policy 6. Shoreline development. The state shall encourage reservation of the shoreline for water dependent or water related uses.

This policy would reduce the disturbance of non-water dependent development on the sensitive coastal environment without preempting activities like shippping that require waterfront facilities. Storage tanks, processing facilities, offices and warehouses should be located at inland sites where feasible.

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EMPLOYMENT

Findings

Temporary nature of oil industry employment. The temporary character of employment in the oil industry stems from the nature of oilfield development. This involves very intense activity in the early stages of development, a gradual decline over the following five to six years, and a fairly low level of activity for the remainder of the life of the field. Generally long-term employment is about one-fifth of peak employment.

Out-of-state labor. Oil companies and contractors are expected to recruit personnel for rigs, lay barges, bury barges and platforms from out-of-state. Labor for operating permanent platforms will probably be recruited locally.

Entry level jobs. An entry level job at a service base, oil terminal or LNG plant is likely to be a roustabout position. A roustabout is a general laborer. No particular training is necessary, but a high school diploma is preferred by most employers.

Construction. The largest labor force will be for construction of onshore facilities. The construction phase is expected to last approximately five years.

Long-term jobs. The need for permanent production and maintenance staff on platforms, and operating crews at service bases, oil terminals and LNG plants could provide long-term jobs for Alaskans.

Secondary employment. In addition to jobs directly created by oil companies and their contractors, there will be other jobs which result from the general increase in economic activity in the state. This secondary employment occurs mainly in the service and government sector in such categories as transportation, telecommunications, schools and medical care. Secondary employment is expected to be low and split between Anchorage and the other coastal communities.

Wages. Generally, the jobs created by OCS development will comand high wages. If wages offered by local industries cannot compete favorably with those offered by the petroleum industry, part of the local labor force may be diverted. This could cause labor shortages in traditional local industries. If the local labor force is attracted to long-term jobs in the petroleum industry, the local economy will probably remain relatively stable despite the change in occupations. If, on the other hand, the dislocation is short-term, the resultant damage to traditional local industries may not be offset by new economic activity. For this reason, the state stands to benefit most from long-term employment for its residents.

Policies

Policy 7. Resident employment preferences. Alaskan residents shall receive preference for employment. Resident employment preference shall apply to retention as well as hiring.

Resident employment preference will produce the most stable long-term benefit to the state if residents are chosen for jobs with potential for long-term employment. At the present time, operating and maintenance crews on platforms and at service bases, oil terminals and LNG plants offer the greatest possibilities for long-term jobs.

7a. Voluntary agreements. The state will encourage the petroleum industry and related companies to adopt resident employment preference policies.

7b. Lease stipulation. As a stipulation on all state leases, the state will require that employment preference be given to Alaskan residents.

Policy 8. Manpower training. The state shall encourage manpower training programs that would qualify the existing resident labor force for jobs in the petroleum industry.

As a complement to the resident employment preference policy, manpower training should concentrate on skills needed for long-term jobs in the petroleum industry. The state should utilize available state services to the fullest extent possible to recruit and train Alaskan residents to fill these jobs.

PUBLIC EXPENDITURES

Findings

Overbuilding/underbuilding. Overbuilding public facilities is as detrimental to the state and its communities as is underbuilding. Overbuilding saddles the public with debts unmet by future revenues. Underbuilding may result in service standards falling below acceptable levels.

Population growth patterns. If oil is not found in commercial quantities, exploration on the outer continental shelf will cease within five years of the lease sale. Therefore, until a commercial discovery is made, virtually all OCS-related population growth should be considered temporary. Much of the peak in direct employment created by oilfield development is accounted for by construction workers who are mainly transients. This means that long-term additions to the population of Alaska will be considerably less than the peak, which will probably occur about five to ten years after the lease sale.

OCS-related public costs. Monitoring OCS development, reviewing project proposals, enforcement of regulations, environmental damage, changes in land values, and the provision of public services are all public costs of OCS development. Some of these costs must be incurred before there are sufficient revenues to finance them.

Shortcomings in existing revenue system. The Alaska Department of Revenue stated in its comments on the environmental impact statement for the northern Gulf OCS lease sale, "The State of Alaska acquires the vast majority of the liabilities associated with OCS development off its coast, but inadequate revenues to support that activity even assuming federal revenue sharing."

Since OCS leases involve tracts beyond the state's territorial boundaries, Alaska does not share in the bonuses or royalties they produce, and cannot tax oil and gas property on the outer continental shelf. The only federal revenues the state will receive will be coastal energy impact funds and limited federal grants such as Title IX Economic Development Assistance grants or the OCS supplement to the Coastal Zone Management grant.

Changes in federal revenue sharing arrangements and the extension of Alaska's taxing jurisdiction to the outer continental shelf would greatly alleviate the financial burden of OCS development on Alaska. The state has voiced its support of amendments to the OCS Lands Act that would authorize federal revenue sharing through taxation, royalties or bonuses.

Specific changes in the state's revenue system could also help. Two important areas that deserve attention are the current exemption of LNG plants and other petroleum facilities from the state's oil and gas property tax (AS 43.56) and the $1,500 per capita limit on borough tax-raising ability.

Policies

Policy 9. Public costs. Public costs resulting from OCS-related activities shall be shared by state and local governments, the federal government, the petroleum industry and other private developers.

Since development of the outer continental shelf is a federal initiative whose primary beneficiaries will be oil and gas consumers in the lower 48 states, the public costs of OCS development should not be paid by the State of Alaska alone, but rather should be shared as equitably as possible. Aside from modifications to the state's tax laws, public costs can be shared equitably through such means as increased federal revenue sharing, joint private-public funding of public facilities and services that will serve both industry and the public, and private funding all facilities and services not planned as part of long-term settlements.

Policy 10. Public facilities. The state shall promote full use of public facilities* while ensuring high standards of public service.

This policy seeks to avoid overbuilding public facilities without allowing public service standards to fall below acceptable levels. The state can

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* Public facilities include, but are not limited to, sewerage and water systems, ports, airports, roads, schools and hospitals.

apply this policy most directly through the planning, funding and construction of public works.

10a. New facilities. Before the state plans, funds or constructs new public facilities, they must be justified by the level of economic activity and stable population growth expected through at least the production phase of OCS development.

10b. Temporary facilities. The state shall encourage temporary means of expanding public facilities to handle increased demands of a temporary nature.

Policy 11. Public services. The state shall provide new or expanded public services* in a timely fashion.

To predict fluctuations in demand for existing or new services the state should monitor change in communities. Information from frequent censuses and other methods of monitoring change should help the state channel public resources expeditiously.

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* Public services include, but are not limited to, education, health care, child care, planning, manpower training, social services, and the criminal justice system.

LOCAL SELF-DETERMINATION

Findings

Changes in life style. Existing life styles, particularly those built on subsistence, will be difficult to preserve in the face of OCS oil and gas development. Subsistence is a way of life that relies directly on the land and its resources through hunting, gathering and fishing. Increased reliance on a cash economy and increased recreational pressure on fish and wildlife resources are factors that will further erode present life styles. Changes in community social and economic composition and patterns produce individual and community stress. Early, informed and unified efforts to influence the course of development are the most valuable tools at the disposal of communities to direct and control change and stress in the community.

New demands on local government. Onshore industrial development will place new demands on local governments. Local management capabilities may not be equal to the complex problems of OCS-related onshore activities.

Cost. Effective local management of OCS facilities is expensive. The Yak-Tat Kwaan, the village corporation for Yakutat, estimates that it has spent over $200,000 developing and carrying out its plan for an industrial port facility on Monti Bay. Local government often relies on federal grants for planning funds. Most grants require a local match ranging from one-fifth to one-third of the total cost of the project. When a great deal of planning is required in a short period of time, it may be difficult for communities to finance their share of the cost.

Policies

Policy 12. Public information and opinion. Early in the OCS development process the state shall inform the public about OCS development and obtain public opinion on industrial growth and technological options.

Because of its complexity and uncertainty, it is difficult to accurately assess the implications of OCS activities for a community or region. Nonetheless, for the state to adapt its actions to community views (Policy 14) it is crucial that public sentiment be articulated on the basis of the best available information.

12a. Attitudinal surveys and workshops. The state will encourage and participate in the dissemination of public information on OCS development and the conduct of attitudinal surveys and workshops early in the OCS development process.

12b. Local coastal management programs. The state will encourage the development of local coastal management programs in OCS-affected coastal communities. An approved local coastal management plan will be recognized as an expression of community views regarding industrial growth.

12c. Orientation of non-resident employees. The state will encourage development companies to conduct orientation programs for non-

resident employees on community values and the results of attitudinal surveys to minimize misunderstandings between temporary residents and permanent members of a community.

Policy 13. Local management. The state shall seek to strengthen local planning, fiscal and management roles, including human resources planning and program development. The state shall also offer assistance to communities in coping with the adverse effects of development.

Through this policy the state intends to help local governments prepare themselves to meet the new demands that OCS development will place on them.

13a. Technical assistance. The state will assist communities in directing growth according to local preferences. In rendering assistance, the state will emphasize consideration of state-wide, regional and minority interests.

13b. State land disposal. The state will to the maximum extent feasible lease, sell or exchange state land in the vicinity of existing communities: a) if such actions enhance local control over development and the site satisfies the state's siting criteria; and b) an approved municipal plan establishes the desirability of expansion onto state-owned parcels and provides for phased growth. Although local preference is a significant factor in deciding whether to lease, sell or exchange state land near existing communities, it is not the only factor. Additional considerations are specified in the Alaska Statutes and Administrative Code.

COORDINATION

Findings

Lack of coordination. Presently decisions as to where and how development will take place are made by many different federal, state, local and private entities. Poor coordination among these parties causes needless confusion, wasted effort and delay.

State decisions. State agency actions that would affect OCS development range far beyond granting permits and leases, although these are two of the state's most significant authorities. Also included are land sales, land exchanges and capital investments.

Federal decisions. In addition to its substantial regulatory powers, the federal government plays a key role in OCS development in Alaska. It owns millions of acres of land, some of which could be used for onshore facilities or the extraction of building materials. It grants easements, the most important of which are pipeline rights-of-way. It also sets the lease sale schedule, conducts lease sales and promulgates offshore operating orders.

Local decisions. After the lease sales have been held and all necessary permits have been granted, local governments are typically left with the task of managing onshore industrial facilities. Local ordinances must be enforced, zoning regulations complied with, and public services provided.

Policies

Policy 14. State-local coordination. Where a community makes a concerted effort to develop and act on its position regarding OCS development, the state shall adapt its actions (e.g., capital investments, leasing, permit issuance) to community preference to the extent that such actions also respect state-wide, regional and minority interests.

In this policy the state voices its intent to support community preferences. Recognizing that OCS development decisions will sometimes affect more than one community, the state must balance its support of local preferences against considerations of state-wide and regional interest. Furthermore, where there are different views expressed within a community the state must consider the effects of its actions on minority interests.

Policy 15. Coordination among state agencies. The state shall seek to coordinate at the outset the actions of all state agencies that must eventually act on major development proposals.

Early coordination of state actions helps the state make timely and appropriate decisions. Mechanisms for coordination can be easily established.

15a. Interagency review. The A-95 Clearinghouse should coordinate review of major state actions related to development of the outer continental shelf.

15b. Major state actions. The state shall establish a process through which all major state actions regarding OCS development are coordinated.

15c. Information exchange. The state shall establish a system for improving the transfer of information among state agencies and between them and the public.

Policy 16. State-federal coordination. The state shall seek to coordinate state and federal development decisions.

The state has been very active in its efforts to influence the OCS lease sale schedule. It should continue to comment on federal OCS activities and proposed legislation. As OCS development in Alaska progresses, it will become increasingly important for the state to cooperate closely with the federal government in the management of Alaska's land and resources.

16a. Pipeline transportation plan. The state should prepare a comprehensive plan regarding pipeline transportation and encourage the participation of appropriate federal agencies (e.g., FPC, ICC, BLM, Department of Transportation).

16b. Coastal management. The state's OCS policies will be incorporated into the state's coastal management program. When Alaska's coastal management program receives federal approval, these policies will significantly influence federal coastal decisions.

Policy 17. Cooperative management and development. The state shall seek to cooperate with landowners, developers and government agencies in the development and management of OCS-related onshore facilities.

Cooperative management and development agreements are constructive ways of coordinating the many different decisions that contribute to successful development. The state is willing to enter into cooperative management and development agreements and to manage its lands and resources accordingly.

IMPLEMENTATION

The state's position on OCS-related onshore and nearshore activities will guide future state actions in this regard. As future events and new information warrant, the state will update its OCS policies.

The following actions are the most important means through which the state will implement its OCS policies.

1. Review of major federal and state actions. Reviewing major federal and state actions is an important way for the state to ensure that these governmental acts, and the private and public activities they affect, are in conformance with state policy. Of all the policy implementation measures at the state's disposal, this is perhaps the broadest because of the wide range of actions subject to state review. Implementation of all state OCS policies will be furthered through rigorous review of major federal and state actions. When the Alaska Coastal Management Program is approved by the federal government, state review of federal actions for conformance with state coastal policies will have even greater force than at present.

2. State planning and regulatory activities. The state is charged with a number of planning and regulatory responsibilities, including: 1) issuing permits and leases for such actions as water appropriation, tidelands use, sand and gravel extraction, and effluent discharge; 2) regulating land use surrounding airports and in the unorganized borough; and 3) preparing implementation plans for the Federal Water Pollution Control Act and Clean Air Act.

These planning and regulatory activities are forceful means of implementing the state's Industrial Planning policies (1-4), Resource Management policies (5-6),and Resident Employment preference policy (7).

3. State land selection and disposal. State lands are selected for many different reasons, including resource protection, resource development, and community expansion. As proprietor of a large portion of public lands, the state strongly influences the pattern of development through decisions to dispose of interest in state land. State land selection and disposal are important ways of implementing the state's Indsutrial Planning policies (1-4), Resource Management policies (5-6), and Local Management policy (13).

4. Allocation of state and federal resources. The state allocates not only its own fiscal and human resources, but also federal funds such as coastal energy impact funds and EDA grants. Implementation of the state's Manpower Training policy (8), Public Expenditures policies (9-11), and Local Self-Determination policies (12-13) will be accomplished only if adequate resources are channeled into needed public services (e.g., manpower training, health and social services, enforcement of regulations, and improving local management capabilities), and the costs of providing these services are borne equitably by industry, the federal government, and state and local government.

The following types of new legislation and administrative orders would improve the state's ability to implement its OCS policies.

1. Energy facility siting legislation that provides for a definition of energy facility, information disclosure, site identification, site selection, financing and administration. (See Alaska Department of Community and Regional Affairs, Concept of Major Energy Facility Planning Legislation (draft), 1976).

2. Expansion of the definition of taxable property under the oil and gas property tax (AS 43.56) to include oil refineries, gas processing plants, LNG facilities and petrochemical operations.

3. Legislation establishing a liability fund and procedures for compensating fishermen for lost and damaged equipment, lost time and other damages.

4. Enabling legislation that authorizes local governments to collect prepayment of taxes.

5. Administrative order or legislation establishing a single state office to provide applications for and information about permits and leases.

6. Administrative order authorizing state participation in joint federal-state surveillance of OCS activities.

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

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TITLE 6. GOVERNOR'S OFFICE

PART 5. ALASKA COASTAL POLICY COUNCIL.

Chapter
80. Standards of the Alaska Coastal Management Program
85. Guidelines for District Coastal Management Programs

CHAPTER 80.
STANDARDS OF THE ALASKA COASTAL MANAGEMENT PROGRAM

Article
1. Government process
2. Uses and activities
3. Resources and habitats
4. Areas which merit special attention

ARTICLE 1. GOVERNMENT PROCESS

Section
10. Public participation and information
20. Program management and coordination

6 AAC 80.010. PUBLIC PARTICIPATION AND INFORMATION. (a) The Council will provide adequate, effective, and continuing opportunities for public participation from the beginning in the Alaska Coastal Management Program. The Council will give notice of when and where opportunities for public participation will be provided before the adoption of guidelines and standards, the review and approval of district coastal management programs, and the review and approval or adoption of amendments, revisions, or additions to the Alaska Coastal Management Program.

(b) The Council will not approve a district coastal management program or any amendment, revision, or addition thereto unless evidence of significant opportunities for public participation at the district level has been provided.

(c) The Council will make available to the public information and educational materials concerning the Alaska Coastal Management Program in understandable form, including but not limited to the following:

(1) a guide for the development of district coastal management programs;

(2) comprehensive policies to guide the management of coastal uses and activities as they occur in specific coastal areas;

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(3) maps and narratives describing the physical and biological characteristics of coastal areas to be used in establishing boundaries;

(4) areas identified by state agencies and the public for Council designation as areas which merit special attention;

(5) a guide for the siting and development of major petroleum-related facilities in onshore and nearshore areas;

(6) an inventory of coastal fish and wildlife resources, with maps showing the location and range of species with commercial, recreational, or subsistence importance;

(7) an identification of major data and information sources concerning coastal management;

(8) a compilation and summary of information regarding coastal regions, including, where appropriate, a comprehensive list of issues and policies;

(9) summaries of public hearings and workshops;

(10) films and slide and tape programs;

(11) brochures, pamphlets, and tabloids summarizing and explaining the Alaska Coastal Management Program; and

(12) The Council's annual report to the legislature.

(d) At any public meeting concerning the Alaska Coastal Management Program, the Council will insure that, where necessary, translation into the appropriate Native language is provided.

6 AAC 80.020. PROGRAM MANAGEMENT AND COORDINATION. (a) The Office of Coastal Management, in its capacity as staff to the Council, shall be the designated lead agency for the Alaska Coastal Management Program. The Office of Coastal Management shall:

(1) present the official staff position regarding matters before the Council, including but not limited to the review and approval of district coastal management programs;

(2) apply for, receive, use, and distribute funds provided under all sections, except section 308, of the Coastal Zone Management Act of 1972, 16 USC 1451 et. seq., as amended, PL 94-370.

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(3) coordinate the activities of state agencies participating in the Alaska Coastal Management Program and delegate tasks to a specific agency or agencies, as appropriate;

(4) determine the consistency of state actions with the Alaska Coastal Management Program, subject to Policy Council determination if requested by a Council member; and

(5) respond to federal agency determinations of the consistency of federal actions with the Alaska Coastal Management Program, subject to Policy Council response if requested by a Council member.

(b) The Council will identify and adopt management policies and practices for specific uses of state concern and areas of the coast where uses of state concern may be sited and managed.[1] The Council will direct the development of management policies and practices for uses of state concern by state agencies and coastal resource districts.

(c) The Council will initiate an interagency program of comprehensive resource management for each geographic region described in AS 44.19.891(a)(1). Regional programs shall be conducted to:

(1) assist the Council in identifying uses of state concern within specific areas of the coast and developing management policies and practices for these uses and areas;

(2) provide resource, social, and economic information on a coordinated regional basis as necessary for development and implementation of the Alaska Coastal Management Program; and

(3) assist the Council in identifying, avoiding, and minimizing existing or potential conflicts between coastal resource districts and state and national interests.

(d) The mechanics of coordinating district plans with state agency plans and recommendations developed as part of the regional program outlined in (c) of this section shall be as described herein. State agencies having jurisdiction within a district shall transmit their plans and recommendations to the district through the Coordinator of the Office of Coastal Management. District planning efforts shall demonstrate a review and consideration of state agency plans and recommendations. If the final district plan proposed does not agree with state agency plans and recommendations, the differences will be resolved by the Council

1. "Uses of state concern" is defined in AS 46.40.210(6).

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in accordance with this Title and the Alaska Coastal Management Act.

(e) The Council will prepare a manual of standards for the management of land and water uses in the coastal area to assist in the development of district and state agency plans.

ARTICLE 2. USES AND ACTIVITIES

Section
30. Offshore, shoreline, and waterfront development
40. Geophysical hazard areas
50. Recreation and tourism
60. Energy-related facilities
70. Transportation and utilities
80. Fishing and seafood processing
90. Timber harvest
100. Mining and mineral processing
110. Air, land, and water quality
120. Subsistence

6 AAC 80.030. OFFSHORE, SHORELINE, AND WATERFRONT DEVELOPMENT. (a) Development and activities related to development conducted in offshore, shoreline, and waterfront areas shall, to the greatest extent practicable, maintain and enhance:

(1) the resource values and biological productivity of the coastal area;

(2) access to coastal waters by the public;

(3) the availability of sites for water-dependent or water-related uses and activities; and

(4) the national and statewide interests in navigation.

(b) The provisions of 11 AAC 62.030, Protection of Fish and Game, shall apply to development and activities related to development in the coastal area.

(c) Dredging shall be conducted in a manner which minimizes bottom disturbance and adverse effects on mollusks, shellfish, marine and anadromous fish, marine birds and animals, and water quality.

(d) The placement of structures and the discharge of dredged or fill material into coastal waters, nontidal streams, lakes, and adjacent wetlands shall, as a minimum standard, be conducted

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pursuant to Parts 320-323, Title 33, Code of Federal Regulations, Navigation and Navigable Waters, and AS 16.05.870, Protection of Fish and Game.

(e) In planning for and approving uses and activities in shoreline and waterfront areas, coastal resource districts and state agencies shall give, in the following order, priority to:

(1) water-dependent uses and activities;

(2) water-related uses and activities; and

(3) uses and activities which are neither water-dependent nor water-related for which there is no feasible inland location.

6 AAC 80.040. GEOPHYSICAL HAZARD AREAS. (a) Coastal resource districts and appropriate state agencies shall identify or cause to be identified geophysical hazard areas in the coastal area, including but not limited to areas of potential flooding, tsunami run-up, landslides, snowslides, earthquakes, subsidence, severe erosion, and ice hazards.

(b) Development and related activities in geophysical hazard areas may not be approved until siting, design, and construction measures for avoiding or minimizing potential loss of life and damage to property have been provided. In areas of severe hazard potential where siting, design, and construction measures may not be sufficient to avoid or minimize potential loss of life and damage to property, development and related activities shall be prohibited.

6 AAC 80.050. RECREATION AND TOURISM. (a) Coastal resource districts and appropriate state agencies shall identify areas of the coast which:

(1) have been designated as a unit of a local, state, or national park, refuge, or wilderness system;

(2) receive significant use by persons engaging in recreational pursuits or are major tourist destinations;

(3) have a potential for high quality recreational use because of unique physical, biological, ecological, or cultural features;

(4) are important for recreational use because of their proximity to population centers or transportation systems;

(5) provide access to recreational resources;

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(6) are recognized for their scenic value;

(7) are listed or nominated for listing on the National Register of Historic Places; or

(8) are determined to be significant by the state historic preservation officer.

Areas so identified shall have as their dominant management value the protection and public use of the recreation, scenic, or heritage resource for which the area was identified and shall be managed consistently with that value.

(b) The development of recreation and tourism and facilities related to recreation and tourism in the coastal area shall be consistent with the preservation, protection, and enhancement of natural and cultural resources.

6 AAC 80.060. ENERGY-RELATED FACILITIES. Sites suitable for the development of major nearshore and onshore energy-related facilities shall be identified by the state in cooperation with coastal resource districts. The siting and approval of these facilities shall be based on the policies of the State of Alaska concerning the onshore and nearshore aspects of OCS development.[2] Coastal resource districts may use and apply these policies in the preparation of district coastal management programs.

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6 AAC 80.070. TRANSPORTATION AND UTILITIES. (a) Transportation and utility routes and facilities in the coastal area shall, to the greatest extent practicable, be sited, designed, and constructed so as to:

(1) avoid adverse impacts on the resources and habitats identified in sec. 130 of this chapter;

(2) be compatible with adjacent uses and activities, local community goals and desires, and regional and statewide needs;

(3) combine more than one mode of transport or utility into common corridors;

(4) allow for the concurrent use of facilities; and

(5) maintain scenic values.

2. As adopted on 01/13/78 by the Alaska Coastal Policy Council; available from the Department of Community and Regional Affairs or the Office of Coastal Management.

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(b) Land based transportation and utility routes and corridors and air-related transportation facilities shall be sited upland from beaches and shorelines unless access to the water is a primary goal or requirement of the route, corridor, or facility and no feasible inland alternative exists.

(c) Water-based transportation and utility routes shall be sited and designed so as to minimize interference with uses and activities related to the harvest of marine plants and animals.

(d) Air-related transportation routes and facilities shall be sited, designed, and constructed so as to minimize interference with wildlife migration, nesting, and breeding provided that such placement does not interfere with safety.

(e) Traditional navigation and transportation routes and aides to navigation shall have high priority for shoreline and in-water locations.

(f) Transportation and utility routes and facilities include but are not limited to power transmission lines, mineral slurry, oil and gas pipelines, land and marine corridors, railways, highways, roadways, air terminals, water and sewage transfer, and facilities required to operate and maintain them.

6 AAC 80.080. FISHING AND SEAFOOD PROCESSING. (a) The offshore waters within the state's jurisdiction are designated a fisheries conservation zone and uses and activities conducted in this area shall be managed so as to maintain and enhance the Alaska sport and commercial fishery. In the management of this area, the State shall coordinate, as appropriate, with the North Pacific Fishery Management Council, the National Marine Fisheries Service, the U.S. Coast Guard, and other federal agencies responsible for implementation of the Fishery Conservation and Management Act of 1976 (Pub. L. 94-265, April 13, 1976).

(b) Coastal resource districts and appropriate state agencies shall identify sites suitable for the location or development of facilities related to commercial fishing and seafood processing. Criteria for the identification of these sites are:

(1) avoidance of adverse impacts on resources and habitats identified in sec. 130 of this chapter;

(2) adherence to all federal and state water quality standards;

(3) minimization of obstructions to navigation; and

(4) compatibility with adjacent uses and activities and community goals and desires.

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(c) Facilities related to commercial fishing and seafood processing include but are not limited to hatcheries and related facilities, seafood processing plants and support facilities, and marine industrial and commercial facilities.

6 AAC 80.090. TIMBER HARVEST. (a) Timber harvest is limited to areas where data and information indicate an absence of reforestation problems that would preclude that area from producing a sustained yield of merchantable timber unless the area is to be converted to a use other than timber harvest.

(b) Timber harvest and associated activities in the coastal area shall be conducted so as to meet the following standards:

(1) the location of facilities and the layout of logging systems shall not adversely impact sensitive areas and shall utilize land that has a minimum potential for water pollution and other adverse environmental impacts;

(2) blockage of and interference with fish movement and habitat in streams, lakes, wetlands, estuaries, and other bodies of water shall be avoided;

(3) shoreline management zones, including but not limited to buffer strips and riparian zones, shall be planned and established along all water courses, lake shores, and marine shorelines; the width of this zone shall be based on ability to withstand blowdown and prevent impacts on fish or wildlife resources as determined on a case-by-case basis by appropriate federal, state, and local expertise; resource values and environmental sensitivity shall determine whether and to what extent timber may be harvested from these zones;

(4) slash, logging debris, and other materials shall be treated so as to enhance reforestation, not constitute a fire hazard, and not interfere with wildlife and fish habitat; and

(5) minimal habitat to maintain game populations and key migratory routes shall be left in timber harvest areas.

(c) Timber transport, storage, and processing in the coastal area shall be conducted so as to meet the following standards:

(1) the onshore storage of logs shall be encouraged where compatible with other objectives of the Alaska Coastal Management Program;

(2) sites for the in-water dumping and storage of logs shall be selected and these activities shall be conducted

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so as to minimize adverse effects on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not consitute a hazard to navigation;

(3) roads for log transport and harvest area access shall be planned, designed, and constructed so as to avoid mass wasting, minimize erosion, sedimentation, and interference with drainage, and adequately maintained for the entire period of timber processing or put to bed; and

(4) stream crossings, including bridges and culverts, shall be kept to a minimum number and designed to withstand seasonal high water and flooding and to prevent obstructions to the migration of anadromous and resident fish.

6 AAC 80.100. MINING AND MINERAL PROCESSING. (a) Mining and mineral processing in the coastal area, including but not limited to the development of mineral resources extracted in tidal rivers, coastal waters, and on continental shelves of the open sea, and found in surface, subsurface, and aqueous deposits, shall be sited, designed, and conducted so as to:

(1) avoid adverse impacts on the resources and habitats identified in sec. 130 of this chapter; and

(2) be compatible with adjacent uses and activities, local community goals and desires, and regional and statewide needs.

(b) Mining and mineral development in the coastal area shall conform to all applicable air and water quality standards and any rules, regulations, or statues relevant to mining and mineral development conducted in coastal waters.

(c) Extraction of sand and gravel in the coastal area shall meet the following additional standards:

(1) all feasible alternatives, including upland alternatives, have been considered;

(2) extraction takes place only during that portion of the year when it will be least harmful to anadromous fish, marine fish, shellfish, mollusks, and marine birds and mammals affected by the extraction;

(3) extraction on marine beaches or offshore dune systems may not initiate or increase significant adverse erosion or deposition; and

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(4) sand or gravel may be removed from estuaries only in areas of active shoaling, provided the shoal is not critical marine habitat. Only the accreted material may be removed.

6 AAC 80.110. AIR, LAND AND WATER QUALITY. Coastal resource districts and state agencies shall use and apply all applicable provisions of 18 AAC, Environmental Conservation, to maintain high standards of air, land, and water quality in the coastal area.

6 AAC 80.120. SUBSISTENCE. Coastal resource districts and appropriate state agencies shall recognize and assure subsistence usage of coastal areas and resources.

ARTICLE 3. RESOURCES AND HABITATS

Section
130. Resources and Habitats

6 AAC 80.130. RESOURCES AND HABITATS. (a) Natural resources and habitats in the coastal area that are subject to the Alaska Coastal Management Program include but are not limited to the following:

(1) offshore areas, including the submerged lands and waters seaward of the coastline extending to the continental shelf break;

(2) estuaries, including semi-enclosed bodies of water having an opening to the sea and containing greater than 0.5 ppt of salt, including but not limited to river mouths, deltas, fjords, inlets, bays, and tidewater glaciers;

(3) wetlands and tideflats, including lands shallowly submerged by water and characterized by vegetation complexes consisting primarily of sedges, rushes, and grasses; coastal wetlands are not strictly limited to the zone inundated by tides and are characterized by coastal marshes which generally have an extensive freshwater zone in the higher area and a tidally influenced saltwater zone in the lower area;

(4) rocky islands and seacliffs, including islands of predominantly volcanic or tectonic origin with rocky shores and steep faces, offshore rocks, capes, and steep rocky sea fronts;

(5) barrier islands and lagoons, including depositional coastal environments formed by deposits of sediments offshore which form a barrier of low-lying islands and bars protecting a salt-water lagoon with a free exchange of water to the sea;

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(6) exposed high energy coasts, including relatively featureless sections of the coastline with direct exposure to ocean generated wave impacts and usually characterized by mixed sand and gravel beaches and an active surf zone;

(7) rivers and lakes; and

(8) coastal uplands, including those upland areas having a direct or significant impact on the coastal area.

(b) Coastal resource districts and appropriate state agencies shall identify and plan for the management of the resources and habitats listed in (a) of this section. The following are the standards which apply to the management of these resources and habitats:

(1) offshore areas - maintain the capacity of offshore areas to support anadromous fish, marine fish, shellfish, marine birds, marine mammals, and supporting species;

(2) estuaries - maintain the capacity of estuaries to support anadromous fish, marine fish, migratory birds, marine birds, mammals and supporting species; maintain adequate water flows and oxygen levels where fish populations overwinter; prohibit the discharge of toxic wastes and materials into estuaries in the winter;

(3) wetlands and tideflats - maintain wetlands habitat for migratory birds, anadromous fish, big game, small mammals, and supporting species;

(4) rocky islands and seacliffs - maintain the availability and quality of rocky island and seacliff breeding habitat for marine mammals, seabirds, and supporting species; avoid harassment, pollution, or the introduction of unnatural predators;

(5) barrier islands and lagoons - maintain the flow of sediments and water; prevent the alteration or redirection of wave energy; prevent the filling in of lagoons or the destruction of barrier islands; discourage activities which may cause polar bears to avoid denning on barrier islands;

(6) exposed high energy coasts - avoid the dumping of materials toxic or harmful to marine life, including but not limited to larvae and juvenile stages of crabs, shrimp, and razor clams, marine fish, and supporting species;

(7) rivers and lakes - maintain the capacity of rivers and lakes to support anadromous fish, migratory birds, small mammals, big game, and supporting species; and

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(8) coastal uplands - maintain upland bird and big game populations.

ARTICLE 4. AREAS WHICH MERIT SPECIAL ATTENTION

Section
140. Areas Which Merit Special Attention

6 AAC 80.140. AREAS WHICH MERIT SPECIAL ATTENTION. (a) Coastal resource districts and appropriate state agencies shall recommend to the Council areas to be designated as areas which merit special attention.[3] Recommendations shall include the following information:

(1) the basis or bases for designation pursuant to AS 46.40.210(1) or (c) of this section;

(2) a map showing the geographical location, surface area and, where appropriate, bathymetry of the area;

(3) a description of the area which includes dominant physical and biological features;

(4) the existing ownership, jurisdiction, and management status of the area, including existing uses and activities;

(5) the existing ownership, jurisdiction, and management status of adjacent shoreland and sea areas, including existing uses and activities;

(6) present and anticipated conflicts among uses and activities within an adjacent to the area, if any;

(7) a proposed management scheme, consisting of the following:

(A) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to land and water within the area;

(B) a summary or statement of the policies which will be applied in managing the area; and

(C) an identification of the authorities which will be used to implement the proposed management scheme.

3. "Areas which merit special attention" is defined in AS 46.40.210(1).

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(b) The Council will designate and establish management schemes for areas which merit special attention. Approval of a district coastal management program which recommends designation of an area pursuant to (a) of this section constitutes a Council designation.

(c) In addition to the categories contained in AS 46.40.210(1), areas which merit special attention may include the following:

(1) areas important for subsistence hunting, fishing, food gathering, and foraging;

(2) areas with special scientific values or opportunities, including but not limited to those where ongoing research projects could be jeopardized by development or conflicting uses and activities; and

(3) potential estuarine or marine sanctuaries.

(d) Management schemes for areas which merit special attention shall preserve, protect, enhance, or restore the value or values for which the area was designated.

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procedural steps

CHAPTER 85 GUIDELINES FOR DISTRICT COASTAL MANAGEMENT PROGRAMS

Section
10. Program elements
20. Submittals to Council
30. Public involvement
40. Coordination and review

6 AAC 85.010. PROGRAM ELEMENTS. Each district coastal management program shall include the elements listed in this section.

(1) A statement of the district's overall needs, objectives, or goals, or the district's comprehensive land and resource use plan.

(2) A description of the district's administrative structure. This structure shall be sufficient for program development and implementation. Budgetary and staff needs, and, where appropriate, a schedule for reorganization shall be included.

(3) A map of the boundaries of the coastal area within the district which is subject to the district coastal management program.

(A) Prior to Council approval of the district program, interim boundaries shall be based on Biophysical Boundaries of Alaska's Coastal Zone[1] and shall include the zone of direct interaction and the zone of direct influence but shall exclude the zone of indirect influence.

(B) Final boundaries of the coastal area subject to the district coastal management program may diverge from the interim boundaries providing the final boundaries:

(i) extend inland and seaward to the extent necessary to manage uses and activities that have or are likely to have a direct and significant impact on the coastal ecosystem; and

(ii) include all transitional and intertidal areas, salt marshes, islands, and beaches.

1. Developed by the Alaska Department of Fish and Game, Marine Coastal Habitat Management Program, 1977; available from the Office of Coastal Management, Division of Policy Development and Planning.

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specific proposals for land and water uses and activities may be allowed. It shall be the general policy of the coastal resource district to approve specific proposals for land and water uses and activities which are consistent with the district coastal management program. Districts shall utilize existing forums and procedures appropriate for the determination of specific proposals to the greatest extent practicable, including but not limited to forums and procedures related to planning and zoning. Policies, regulations, and procedures shall be consistent with the standards of the Alaska Coastal Management Program contained in 6 AAC 80 and shall meet the following criteria:

(A) comprehensibility, so as to provide for all uses, activities, and areas in need of management;

(B) specificity, so as to allow clear understanding of who will be affected by the district coastal management program, how they will be affected, and whether specific proposals for land and water uses and activities may be allowed; and

(C) enforceability, so as to insure implementation of and adherence to the district coastal management program.

(9) A description of the methods and authorities that will be used to implement the district coastal management program. Methods and authorities must be adequate to insure program implementation. Additional methods and authorities which are required shall be specified. Methods and authorities may include but are not limited to land and water use plans, municipal ordinances and resolutions, including shoreline ordinances, zoning ordinances, subdivision ordinances, and building codes, state and federal statutes and regulations, capital improvements programs, the purchase, sale, lease, or exchange of coastal land and water resources, cooperative agreements, memoranda of understanding, and coordinated permit or project review procedures. Coastal resource districts may enter into cooperative management agreements with parties conducting uses or activities outside of the district in conformity with the Alaska Coastal Management Program and this Title.

(10) Evidence of effective and significant public involvement in program development, pursuant to sec. 030 of this chapter.

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6 AAC 85.020. SUBMITTALS TO COUNCIL. (a) During program development, coastal resource districts shall submit brief annual progress reports concerning program development to the Council.

(b) Following approval of the district coastal management program by the Council and adoption of the program by the district, coastal resource districts shall submit brief annual progress reports concerning program implementation to the Council. The Council will review annual progress reports to insure that the district is making adequate progress in complying with the Alaska Coastal Management Act, this Title, and the adopted district coastal management plan.

(c) All significant additions, amendments, and revisions to the district coastal management program shall be submitted to the Council. The Office of Coastal Management shall review proposed additions, amendments, and revisions to determine if Council approval is required. This determination is subject to review by the Council when requested by a council member.

(d) Coastal resource districts shall give conceptual approval to the district coastal management program and significant additions, amendments, and revisions to the district coastal management program prior to their submittal to the Council. Following Council approval, the district shall adopt the program, addition, amendment, or revision.

6 AAC 85.030. PUBLIC INVOLVEMENT. (a) At least two public meetings shall be held within the coastal resource district during coastal management program development to inform the public about and to solicit public comments concerning the program. A brief summary or report of the matters considered shall be prepared by the district and made available to the public following each meeting.

(b) At least 30 days before giving conceptual approval to the district coastal management program or significant additions, amendments, or revisions thereto, the coastal resource district shall give public notice of the proposed action. At least one public hearing shall be held during the period of the notice. At the public hearing, each interested person shall be given the opportunity to present statements, arguments, or contentions, orally or in writing. Districts shall insure that, where necessary, translation into the appropriate Native language is provided. The district shall consider all relevant matter presented to it. A written transcript, minutes, or an electronic recording of the public hearing shall be submitted to the Council as an element of the district coastal management program.

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(c) In addition to the requirements of (b) of this section, coastal resource districts shall provide opportunities for public involvement from the beginning in the development of all program elements.

(d) Coastal resource districts shall provide to the public, in a timely manner and in understandable form, information explaining the district coastal management program, the requirements of public participation in program development, how and when the public may participate in program development, and what information is available.

6 AAC 85.040. COORDINATION AND REVIEW. Coastal resource districts shall provide opportunities for coordination and review by federal, state and local governmental agencies and other parties with a significant interest in coastal resources within or adjacent to the district or which are conducting or may conduct uses and activities that have or are likely to have a direct and significant impact on the coastal resource district.

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--referred to in 6 AAC 80.060--

Policies of the State of Alaska Concerning the Onshore and Nearshore aspects of OCS Development[1]

Policy 1. Optimum location. The state shall ensure that the siting of major onshore and nearshore petroleum-related[2] facilities minimizes adverse environmental and social effects while satisfying industrial requirements. Where possible, siting decisions will not foreclose other land and water uses.

1a. Preliminary siting criteria. The state shall develop preliminary siting criteria for major nearshore and onshore petroleum-related facilities.[3] These criteria should consist of basic siting considerations that would capitalize on the public benefits of OCS development and reduce its adverse effects.

1b. Information needs for evaluating proposals. In order to adequately evaluate major development proposals, the state requires from developers at least the information listed in Table 5.2.[4]

Policy 2. Consolidation. Major petroleum-related facilities shall be consolidated to the maximum extent feasible unless consolidation produces greater adverse environmental or social consequences.

2a. Planning provisions. The state shall encourage industrial facility planning that allows for reasonable expansion and offers adequate assurance that other operators and necessary support industries could share the facility.

2b. Exceptions. Consolidation of onshore facilities shall be discouraged if the capacity of existing facilities cannot be expanded in an environmentally and socially acceptable way. Instances when this might occur include, but are not limited to, the following:

(1) Affected communities oppose the expansion of existing facilities.

1. As adopted by the Alaska Coastal Policy Council 01/13/78.

2. Major nearshore and onshore petroleum-related facilities include: a) marine service bases; b) air transport facilities; c) pipelines and rights-of-way; d) separation, treatment and storage facilities; e) LNG plants; f) transfer terminals related to petroleum production; g) concrete platform fabrication yards; h) refineries; and i) petrochemical plants.

3. Table 5.1, Appendix A.

4. Appendix B.

(2) Additional harbor activities would seriously jeopardize marine safety.

(3) Water supply is insufficient for future demand.

(4) Environmental protection measures (e.g., ballast treatment facilities and solid waste disposal sites) at existing facilities could not be expanded to handle new loads.

(5) Air and water quality problems would be compounded to a point where projected environmental degradation would exceed allowable air and water quality standards.

Policy 3. Compatibility. Industrial and commercial use of land shall be compatible with adjacent uses, projected community needs and high standards of environmental quality.

Policy 4. Concurrent use, reuse, conversion and removal. The state shall encourage the concurrent use of petroleum-related facilities for other economic or public uses if possible, the reuse or conversion of these facilities when no longer needed for petroleum-related activities, and the removal of the facility if it cannot be used for other purposes. The state shall further encourage reclamation and restoration of disturbed areas upon termination of active use.

4a. Study possibilities. The state shall investigate possibilities for concurrent use, reuse and conversion of petroleum-related facilities and incorporate these findings in state land use, economic and public facility planning.

4b. Lease stipulations. Where appropriate, the state will specify concurrent use, reuse, conversion or removal of facilities as stipulations on leases of state uplands, tidelands, submerged lands and shorelands. The state shall also require reclamation or restoration of distrubed areas upon termination of active use on these lands.

Policy 5. Protection of environmental quality. The state shall in all cases consider the effect of development upon: a) vulnerable or unique populations and habitats, b) renewable resources having a high commercial, recreational, cultural and/or aesthetic value, c) areas of high biological productivity and/or diversity, and d) areas of high development hazard. The effect of development on these features of the natural and human environment must be considered in determining optimum locations of development activities (Policy 1), appropriate design of facilities, and compatibility of the proposed development with maintenance of a high level of environmental quality (Policy 3).

5a. Sensitive areas. The state shall protect ecologically sensitive areas, including but not limited to: estuaries, wetlands river deltas, fish spawning grounds, intensive use habitat, bird nesting areas, waterfowl and shorebird staging areas, migration routes, wildlife wintering habitat, and sea mammal rookeries and hauling out grounds, by requiring environmentally acceptable technology or, if necessary, recommending alternate sites.

5b. Facility design. These state shall encourage design, construction, and operation of facilities to maintain a high level of environmental quality through, for example:

(1) use of existing facilities and consolidation of new facilities;

(2) minimizing dredge and fill, clearing, and other surface alteration;

(3) use of environmentally safe technology;

(4) adherence to Alaska's environmental protection laws and regulations pertaining to air quality, water use, water quality and solid waste disposal;

(5) proper burial of submarine pipelines, particularly in trawling areas;

(6) operation of helicopters at sufficient altitudes above seabird colonies and other noise-sensitive habitats to minimize disruption; and

(7) reclamation or restoration of disturbed areas upon termination of active industrial use.

Policy 6. Shoreline development. The state shall encourage reservation of the shoreline for water dependent or water related uses.

Policy 7. Resident employment preferences. Alaskan residents shall receive preference for employment. Resident employment preference shall apply to retention as well as hiring.

7a. Voluntary agreements. The state will encourage the petroleum industry and related companies to adopt resident employment preference policies.

7b. Lease stipulation. As a stipulation on all state leases, the state will require that employment preference be given to Alaskan residents.

Policy 8. Manpower training. The state shall encourage manpower training programs that would qualify the existing resident labor force for jobs in the petroleum industry.

Policy 9. Public costs. Public costs resulting from OCS-related activities shall be shared by state and local governments, the federal government, the petroleum industry and other private developers.

Policy 10. Public facilities. The state shall promote full use of public facilities[5] while ensuring high standards of public service.

10a. New facilities. Before the state plans, funds or constructs new public facilities, they must be justified by the level of economic activity and stable population growth expected through at least the production phase of OCS development.

10b. Temporary facilities. The state shall encourage temporary means of expanding public facilities to handle increased demands of a temporary nature.

Policy 11. Public services. The state shall provide new or expanded public services[6] in a timely fashion.

Policy 12. Public information and opinion. Early in the OCS development process the state shall inform the public about OCS development and obtain public opinion on industrial growth and technological options.

12a. Attitudinal surveys and workshops. The state will encourage and participate in the dissemination of public information on OCS development and the conduct of attitudinal surveys and workshops early in the OCS development process.

12b. Local coastal management programs. The state will encourage the development of local coastal management programs in OCS-affected coastal communities. An approved local coastal management plan will be recognized as an expression of community views regarding industrial growth.

5. Public facilities include, but are not limited to, sewerage and water systems, ports, airports, roads, schools and hospitals.

6. Public servies include, but are not limited to, education, health care, child care, planning, manpower training, social services, and the criminal justice system.

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12c. Orientation of non-resident employees. The state will encourage development companies to conduct orientation programs for non-resident employees on community values and the results of attitudinal surveys to minimize misunderstandings between temporary residents and permanent members of a community.

Policy 13. Local management. The state shall seek to strengthen local planning, fiscal and management roles, including human resources planning and program development. The state shall also offer assistance to communities in coping with the adverse effects of development.

13a. Technical assistance. The state will assist communities in directing growth according to local preferences. In rendering assistance, the state will emphasize consideration of state-wide, regional and minority interests.

13b. State land disposal. The state will to the maximum extent feasible lease, sell or exchange state land in the vicinity of existing communites: a) if such actions enhance local control over development and the site satisfies the state's siting criteria; and b) an approved municipal plan establishes the desirability of expansion onto state-owned parcels and provides for phased growth. Although local preference is a significant factor in deciding whether to lease, sell or exchange state land near existing communities, it is not the only factor. Additional considerations are specified in the Alaska Statutes and Administrative Code.

Policy 14. State-local coordination. Where a community makes a concerted effort to develop and act on its position regarding OCS development, the state shall adapt its actions (e.g. capital investments, leasing, permit issuance) to community preference to the extent that such actions also respect state-wide, regional and minority interests.

Policy 15. Coordination among state agencies. The state shall seek to coordinate at the outset the actions of all state agencies that must eventually act on major development proposals.

15a. Interagency review. The A-95 Clearinghouse should coordinate review of major state actions related to development of the outer continental shelf.

15b. Major state actions. The state shall establish a process through which all major state actions regarding OCS development are coordinated.

15c. Information exchange. The state shall establish a system for improving the transfer of information among state agencies and between them and the public.

Policy 16.. State-federal coordination. The state shall seek to coordinate state and federal development decisions.

16a. Pipeline transportation plan. The state should prepare a comprehensive plan regarding pipeline trasportation and encourage the participation of appropriate federal agencies (e.g., FPG, ICC, BLM, Department of Transportation).

16b. Coastal management. The state's OCS policies will be incorporated into the state's coastal management program. When Alaska's coastal management program receives federal approval, these policies will significantly influence federal coastal decisions.

Policy 17. Cooperative management and development. The state shall seek to cooperate with landowners, developers and government agencies in the development and management of OCS-related onshore facilities.

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APPENDIX A

TABLE 5.1

PRELIMINARY SITING CRITERIA
FOR
MARINE SERVICE BASES
OIL TERMINALS
LNG PLANTS

Onshore vs. offshore. Site facilities onshore until alternatives offshore are proven safe and environmentally acceptable.

Expansion. Select sites with sufficient acreage to allow for reasonable expansion of facilities. (1)

Infrastructure. If possible, site facilities where existing infrastructure (e.g., roads, docks, airstrips) is capable of satisfying industrial requirements. (1)

Navigational safety. Avoid harbors and shipping routes with reefs, shoals, drift ice, and other obstructions that might jeapordize safe navigation.

Site preparation. Select sites where development would entail minimal site clearing, dredging, and construction in productive wetlands, estuaries, deltas, and other sensitive areas. (1)

Tsunami. Site fuel, crude oil, and LNG storage tanks at elevations sufficiently above mean sea level to escape the highest tsunami run-up.

Pipelines. Align pipelines away from active faults and areas of subsidence.

Shipping routes. Site oil terminals so as to minimize the probability of oil spills affecting fishing grounds and spawning grounds.

Fire and explosion. Site fuel, crude oil and LNG storage and transfer areas downwind from populated areas to reduce the hazard of fire and explosion to human populations.

Resource protection. Site facilities so that unique environments and areas of particular scenic, recreational, and cultural value will be protected.

Water quality. Site facilities in areas of least biological productivity, diversity, and vulnerability, and where effluents and spills can be controlled or contained easily.

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Air quality. Site facilities where winds and air currents freely disperse pollutants, thereby reducing their concentrations.

Compatibility. Select sites designated for industrial purposes or well separated from residential, commercial, and institutional land uses, where industrial traffic will not pass through population centers, and vessel movements will not result in overcrowded harbors or interfere with fishing operations and equipment.

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(1) Application of site preparation, expansion and infrastructure criteria requires basic information on harbor dimensions, acreage and infrastructure needs.

	SERVICE BASE	OIL TERMINAL	LNG PLANT
Harbor depth (ft. below MLLW)		-----	-----
Access channel	20	66	46
Turning basin	19	61	42
Berthing area	18	58	40
Turning Basin (diameter in ft.)	420-840	2,000-4,000	2,100-4,200
Level land near waterfront (ac.)	4-20 (1-2 berths) 63-88 (10 berths)	70-500	40-500
Infrastructure			
Airstrip (ft.)	5,000	5,000	5,000
Dock (ft.)	200-2,000	1,000	1,000
Road network connecting dock, airstrip and community	yes	yes	yes

APPENDIX B

TABLE 5.2

INFORMATION NEEDS

1. Type of facility proposed, e.g., service base, marine terminal, LNG plant.

2. Location of all facilities and activities associated with or expected to be attracted to the proposed development, e.g., helicopter operations, construction camps, motels.

3. Description of proposed facility, e.g., acreage, site plans.

4. Expansion: probability of additional demand on the proposed facility in the future; provisions for expansion and sharing of the facility with other companies.

5. Schedule: proposed construction schedule and anticipated operational timetable over the life of the facility, e.g., type and level of seasonal activities, anticipated years of peak usage.

6. Land status and ownership of development site and other land affected by the proposal, e.g., private, public, unpatented, in litigation.

7. Management of the project, e.g., an oil company, a Native corporation, joint management.

8. Contractors and subcontractors for all or portions of the project.

9. Resource requirements: quantities and probable sources of power, water, gravel, and other materials.

10. Transport: frequency and routes of boat and aircraft movements and expected level of vehicular traffic in the region resulting from construction or operation of the facility.

11. Employment: anticipated number of persons to be employed by job description, tenure (permanent/temporary), and place of employment.

12. Population: approximate addition to the population of Alaska by place.

13. Public services: extent of need for and means of providing public services, e.g., roads, sewers, water, solid waste disposal, medical care, police and fire protection, and other health and social services.

14. Environmental implications: potential environmental benefits,

DRAFT

conflicts and mitigative measures, particularly concerning solid waste management and air and water quality.

15. Siting and design features to compensate for natural processes (e.g., floods, earthquakes, storms, erosion and sedimentation), to provide for safe and effective management of sewage and solid waste; and to minimize noise and visual impacts.

16. Economic implications, e.g., public cost and revenues resulting from the proposed project; potential conflicts with existing industry; anticipated expenditures by Alaska by place.

17. Social implications, e.g., training programs, local hiring policy, housing.

18. Arrangements for reducing environmental, economic, and social conflicts, e.g., traffic control systems, oil spill contingency plan, compensation plan.

19. Alternative sites for the required facilities and operations, and reasons for rejecting alternative sites.

REALTOR®

ALASKA ASSOCIATION OF REALTORS®
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Telephone 907-272-8016

March 7, 1978

Frances A. Ulmer, Co-Chairman
Alaska Coastal Policy Council
Office of Coastal Management
Division of Policy & Development & Planning
Pouch AP
Juneau, Alaska 99811

Dear Ms. Ulmer:

The Legislative Committee of the Alaska Association of REALTORS welcomes this opportunity to make a few general and specific comments regarding the proposed regulations concerning the Alaska Coastal Management program.

Under the Coastal Zone Management Act, the state is beginning to "engage in comprehensive land and water use planning in coastal areas..." or to put it in plain words, to institute additional controls on the use of land in the "coastal area."

Often in the drafting of statutory regulations and in the formulation of land use planning controls, many people in government feel that is not necessary or desirable to "dot all the i's and cross all the t's." This bureaucratic vagueness allows great leeway for administrative interpretation which may or may not be beneficial to the public and is greatly dependent upon the individual who is enforcing and defining the regulations.

In response to the notice of this hearing, we had hoped to be able to examine the proposed regulations and offer comments on those requirements that were to be placed on the various districts as they developed their individual management programs. In short, what could be required of the districts, how it was to be implemented and what areas were to be included. It would appear that the public is in a position of "waiting for the other shoe to drop" or perhaps "waiting for the sword to fall." GAAC 80.010 (c) the council will make available.... in understandable form....(1) a guide for the development of district coastal management programs; (2)comprehensive policies....(3) maps and narratives describing the physical and biological characteristics of coastal areas to be used in establishing boundaries.

GAAC 80.020(e) The council will prepare a manual of standards for the management of land and water uses in the coastal area to assist in the development of district and state agency plans.

It is our opinion that the above missing documents constitute the "standards and guidelines" mentioned in the notice for these public hearings and that without them neither the public, nor any legislative

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review committee can fathom what the council will be requiring of the districts.

GAAC 80.040 Geophysical hazard areas. Who is to have the final say in the designation of these areas, a state agency, the local district governmental unit or the council? In the event that "development or related activities" are proposed in a hazard area, to whom does the owner apply for approval of his "siting, design and construction measures?"

Chapter 85

At this stage of the process we, and we're sure many others, hoped to be able to define what areas you are intending to control. In GAAC 85.010(3)(A), it states that the "interim boundaries shall be based on biophysical boundaries of Alaska's coastal zone and shall include the zone of direct interaction and the zone of direct influence", as shown on the referenced fish and game maps. In as much as these are only the interim boundaries, we will not go into detail on the amount of area that will be controlled by whatever standards, guidelines and policies you will be formulating in the future. We must make a comment on the fact that few people outside of the government are aware that within these interim boudaries lies the coastal city of Palmer, the major portion of the Anchorage Bowl (all land to the 1,000' contour level), the Susitna River basin up to and including Devil's Canyon, approximately 80% of all habitable land on the Kenai Peninsula, and what appears to be all the land on Kodiak Island with the exception of the mountain tops, etc. etc. etc.

GAAC 85.010(3)(B)(i) states that "final boundaries...may diverge from the interim boundaries providing the final boundaries: extend inland and seaward to the extent necessary to manage uses and activities that have or are likely to have a direct and significant impact on the coastal ecosystem". We find no definition section in the proposed regulations for any of the terms used in the regulations. "Coastal ecosystem" should be defined so that districts can be assured that their individual programs are encompassing those areas which the council feels should be controlled. The public is not served when a district adopts a program only to have it rejected by the council because it does not restrict uses in areas the council feels should be restricted, and equally important, the citizens within a district should be able to tell whether the proposed local program is more encompassing than that mandated by the council.

We feel that the council should look at defining regional areas where individual districts will impact the same coastal areas. A framework could be set up for coordination of individual district programs in the formative stage prior to each district approving a program and sending it to the council.

There is one change that we would propose that the council adopt. There appears to be an attempt lately to obtain public input and public involvement in government. Our proposed wording would enable the council and the districts to achieve more input from the affected public and would give the public due notice of actions which directly involve them. We suggest that GAAC 85,030(b) be amended by adding a new third and fourth sentence....

during the period of the notice. ANY PROPERTY OWNER WHOSE RIGHT TO USE OF HIS LAND WILL BE DIMINISHED BY ADOPTION OF THE PROGRAM, MUST BE INDIVIDUALLY NOTICED BY MAIL AT LEAST 14 DAYS PRIOR TO THE HEARING. THE NOTICE SHALL FULLY EXPLAIN THE DIMUNITION IN USE HE WILL SUFFER UPON ADOPTION OF THE PLAN, at the public....." Most governmental units notice individual property owners if a change in use of their or adjoining properties is proposed. If a person owns 80 acres on the banks of the Susitna River which he can subdivide now and upon adoption of the program he will not be allowed to subdivide, he should be informed prior to the action being taken. If a person has a 2½ acre homesite where he is now planning to build a home or cabin and the program would preclude construction, he should be told. If someone has a piece of land in Kodiak where, under existing ordinances he can develop a condominium project or apartment house and under the proposed district program he would be precluded from that construction, he should be made aware.

The council has developed very definitive policies concerning the off-shore and near shore aspects of OCS development and criteria in appendix A & B. In GAAC 80.090, timber harvest and GAAC 80.100 mining and mineral processing, there is much substance for those who are concerned in those areas to address. But as to the impact these regulations will have on the individual property owner, not concerned with oil, minerals or timber, they are sadly vague.

Sincerely,

ALASKA ASSOCIATION OF REALTORS

Bob Arwezon

Bob Arwezon
C.Z.M. Sub Committee
Legislative Committee

cc: Senator Joseph L. Orsini
Representative Lisa Rudd

BA:mw

ALASKA [illegible] ASSOCIATION
Executive [illegible] Statewide
Star Route [illegible] Box 73D
Anchorage, Alaska 99507
(907) 344-5054

March 6, 1978

MAR 9 1978

Coordinator
Office of Coastal Management
Division or Policy Development and Planning
Pouch AP
Juneau, AK 99811

Re: Proposed Adoption of Regulations of the
Alaska Coastal Policy Council

Gentlemen:

Our organization has briefly reviewed the proposed regulations and noted in particular the lack of time offered the general public for review and comment. The hearings commenced February 15th, were concluded on March 4th, and have a cut-off date of March 6th for comments to be considered. In other words, only two days have been provided from conclusion of the hearings to cessation of public input. The coordinators of the program have stressed the need for public participation, but in reality have not provided sufficient time for the public review and comment. We are, of course, aware of opportunities for early comment in public meetings held, for example, at Juneau, Kodiak, and Anchorage. Members of our association did attend the Juneau and Anchorage meetings, but quite frankly the issues were not well drawn, and the meetings were not well enough organized to provide for meaningful public comment.

The proposed regulations will have an immense and serious impact to the preservation, use, and development of all of Alaska's lands and resources. The non governmental working public will be tremendously affected by the impact of these regulations. We contend that under these circumstances, additional time for review of impacts and in-depth consideration of the guidelines is not only necessary, but a requisite of the federal requirements which provide funding for the programs.

Even without the time for a thorough review, we have noted what appears to be inconsistencies and omissions. These are explained briefly in subsequent paragraphs.

The guidelines will impact the environment and economic well being of interior Alaska due to effects, as examples, on transportation and water quality. Furthermore, because of the vague definition of Coastal Zone, some interior communities may be directly affected. However, no hearing notifications or other attempts have been made to advise interior communities of the regulations, or probable impacts. Because of this serious omission, we would question the propriety and possibly legality of approving the regulations at this time.

The guidelines do not contain a definition of terms. Although some terms are defined in the text, it is not certain if they apply generally. Many of the terms and phrases used in the guidelines are not adequately defined, could have dual meaning, thus be left open to misenterpretation. Examples of some of the terms requiring definition include (1) Coastal Zone; (2) Consistency; (3) Water-dependent; (4) Navigation, national and statewide; (5) Navigation; (6) Minimization; and (7) subsistence. Many of these terms require definition to allow meaningful interpretation before impacts and implication of the guidelines can be assessed.

One of the purposes of the original legislation was to provide for participation of the local governing bodies in the planning and management of the Coastal Zone. The guidelines do not appear to adequately address this issue. Although it may be argued that local membership on the council satisfies this requirement, the extent of the region and dilution of local authority by other numbers mitigates local control. The guidelines should be more specific in defining local participation and how this interacts with state and federal jurisdictions, management, and control.

The guidelines refer to local agency control of the coastal region being vested with the Office of Coastal Management. However, the guidelines do not define responsibilities of this agency, or other state agencies concerned with land and resource management. A cursory review indicates that some 14 state agencies, 21 major federal agencies, all the organized boroughs, and numerous communities will be directly affected by various activities set forth in the guideline. However, the guidelines do not confirm any guideline methods for intergovernmental involvement. A review of this complex involvement is needed in order to meet the specificity alledged in the guidelines. Furthermore, agency responsibilities should be closely defined.

Environmental concerns and other attributes affecting development are referenced in the guidelines. But no mention is made to consideration of employment or economic well being. This omission has very serious implications insofar as both coastal and interior communities are concerned and constitutes a major deficiency of the guidelines.

The guidelines do not provide for timely administration or penalties for inordinate administrative delays by state and federal agencies. Administrative delays are historical in Alaska and must be avoided if local needs are to be satisfied. The guidelines should address this issue specifically.

We are certain many other unanswered questions will arise with comprehensive review of the guidelines. Again, however, additional time is needed to assess the impact of the guidelines and determine their compatibility with existing agency responsibilities, statutes, regulations, and policies.

We appreciate the opportunity of expressing our concerns, but again stress the shortness of time for public review and request a minimum 60-day extension prior to approval.

Sincerely,

C. C. Hawley

ams
cc Governor Jay Hammond
Robert LeResche, Commissioner
Lee McAnerney, Commissioner
Senator Kay Poland
Senator John Rader
Senator Mike Colletta
Senator John Butrovich
Representative Alvin Osterback
Representative Steve Cowper
Representative Clark Gruening
Representative Hugh Malone

Borough raises objections over coastal zone draft

KODIAK DAILY
MIRROR
FEBRUARY 21,1978
PAGE ONE

The borough has objected to language in the Alaska Coastal Management program standards which could be interpreted to leave ultimate control for coastal management in Juneau rather than in local areas.

Borough planner Harry Milligan objected forcefully at last night's public hearing on the final wording of the draft of the standards and guidelines, to language in the proposed document which would give the state the final say in several areas.

Several regulations which allowed for final "approval" by the state were cited.

"We want it clearly understood," Milligan said "that if a district prepares a plan which is consistent with guidelines, the council shall adopt that plan as submitted."

Alaska Coastal Policies Council associate planner Judith Anderegg of Juneau said in a telephone interview today "a lot of communities are concerned about this whole issue of state and local control in this act."

At the hearing last night Mrs. Anderegg did not respond to Milligan's objections, however, today she said some areas of the act are "too strongly worded in favor of state control."

She said there is a lot of room for local control explaining that the whole intent of the act and legislation is for local communities to do local planning.

Milligan said his reasoning behind the changes he suggested in the language of the final draft was "to take the politics out of the act."

During the meeting last night, which had a small attendance, was moderated by a panel including Mayor Betty Wallin, a member of the Alaska Coastal Policies Council; borough assemblyman Dr. Michael Emmick, of Port Lions and Anderegg.

Mrs. Wallin, in response to an objection by Milligan to an item on subsistence in which he said more specificity was needed, told the gathering that the council was waiting to get more comments from the local areas before drafting a final policy on subsistence.

Ole Harder, a local fisherman, commented on subsistence that "it has to be so Fish and Game can shut it down if necessary. It should be left so the department can say no because the run cannot afford it."

Anderegg answered that "Fish and Game's authority would not be superceded by anything in these regulations."

Mrs. Anderegg, who also served on a moderating panel for the Juneau public hearing on the final draft, reports that both Kodiak and Juneau have offered "very helpful comments."

The staff feels that the communities are making very worthwhile comments," she said.

Dale Tubbs, a borough retained land management consultant, told the Mirror last week that the regulations as drafted, depending on how they're interpreted could take final control for coastal management out of the local areas and put them in Juneau.

"There's a battle going on now," Tubbs said, "and they're going to try and hold the control in Juneau."

Sen. Kay Poland, reached at her home in Juneau yesterday, commented, "If people are lazy, the bureaucracy will always take over."

Poland, D-Kodiak, said that she is on the regulation review committee for coastal management and "I'm sure

(Continued on Page 2)

From page 1

we'll be taking a look at them."

"Those regulations have not been adopted," Sen. Poland said. "They will also be looked at by the community and regional affairs committees in both the house and senate," she said.

The final drafts of the standards and guidelines will be given final review by the council at a meeting in Juneau on March 30 and 31, Mayor Wallin said.

All comments gleaned from the public hearings held in coastal communities throughout the state will be included in the draft before final consideration by the council, she said.

The coastal mangement guidelines and standards were developed by the state in compliance with a federal act relating to the management of coastal resources of the state.

The standards which are being drafted to include local suggestions from two series of public hearings, one series last fall to gather the public views and a second series, in progress now

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

12 May 1978

TO: Community and Regional Affairs Committee Members

FROM: Lisa Rudd, Chair

RE: HCR 125 - Coastal Zone Management Regulations

I have asked that HCR 125 (approving coastal management guidelines and standards) be returned to our committee. I was not aware, at the time we approved the resolution, that the Attorney General's office review of the guidelines and standards had not been completed.

The Attorney General's office has now completed its review, and has made some changes in the regulations. Most of the changes are extremely minor (capitalizations and changes in word order, etc.), but one or two are more substantive. I would like the committee to review the changes.

Attached are the regulations, with the changes indicated in handwriting and underlining.

Also attached is a letter from the Coast Guard which I received after we passed out HCR 125. The committee may wish to address some of their concerns in the letter of intent.

We will meet on Wednesday, May 17th at 9:00 a.m. to reconsider HCR 125.

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

MAILING ADDRESS:
Commander (dpl)
17th Coast Guard District
P. O. Box 3-5000
Juneau, Ak 99802
(907) 586-7355

16000
1 MAY 1978

Honorable Lisa Rudd
State of Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Ms. Rudd:

The Coast Guard appreciates the opportunity to correspond with your committee concerning the 13 April 1978 Standards and Guidelines for Alaska's Coastal Management Program (ACMP). These Standards and Guidelines represent a considerable departure from the previous drafts on which the Coast Guard was allowed to comment. The Coast Guard feels that this version of the Standards and Guidelines is severely deficient in the areas of participation, specificity, and priority of uses.

Participation. The Office of Coastal Zone Management in Alaska has attempted to provide federal agencies with the opportunity to participate in the development of Alaska's program. Section 923.51 of the federal regulations requires, however, that the State "provide for federal agency input on a timely basis." The Coast Guard feels that the State has been deficient in this regard due to the shortness of time allowed for agency comments between successive drafts of the Standards and Guidelines. This is the sixth occasion in the last six months that the Coast Guard has commented on a different draft of this document. This rapidity of drafts has not allowed sufficient time for coordination between the various agencies of the Department of Transportation, nor the opportunity to carefully evaluate the content of the Program. Furthermore, this "final" version of the Standards and Guidelines was approved by the Council and submitted to the legislature without an opportunity for federal review, even though it differed substantially from previous drafts. Written comments have yet to be received by the Coast Guard addressing our stated concerns. The Coast Guard feels therefore that this past history of short lead times for response combined with the lack of formal feedback from the State does not meet the federal requirements for participation.

Section 306(c)(1) of the Coastal Zone Management Act requires federal agency participation in the development of the Program at an early stage in the process. The Coast Guard recommends that a provision for this participation be included in section 6 AAC 80.020 of the Standards.

The Coast Guard has commented on several occasions that a mechanism is needed for government participation at the district level in the development of the local plans. The Coast Guard is concerned that each district may develop its own mechanism for government participation and then cite compliance or non-compliance with this mechanism as evidence of government participation. Because the actual decision concerning adequacy of participation will be made at the State level by the Council, the Coast Guard feels that it is very important that a well developed State mechanism for participation be defined as part of the ACMP. If this accomplished, the process will not vary from district to district and all parties will have a clear understanding of their responsibilities and opportunities. It is therefore recommended that Section 85.100 be expanded to detail exactly when, where, and how government agencies will be allowed to participate in the development process.

Priority of Uses.

Section 923.13 of the federal regulations requires that the State must: "(1) Identify what constitute uses of regional benefit; and (2) identify those methods that shall be used to assure that unreasonable restrictions or exclusions of such uses by local land and water use regulations shall not occur." The Coast Guard finds no mention of regional benefit, national interest, or defense considerations in the Guidelines and Standards. National Defense, including Coast Guard functions and responsibilities such as search and rescue and fisheries enforcement, should be identified in Chapter 80, Article 2 of the Standards as an important priority use of the Coastal Zone. This priority provides the basis for regulating future land and water use, provides a common reference point for resolving potential conflicts, and is important for future acquisition of areas not presently controlled by the Coast Guard.

Section 6 AAC 80.080 of the Standards addresses water based transportation routes. Under the Ports and Waterways Safety Act of 1972, the Coast Guard is authorized to establish vessel traffic services in ports, harbors, and other waters subject to congested vessel traffic. Any district plans dealing with the management and control of vessel traffic should be coordinated with the Coast Guard to insure such plans are compatible with Coast Guard traffic control responsibilities. There is also considerable regional and national interest connected with transportation and these considerations should be mentioned in this section.

Specificity. The present Standards and Guidelines are lacking in specificity and substance and, as a result, the plans developed and implemented by the Alaska Coastal Resource Districts may vary so widely that the Coast Guard may be compelled to operate under as many as 50 different

plans within Alaska rather than under one plan which is implemented by various local government units. This situation would present an unacceptable burden on the Coast Guard and other federal agencies and is therefore considered a serious defect which must be remedied.

The Coast Guard feels that the Standards and Guidelines are deficient in the following areas concerning specificity:

a. The standards and criteria upon which decisions pursuant to the program will be based are not sufficiently specific to provide "(i) a clear understanding of the content of the program, especially in identifying who will be affected by the program and how, and (ii) a clear sense of direction and predictability for decision makers who must take actions pursuant to or consistent with the management program." These provisions are required by section 923.3(a)(2) of the Federal Coastal Zone Management Approval Regulations.

b. Section 923.12(a) requires the States to "develop policies and procedures by which uses determined to be subject to the management program will be permitted, conditioned, modified, and/or prohibited. These policies and procedures regarding management of uses and/or their impacts must be capable of effective implementation at the time of program approval." Alaska's section 6 AAC 85.070 and 6 AAC 85.080 delegates these functions to the districts. This creates a situation where each district's uses and policies may differ and is therefore not authorized under the federal regulations.

The effective implementation required under this section can not occur under Alaska's present Standards and Guidelines. If the State delegates the responsibilities of establishing uses and policies to the individual districts (85.070 and 85.080), and the district policies and uses are not submitted to NOAA with the ACMP (district plans will be developed later), it is impossible to implement meaningful management procedures regarding unknown uses and policies. It is therefore not clear what status the Program will have before the district plans are in place.

c. Section 923.12(e) of the Federal regulations states that "to the extent a state's government program policies are generalized, performance standards that will be used to enforce these policies will need to be sufficiently explicit and specific that persons affected by the management program will have a reasonable understanding of what uses would be permitted in which locations of the Coastal Zone and under what condition." The Coast Guard feels that the Standards are neither explicit nor specific and do not provide the required clear understanding as to what uses are permitted in any location.

The Coast Guard is very interested in coastal zone management and desires to work closely with the State of Alaska in implementing the ACMP. However, the mere opportunity to comment on the various stages of combined plan development when with the lack of response received concerning these comments, can not be considered real participation. The continued failure of the State to react to the concerns expressed herein is viewed as a matter of concern and is considered a serious continuing deficiency under the federal regulations. I am hopeful that these defects can be corrected before the ACMP is sent to NOAA, and am looking forward to continuing interaction with the State in coastal zone matters.

Sincerely,

J. B. HAYES
Rear Admiral, U. S. Coast Guard
Commander Seventeenth Coast Guard District

Roger Allington, Co-Chairperson
Alaska Coastal Policy Council
Office of the Governor

May 8, 1978

J-99-074-78

AVRUM M. GROSS
ATTORNEY GENERAL

By:
Arthur H. Peterson
Assistant Attorney General
and Regulations Attorney

Regulations re coastal management guidelines and standards (6 AAC 80 and 6 AAC 85)

We have reviewed these regulations in accordance with AS 44.62.060, and approve them for filing by the lieutenant governor. A duplicate original of this memorandum is being furnished the lieutenant governor, along with your regulations and related documents.

Under AS 44.62.125(b)(6), "waters" has been corrected to read "water" in 6 AAC 80.100(b)(2) and 6 AAC 80.900(7), and "must be" has been corrected to read "are" in 6 AAC 85.070.

We note that a "pre-final" version of these regulations was submitted to the legislature April 7, 1978 and that this final version was delivered to Representative Lisa Rudd May 4; the corrected page 15, but not the three corrections mentioned above, was delivered to her May 5. Representative Rudd's Community and Regional Affairs Committee has favorably reported HCR 125, approving these regulations, but neither house of the legislature has yet voted on the matter. This means that, although all requirements of the Administrative Procedure Act (AS 44.62) have now been met and the lieutenant governor may file these regulations, he will not be able to note the effective date in appropriate places (assuming the constitutionality of the effective-date precondition in AS 46.40.080 and assuming that the word "program" in that section means or includes these regulations). You should make certain that, as soon as the legislature completes action on the matter, this information is relayed to the lieutenant governor.

AHP/pjg

cc: Representative Lisa Rudd
House Community & Regional Affairs Committee
Alaska State Legislature

cc: Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Alaska State Legislature

Frances Ulmer, Co-Chairperson
Alaska Coastal Policy Council
Office of the Governor

PART 6.
ALASKA COASTAL POLICY COUNCIL.

Chapter
80. Standards of the Alaska Coastal Management Program
85. Guidelines for District Coastal Management Programs

CHAPTER 80.
STANDARDS OF THE ALASKA COASTAL MANAGEMENT PROGRAM.

Article
1. Government Process
2. Uses and Activities
3. Resources and Habitats
4. Areas Which Merit Special Attention
5. General Provisions

ARTICLE 1.
GOVERNMENT PROCESS.

Section
10. Coverage of chapter [regulations]
20. Public participation and information
30. Program management and coordination

[regulations] [Title] [Guidelines]

6 AAC 80.010. COVERAGE OF CHAPTER. (a) This chapter contains standards for the use of and application by districts and state agencies in carrying out their responsibilities under the Alaska Coastal Management Act (AS 46.40, and AS 44.19.891 -- 44.19.894).

[may be construed]

(b) Nothing in this chapter or in any district program displaces or diminishes the authority of any state agency or local government with respect to resources in the coastal area. Uses and activities conducted by state agencies in the coastal area must be consistent with the applicable district program and the standards contained in this chapter. In authorizing uses or activities in the coastal area under its statutory authority, each state agency shall grant authorization if, in addition to finding that the use or activity complies with the agency's statutes and regulations, the agency finds that the use or activity is consistent with the applicable district program and the standards contained in this chapter.

[Title]

(c) At a minimum, the council will review this chapter annually. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.020. PUBLIC PARTICIPATION AND INFORMATION. (a) The council will provide adequate, effective, and continuing opportunities for public participation from the beginning of the Alaska coastal management program. The council will give notice of when and where opportunities for public participation will be provided before adoption of guidelines and standards, review and approval of district programs and amendments to district programs, and amendments to the Alaska coastal management program.

(b) The council will not approve a district program or significant amendment of a district program unless evidence of significant opportunities for public participation at the district level has been provided.

(c) The council will make available to the public information and educational materials concerning coastal management, in understandable form, including

(1) a guide for the development of district programs;

(2) maps and narratives describing physical and biological characteristics to be used in establishing boundaries of coastal areas;

(3) areas recommended for council designation as areas which merit special attention;

(4) maps showing the distribution and abundance of coastal fish and wildlife species with commercial, recreational, subsistence, or general ecological importance;

(5) an identification of major data and information sources concerning coastal management;

(6) a summary of information regarding coastal regions;

(7) summaries of public hearings and workshops;

(8) films and slide programs;

(9) written material summarizing or explaining the Alaska coastal management program; and

(10) the council's annual report to the legislature.

(d) At public meetings concerning the Alaska coastal management program, the council will insure that, when requested and reasonably necessary, translation into the appropriate Native language is provided. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

[where reasonably requested]

6 AAC 80.030. PROGRAM MANAGEMENT AND COORDINATION. (a) The Office of Coastal Management is the designated lead agency for the Alaska coastal management program. The Office of Coastal Management shall

(1) present the staff position regarding matters before the council;

(2) coordinate the activities of state agencies participating in the Alaska coastal management program; and

(3) review state and federal actions for consistency with the Alaska coastal management program, subject to council review.

(b) The council will initiate an interagency program of comprehensive resource management for each geographic region listed in AS 44.19.891(a)(1). Regional programs will

(1) assist the council and districts in identifying uses of state concern and developing management policies for these uses; footnote deleted

(2) provide resource, social, and economic information on a coordinated regional basis; and

(3) assist the council and districts in identifying, avoiding, or minimizing existing or potential conflicts.

(c) Plans and recommendations developed as part of the regional program described in (b) of this section must be transmitted to the district through the Office of Coastal Management. District planning efforts must demonstrate review and consideration of these plans and recommendations. If the final district program proposed does not agree with the regional program plans and recommendations, the differences will be resolved by the council.

(d) The council will prepare a manual of standards for the management of land and water uses in the coastal area to assist in the development of district and state agency programs. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

ARTICLE 2.
USES AND ACTIVITIES.

Section
40. Coastal development
50. Geophysical hazard areas
60. Recreation
70. Energy facilities
80. Transportation and utilities
90. Fish and seafood processing
100. Timber harvest and processing
110. Mining and mineral processing
120. Subsistence

6 AAC 80.040. COASTAL DEVELOPMENT. (a) In planning for and approving development in coastal areas, districts and state agencies shall give, in the following order, priority to

(1) water-dependent uses and activities;

(2) water-related uses and activities; and

(3) uses and activities which are neither water-dependent nor water-related for which there is no feasible and prudent inland alternative to meet the public need for the use or activity.

Proposed change from.

(b) The placement of structures and the discharge of dredged or fill material into coastal water must, at a minimum, comply with Parts 320-323, Title 33, Code of Federal Regulations (Vol. 42 of the Federal Register, pp. 37133--47 (July 19, 1977)). (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.050. GEOPHYSICAL HAZARD AREAS. (a) Districts and state agencies shall identify known geophysical hazard areas and areas of high development potential in which there is a substantial possibility that geophysical hazards may occur.

(b) Development in areas identified under (a) of this section may not be approved by the appropriate state or local authority until siting, design, and construction measures for minimizing property damage and protecting against loss of life have been provided. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.060. RECREATION. Districts shall designate areas for recreational use. Criteria for designation of areas of recreational use are:

(1) the area receives significant use by persons engaging in recreational pursuits or is a major tourist destination; or

(2) the area has potential for high quality recreational use because of physical, biological, or cultural features.
(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.070. ENERGY FACILITIES. (a) Sites suitable for the development of major onshore, nearshore, offshore, and outer continental shelf energy facilities must be identified by the state in cooperation with districts.

(b) The siting and approval of major oil and gas facilities must be based on the policies of the State of Alaska concerning the onshore and nearshore aspects of oil and gas development.

(c) Districts shall consider that the uses authorized by the issuance of state leases for mineral and petroleum resource extraction are [SPECIFIC] uses of state concern. District programs and plans must be consistent with those uses. [SUCH]
(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.080. TRANSPORTATION AND UTILITIES. (a) Transportation and utility routes and facilities in the coastal area must be sited, designed, and constructed so as to be compatible with local community goals and desires as expressed in district programs and local comprehensive plans.

(b) Transportation and utility routes and facilities must be sited inland from beaches and shorelines unless the route or facility is water-dependent or no feasible and prudent inland alternative exists to meet the public need for the route or facility. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.090. FISH AND SEAFOOD PROCESSING. Districts shall identify and may designate areas of the coast suitable for the location or development of facilities related to commercial fishing and seafood processing. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.100. TIMBER HARVEST AND PROCESSING. (a) Commercial timber harvest activities in the coastal area must be sited in areas where the management of reforestation, using the best available technology, will result in producing a sustained yield of merchantable timber unless the area is to be converted to a use other than timber harvest.

(b) Commercial timber harvest activities in the coastal area must be conducted so as to meet the following standards:

(1) the location of facilities and the ~~layout of~~ logging systems must be managed so as to minimize potential for adverse environmental impacts;

~~(2) unrestricted fish movement in coastal waters must be assured;~~ and

(3) timber harvest and timber management activities must be planned and implemented so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats as determined on a case-by-case basis by the Alaska Departments of Natural Resources, Environmental Conservation, and Fish and Game, districts, and appropriate federal agencies.

(c) Commercial timber transport, storage, and processing in the coastal area must be conducted so as to meet the following standards:

(1) onshore storage of logs must be encouraged where compatible with the objectives of the Alaska coastal management program;

(2) sites for in-water dumping and storage of logs must be selected and these activities conducted so as to minimize adverse effects on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not constitute a hazard to navigation;

(3) roads for log transport and harvest area access must be planned, designed, and constructed so as to minimize mass wasting, erosion, sedimentation, and interference with drainage, and must be adequately maintained until they are returned to their pre-road natural drainage pattern (put to bed); and

(4) stream crossings, including bridges and culverts, must be kept to a minimum number, designed to withstand seasonal high water and flooding, and must provide for unrestricted passage of fish.

(d) Upon the effective date of regulations adopted under the authority of forest practices legislation establishing a standard corresponding to a standard in this section the standards in this section will not be applicable.

(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.110. MINING AND MINERAL PROCESSING. (a) Mining and mineral processing in the coastal area must be permitted, designed, and conducted so as to be compatible with the standards contained in this chapter, adjacent uses and activities, regional programs, statewide and national needs, district programs, and local comprehensive plans.

(b) Sand and gravel may be extracted from coastal waters, intertidal areas, barrier islands, and spits when there is no feasible and prudent alternative to coastal extraction which will meet the public need for the sand or gravel.
(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.120. SUBSISTENCE. (a) Districts and state agencies shall recognize and assure opportunities for subsistence usage of coastal areas and resources.

(b) Districts shall identify areas in which subsistence is the dominant use of coastal resources.

(c) Districts may, after consultation with appropriate state agencies, Native corporations, and any other persons or groups, designate areas identified under (b) of this section as subsistence zones in which subsistence uses and activities have priority over all non-subsistence uses and activities.

(d) Before a potentially conflicting use or activity may be authorized within areas designated under (c) of this section, a study of the possible adverse impacts of the proposed potentially conflicting use or activity upon subsistence usage must be conducted and appropriate safeguards to assure subsistence usage must be provided.

(e) Districts sharing migratory fish and game resources must submit compatible plans for habitat management.
(Eff. ; Reg.)

Authority: AS 44.19.893
AS 46.40.040

ARTICLE 3.
RESOURCES AND HABITATS.

Section
130. Habitats
140. Air, land, and water quality
150. Historic, prehistoric, and archaeological resources

6 AAC 80.130. HABITATS. (a) Habitats in the coastal area which are subject to the Alaska coastal management program include

(1) offshore areas;

(2) estuaries;

(3) wetlands and tideflats;

(4) rocky islands and seacliffs;

(5) barrier islands and lagoons;

(6) exposed high energy coasts;

(7) rivers, streams, and lakes; and

(8) important upland habitat.

(b) The habitats contained in (a) of this section must be managed so as to maintain or enhance the biological, physical, and chemical characteristics of the habitat which contribute to its capacity to support living resources.

(c) In addition to the standard contained in (b) of this section, the following standards apply to the management of the following habitats:

Substituted for "manage" in beginning of sentence.

(1) offshore areas must be managed as a fisheries conservation zone so as to maintain or enhance the state's sport, commercial, and subsistence fishery;

(2) estuaries must be managed so as to assure adequate water flow, natural circulation patterns, nutrients, and oxygen levels, and avoid the discharge of toxic wastes, silt, and destruction of productive habitat;

(3) wetlands and tideflats must be managed so as to assure adequate water flow, nutrients, and oxygen levels and avoid adverse effects on natural drainage patterns, the destruction of important habitat, and the discharge of toxic substances;

(4) rocky islands and seacliffs must be managed so as to avoid the harassment of wildlife, destruction of important habitat, and the introduction of competing or destructive species and predators;

(5) barrier islands and lagoons must be managed so as to maintain adequate flows of sediments, detritus, and water, avoid the alteration or redirection of wave energy which would lead to the filling in of lagoons or the erosion of barrier islands, and discourage activities which would decrease the use of barrier islands by coastal species, including polar bears and nesting birds;

(6) high energy coasts must be managed by assuring the adequate mix and transport of sediments and nutrients and avoiding redirection of transport processes and wave energy; and

(7) rivers, streams, and lakes must be managed to protect natural vegetation, water quality, important fish or wildlife habitat and natural water flow.

(d) Uses and activities in the coastal area which will not conform to the standards contained in (b) and (c) of this section may be allowed by the district or appropriate state agency if the following are established:

[PROVIDING]

(1) there is a significant public need for the proposed use or activity; inserted

(2) there is no feasible and prudent alternative to meet the public need for the proposed use or activity which would conform to the standards contained in (b) and (c) of this section; and

(3) all feasible and prudent steps to maximize conformance with the standards contained in (b) and (c) of this section will be taken.

(e) In applying this section, districts and state agencies may use appropriate expertise, including regional programs referred to in sec. 30(b) of this chapter. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.140. AIR, LAND, AND WATER QUALITY. Notwithstanding any other provision of this chapter, the statutes pertaining to and the regulations and procedures of the Alaska Department of Environmental Conservation with respect to the protection of air, land, and water quality are incorporated into the Alaska coastal management program and, as administered by that agency, constitute the components of the coastal management program with respect to those purposes. (Eff. ; Reg.)

no approval by legis.

Authority: AS 44.19.893
AS 46.40.040

6 AAC 80.150. HISTORIC, PREHISTORIC, AND ARCHAEOLOGICAL RESOURCES. Districts and appropriate state agencies shall identify areas of the coast which are important to the study, understanding, or illustration of national, state, or local history or prehistory. (Eff. ; Reg.)

Authority: AS 44.14.893
AS 46.40.040

ARTICLE 4.
AREAS WHICH MERIT SPECIAL ATTENTION.

Section
160. Areas which merit special attention

6 AAC 80.160. AREAS WHICH MERIT SPECIAL ATTENTION. (a) Districts and appropriate state agencies shall recommend to the council areas to be designated as areas which merit special attention.[1] Recommendations must include the following information:

[1] footnote deleted

(1) the basis or bases for designation under AS 46.40.210(1) or (b) of this section;

(2) a map showing the geographical location, surface area and where appropriate, bathymetry of the area;

(3) a description of the area which includes dominant physical and biological features;

(4) the existing ownership, jurisdiction, and management status of the area, including existing uses and activities;

(5) the existing ownership, jurisdiction, and management status of adjacent shoreland and sea areas, including existing uses and activities;

(6) present and anticipated conflicts among uses and activities within or adjacent to the area, if any; and

(7) a proposed management scheme, consisting of the following:

(A) a description of the uses and activities which will be considered proper and the uses and activities which will be considered improper with respect to land and water within the area;

(B) a summary or statement of the policies which will be applied in managing the area; and

(C) an identification of the authority which will be used to implement the proposed management scheme.

(b) In addition to the categories contained in AS 46.40.210(1), areas which merit special attention may include the following:

(1) areas important for subsistence hunting, fishing, food gathering, and foraging;

(2) areas with special scientific values or opportunities, including those where ongoing research projects could be jeopardized by development or conflicting uses and activities; and

(3) potential estuarine or marine sanctuaries.

(c) Management schemes for areas which merit special attention must preserve, protect, enhance, or restore the value or values for which the area was designated.

(d) As used in this section, "areas which merit special attention" has the same meaning as in AS 46.40.210(1). (Eff. , Reg.)

} new section to replace footnote ref. on p.10.

Authority: AS 44.19.893
AS 46.40.040

ARTICLE 5.
GENERAL PROVISIONS.

Section
900. Definitions

6 AAC 80.900. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "barrier islands and lagoons" means depositional coastal environments formed by deposits of sediment offshore or coastal remnants which form a barrier of low-lying islands and bars protecting a salt-water lagoon with free exchange of water to the sea;

(2) "coastal water" means all water bodies in the coastal area, including wetlands and the intertidal area;

} changed

(3) "council" means the Alaska Coastal Policy Council;

(4) "district" means a coastal resource district as defined in AS 46.40.210(2);

(5) "district program" means a district coastal management program;

(6) "estuary" means a semi-closed coastal body of water which has a free connection with the sea and within which seawater is measurably diluted with freshwater derived from land drainage;

(7) "exposed high-energy coasts" means open and unprotected sections of coastline with direct exposure to ocean generated wave impacts and usually characterized by coarse sand, gravel, boulder beaches, and well-mixed coastal waters;

(8) "facilities related to commercial fishing and seafood processing" includes hatcheries and related facilities, seafood processing plants and support facilities, marine industrial and commercial facilities, and aquaculture facilities;

(9) "geophysical hazards" includes potential flooding, tsunami run-up, landslides, snowslides, severe faults, and ice hazards;

(10) "mining and mineral processing" means the development of mineral resources extracted in tidal rivers, coastal water, and on continental shelves of the open sea, and found in surface, subsurface, and aqueous deposits;

(11) "offshore areas" means submerged lands and waters seaward of the coastline;

(12) "rocky islands and seacliffs" means islands of volcanic or tectonic origin with rocky shores and steep faces, offshore rocks, capes, and steep rocky seafronts;

(13) "tideflats" means mostly unvegetated areas that are alternately exposed and inundated by the falling and rising of the tide;

(14) "transportation and utility routes and facilities" include power transmission lines, mineral slurry lines, oil and gas pipelines, land and marine corridors, railways, highways, roadways, air terminals, water and sewage transfer, and facilities required to operate and maintain the route or facility;

(15) "upland" means drainages, aquifers, and land, the use of which would have a direct and significant impact on coastal water;

(16) "uses of state concern" has the same meaning as in AS 46.40.210(6); < New — replaces footnote

(17) "water-dependent" means a use or activity which can be carried out only on, in, or adjacent to water areas because the use requires access to the water body;

(18) "water-related" means a use or activity which is not directly dependent upon access to a water body, but which provides goods or services that are directly associated with water-dependence and which, if not located adjacent to water, would result in a public loss of quality in the goods or services offered;

(19) "wetlands" includes both freshwater and saltwater wetlands; "freshwater wetlands" means those environments characterized by rooted vegetation which is partially submerged either continuously or periodically by surface freshwater with less than .5 parts per thousand salt content and not exceeding three meters in depth; "saltwater wetlands" means those coastal areas along sheltered shorelines characterized by halophytic

hydrophytes and macroalgae extending from extreme low tide to an area above extreme high tide which is influenced by sea spray or tidally-induced watertable changes.

(Eff. ; Reg.)

Authority: AS 44.19.893
AS 46.40.040

CHAPTER 85.
GUIDELINES FOR DISTRICT COASTAL MANAGEMENT PROGRAMS.

Article
1. Program Elements
2. Government Process
3. General Provisions

ARTICLE 1
PROGRAM ELEMENTS.

Section
10. Coverage of chapter
20. Needs, objectives, and goals
30. Organization
40. Boundaries
50. Resource inventory
60. Resource analysis
70. Subject uses
80. Proper and improper uses
90. Policies
100. Implementation
110. Public participation

NEW SECTION → 6 AAC 85.010. COVERAGE OF CHAPTER. (a) This chapter contains guidelines for the use of and application by districts in carrying out their responsibilities under the Alaska Coastal Management Act (AS 46.40 and AS 44.19.891--894).

(b) At a minimum, the council will review this chapter annually. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.020. NEEDS, OBJECTIVES, AND GOALS. Each district program must include a statement of the district's overall coastal management needs, objectives, or goals, or the district's comprehensive land and resource use plan. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.030. ORGANIZATION. Each district program must include a description of the district program organization for coastal management. Budgetary and staff needs and, where appropriate, a schedule for necessary reorganization must be included. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.040. BOUNDARIES. (a) Each district program must include a map of the boundaries of the coastal area within the district subject to the district program.

(b) Before council approval of the district program, initial boundaries must be based on Biophysical Boundaries of Alaska's Coastal Zone (published by the Office of Coastal Management and the Alaska Department of Fish and Game, 1978, a copy of which is on file with the Office of the Lieutenant Governor, and which is available from the Office of Coastal Management) and must include the zone of direct interaction and the zone of direct influence.

(c) Final boundaries of the coastal area subject to the district program may diverge from the initial boundaries if the final boundaries:

(1) extend inland and seaward to the extent necessary to manage uses and activities that have or are likely to have a direct and significant impact on marine coastal water; and

(2) include all transitional and intertidal areas, salt marshes, saltwater wetlands, islands, and beaches.

(d) If the criteria in (c) of this section are met, final boundaries of the coastal area subject to the district program may be based on political jurisdiction, cultural features, planning areas, watersheds, topographic features, uniform setbacks, or the dependency of uses and activities on water access.

(e) The boundaries of the district must be sufficiently compatible with those of adjoining areas to allow consistent administration of the Alaska coastal management program.
(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.050. RESOURCE INVENTORY. Each district program must include a resource inventory which describes, in a manner sufficient for program development and implemeantation:

(1) habitats listed in 6 AAC 80.130 that are found within or adjacent to the district;

(2) major cultural resources that are found within or adjacent to the district;

(3) major land and water uses and activities which are conducted within or adjacent to the district;

(4) major land and resource ownership and management responsibilities within or adjacent to the district; and

(5) major historic, prehistoric, and archaeological resources which are found within or adjacent to the district. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.060. RESOURCE ANALYSIS. Each district program must include a resource analysis which describes, in a manner sufficient for program development and implementation:

(1) significant anticipated changes in the matters identified under sec. 50 of this chapter;

(2) an evaluation of the environmental capability and sensitivity of resources and habitats, including cultural resources, for land and water uses and activities; and

(3) an assessment of the present and anticipated needs and demands for coastal habitats and resources. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.070. SUBJECT USES. Each district program must include a description of the land and water uses and activities which are subject to the district program. The uses and activities mentioned in ch. 80 of this title, if applicable, are subject to the district program. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.080. PROPER AND IMPROPER USES. Each district program must include a description of the uses and activities, including uses of state concern, that will be considered proper, and the uses and activities, including uses of state concern, that will be considered improper within the coastal area, including land and water use designations. This description must be based on the district's statement of overall needs, objectives, or goals, or the district's comprehensive land and resource use plan, under sec. 20 of this chapter, and must be consistent with the standards contained in ch. 80 of this title. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

ARTICLE 2.
GOVERNMENT PROCESS.

Renumbered

Section
120. Submittals to council
130. Public involvement
140. Coordination and review
150. Council review

6 AAC 85.120. SUBMITTALS TO COUNCIL. (a) During program development, districts shall submit brief annual progress reports concerning program development to the council.

(b) Following adoption of the final program, districts shall submit brief annual progress reports concerning program implementation to the council.

(c) All significant amendments to the district program must be submitted to the council for approval. The Office of Coastal Management shall review proposed amendments to determine if council approval is required. This determination is subject to council review when requested by a council member.

(d) Districts shall give conceptual approval to district programs and significant amendments to district programs before prior to their submission to the council. The district program as approved by the council becomes effective upon adoption by the district. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.130. PUBLIC INVOLVEMENT. (a) No less than two public meetings must be held within the district during program development to inform the public and receive comments concerning the program. A brief summary or report of the matters considered at the public meeting held under this subsection must be prepared by the district, made available to the public, and retained for inclusion in the record file referred to in sec. 150(c) of this chapter.

(b) At least 30 days before giving conceptual approval to the district program or significant amendment to the district program, the district shall give public notice of the proposed action by conspicuous advertisement in a newspaper of general circulation within the district. The notice must specify the time and place of a public hearing on the proposed action. The public hearing under this subsection may be held not sooner than 10 days after publication of the notice. At the public hearing, each interested person must be given the opportunity to present statements, arguments, or contentions,

orally or in writing. Districts shall insure that, where reasonably requested, translation into the appropriate Native language is provided. The district shall consider all relevant matter presented to it. A written transcript or electronic recording of the public hearing must be submitted to the council.

(c) In addition to the requirements of (b) of this section, districts shall provide publically advertised opportunities for public involvement in the development of all program elements contained in secs. 20 -- 110 of this chapter.

(d) Districts shall provide the public, in a timely manner and in understandable form, information explaining the district coastal management program, the requirements of public participation in program development, how and when the public may participate in program development, what information is available, and where that information may be obtained.
(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.140. COORDINATION AND REVIEW. Districts shall provide opportunities for coordination and review by federal, state, and local governmental agencies, including adjacent districts, and other persons with a significant interest in coastal resources or who are conducting or may conduct uses and activities that have or are likely to have a direct and significant impact on the district's coastal area.
(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

6 AAC 85.150. COUNCIL REVIEW. (a) When a district program or significant amendment to a district program is given conceptual approval by the district, the program or amendment, together with the transcript or recording of the public hearing held under sec. 130(b) of this chapter and all other material on which the district based its decision, must be submitted to the council.

(b) Within 30 days after submission of the district program or amendment under (a) of this section, the Office of Coastal Management shall issue its recommendation. The recommendation may be based, in whole or in part, on matters not submitted by the district under (a) of this section. Any matters so used must be identified in the recommendation and placed in the record file under (c) of this section. The recommendation must contain findings and conclusions based on this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, and AS 46.40.070. The recommendation must be served on the

district, the council, and all persons who testified or submitted timely written statements at the public hearing held under sec. 130(b) of this chapter.

(c) A record file containing all matter submitted by the district under (a) of this section, the Office of Coastal Management's recommendation under (b) of this section, and all matters on which the recommendation was based must be maintained at the Office of Coastal Management and at a convenient location within the district.

(d) Within 30 days after service of the recommendation, any person served with the recommendation may serve upon the council comments on the recommendation. Within 10 days after the deadline for serving comments on the council under this subsection, the Office of Coastal Management may submit additional matter to the council in response to the comments. All comments served and all additional matter submitted under this subsection will be placed in the record file.

(e) Within 20 days after the deadline for the Office of Coastal Management's submission of additional matter to the council under (d) of this section, the council will approve or disapprove the district program, in whole or in part. The council's decision will contain findings and conclusions based on this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, and AS 46.40.070. The council's findings and conclusions will be based upon matters contained in the record file. The council will, in its discretion, adopt the findings and conclusions of the Office of Coastal Management by reference. The council will serve its decision under this subsection on the district and on all persons who submitted timely comments on the staff recommendation under (d) of this section, and will place the decision in the record file.

(f) If the council's decision under (e) of this section disapproves, in whole or in part, the district program, the decision will specify the date and location for the initial mediation session under AS 46.40.060(b). Mediation sessions will be held within the district and will be scheduled with due regard for the convenience of the participants. Any person served with the council's decision under (e) of this section may attend mediation sessions.

(g) If the council and district reach accord in mediation sessions held under (f) of this section, the council will, within 20 days after reaching accord, serve its modified decision on the district and all persons who were served with the council's decision under (e) of this section, and will place the modified decision in the record file. The modified decision will contain findings and conclusions, based on the record file and additional matters adduced during mediation, necessary to demonstrate that the modified decision does not violate this chapter, the standards contained in ch. 80 of this title, AS 46.40.060, or AS 46.40.070.

(h) If the council and the district do not reach an accord, the council will, within 20 days after its determination that an impasse has been reached, set the matter for an adjudicatory hearing under AS 46.40.060(c). Notice of the hearing under AS 44.62.370(c) will be served on the district and all persons who were served with the council's decision under (e) of this section. Any person served with notice of the hearing under this subsection may intervene as a party to the hearing. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

ARTICLE 3.
GENERAL PROVISIONS.

Section
900. Definitions

6 AAC 85.900. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "beaches" means the area affected by wave action directly from the sea;

new word

(2) "marine coastal water" means water adjacent to shorelines which contains a measurable quantity of seawater, including sounds, bays, lagoons, bayous, ponds and estuaries, and the living resources which are dependent on these bodies of water;

Taken from 6 AAC 80. 170(2)

(3) "council" means the Alaska Coastal Policy Council;

(4) "district" means a coastal resource district as defined in AS 46.40.210(2);

(5) "district program" means a district coastal management program;

(6) "islands" means bodies of land surrounded by water on all sides; interior portions of major islands may be excluded from the coastal area if uses of these islands do not cause direct and significant impacts on coastal waters;

corrected

(7) "saltwater wetlands" has the same meaning as that contained in 6 AAC 80.900(19); and

(8) "transitional and intertidal areas" means areas subject to periodic or occasional inundation by tides, including coastal floodplains, storm surge areas, tsunami and hurricane zones, and washover channels. (Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.030
AS 46.40.040

Roger Allington, Co-Chairperson
Alaska Coastal Policy Council
Office of the Governor

May 8, 1978

J-99-074-78

AVRUM M. GROSS
ATTORNEY GENERAL

By:
Arthur H. Peterson
Assistant Attorney General
and Regulations Attorney

Regulations re coastal management guidelines and standards (6 AAC 80 and 6 AAC 85)

We have reviewed these regulations in accordance with AS 44.62.060, and approve them for filing by the lieutenant governor. A duplicate original of this memorandum is being furnished the lieutenant governor, along with your regulations and related documents.

Under AS 44.62.125(b)(6), "waters" has been corrected to read "water" in 6 AAC 80.100(b)(2) and 6 AAC 80.900(7), and "must be" has been corrected to read "are" in 6 AAC 85.070.

We note that a "pre-final" version of these regulations was submitted to the legislature April 7, 1978 and that this final version was delivered to Representative Lisa Rudd May 4; the corrected page 15, but not the three corrections mentioned above, was delivered to her May 5. Representative Rudd's Community and Regional Affairs Committee has favorably reported HCR 125, approving these regulations, but neither house of the legislature has yet voted on the matter. This means that, although all requirements of the Administrative Procedure Act (AS 44.62) have now been met and the lieutenant governor may file these regulations, he will not be able to note the effective date in appropriate places (assuming the constitutionality of the effective-date precondition in AS 46.40.080 and assuming that the word "program" in that section means or includes these regulations). You should make certain that, as soon as the legislature completes action on the matter, this information is relayed to the lieutenant governor.

AHP/pjg

cc: Representative Lisa Rudd
House Community & Regional Affairs Committee
Alaska State Legislature

cc: Senator Joe Orsini, Chairman
Senate Community & Regional Affairs Committee
Alaska State Legislature

Frances Ulmer, Co-Chairperson
Alaska Coastal Policy Council
Office of the Governor

M E M O R A N D U M May 15, 1973

SUBJECT: Annulment of regulations affecting the state's coastal management program: SCR 103

TO: Senator Joseph L. Orsini, Chairman
Senate Community and Regional Affairs Committee

FROM: John B. Chenoweth, Legislative Counsel

You have asked whether favorable action by the Legislature on a resolution approving regulations adopted by the Coastal Policy Council and filed with the Lieutenant Governor precludes subsequent annulment of any provision of those regulations. The Department of Law has provided you a memorandum opinion answering the question in the negative, and, though the basis for this opinion differs, I would agree with the conclusion reached in the memorandum from Mr. Peterson, the Assistant Attorney General.

Earlier, this Agency provided you an opinion concluding that the legislature need not give formal approval to the regulations adopted by the Coastal Policy Council as a condition of their taking effect. By that earlier opinion we suggest that legislative approval of the regulations presented adds nothing to their stature as guidelines and standards for the program. To give effect to the proposed regulations, all the Council is legally required to do is comply with those general provisions of the state's Administrative Procedure Act relating to preparation and adoption of regulations. Prior legislative approval not being specifically required, there is nothing to suggest that the Legislature may not review and disapprove a regulation of the Coastal Policy Council in the manner provided by AS 44.62.320.

JBC:hjd

The legislature has been informed by the Attorney General's Office of the State of Alaska that it [illegible] must only approve or reject the Coastal Management Regulations 6 AAC 80.010 et seq and 6 AAC 85.010 et seq. The Legislature has also been informed that unless these regulations are approved by this session of the legislature that severe problems will result in the ability of the State and local governments to receive funds with which to develop plans to cope with problems in the Coastal Zone. The legislature is very dissatisfied with 6 AAC 80.100 because it is unclear as to what result is really intended and because its language is so overbroad [illegible]. However since the legislature may not amend these sections and since it is important to approve these regulations in some form now, regulations 6 AAC 80.010

COASTAL ZONE MANAGEMENT

~~Regulations 6 AAC 80.010~~ et. seq. are approved ~~subject to the following comments and reservations.~~ It is the intent of the Legislature that Section 6 AAC 80.100 should not place additional burdens on the forest products industry until such time as additional or amended regulations can be adopted. It is also the intent of the Legislature that a Forest Practices Act adopted by the Legislature in the future shall set forth requirements and regulations governing forestry operations in coastal zone management areas and shall be in substitute of regulations set forth in 6 AAC 80.100. The Legislature recommends and, if such proposed regulations are adopted by the Council, hereby approves the following regulation in place of 6 AAC 80.100 as submitted to it:

6 AAC 80.100. TIMBER HARVEST AND PROCESSING.

(a) Commercial timber harvesting in the coastal area shall be conducted so as to meet the following standards:

(1) the facilities shall be located and logging operations conducted so as to minimize long term adverse environmental impacts;

(2) minimize impact on fish movement in coastal waters; and

(3) timber harvest and timber regeneration activities shall be implemented so as to protect streambanks and shorelines, minimize adverse impacts on fish resources and habitats, and minimize adverse long term impacts on wildlife resources and habitats.

(b) Commercial timber transport, storage, and processing in the coastal area shall be conducted so as to meet the following standards:

(1) onshore storage of logs shall be encouraged where compatible with the objectives of the Alaska Coastal Management Program;

(2) sites for in-water dumping and storage of logs shall be selected and these activities conducted so as to minimize adverse impacts on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not constitute a hazard to navigation;

(3) roads for log transport and harvest area access shall be designed and constructed so as to minimize mass wasting, erosion, sedimentation, interference with drainage, and ~~be~~ adequately maintained until such time as they are returned to their pre-road natural drainage pattern (put to bed); and

(4) stream crossing, including bridges and culverts, shall be kept to a minimum number, designed to withstand seasonal high water and flooding, and provide for ~~unrestricted~~ passage of fish.

(c) Upon the effective date of a Forestry Practices Act the coastal zone regulations will not be applicable for timber harvesting and other forest practices.

(d) Nothing in the coastal zone regulations shall prevent timber harvesting on private land, provided such harvesting meets the standards set forth in this section, ~~until additional regulations are adopted.~~

What probs. re-evaluation of
Encourage Entire section
Re-define "adverse envir. impacts"
reappraise – "potential"

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

MAILING ADDRESS:
Commander (dpl)
17th Coast Guard District
P. O. Box 3-5000
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(907) 586-7355

16000
1 MAY 1978

Honorable Lisa Rudd
State of Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Ms. Rudd:

The Coast Guard appreciates the opportunity to correspond with your committee concerning the 13 April 1978 Standards and Guidelines for Alaska's Coastal Management Program (ACMP). These Standards and Guidelines represent a considerable departure from the previous drafts on which the Coast Guard was allowed to comment. The Coast Guard feels that this version of the Standards and Guidelines is severely deficient in the areas of participation, specificity, and priority of uses.

Participation. The Office of Coastal Zone Management in Alaska has attempted to provide federal agencies with the opportunity to participate in the development of Alaska's program. Section 923.51 of the federal regulations requires, however, that the State "provide for federal agency input on a timely basis." The Coast Guard feels that the State has been deficient in this regard due to the shortness of time allowed for agency comments between successive drafts of the Standards and Guidelines. This is the sixth occasion in the last six months that the Coast Guard has commented on a different draft of this document. This rapidity of drafts has not allowed sufficient time for coordination between the various agencies of the Department of Transportation, nor the opportunity to carefully evaluate the content of the Program. Furthermore, this "final" version of the Standards and Guidelines was approved by the Council and submitted to the legislature without an opportunity for federal review, even though it differed substantially from previous drafts. Written comments have yet to be received by the Coast Guard addressing our stated concerns. The Coast Guard feels therefore that this past history of short lead times for response combined with the lack of formal feedback from the State does not meet the federal requirements for participation.

Section 306(c)(1) of the Coastal Zone Management Act requires federal agency participation in the development of the Program at an early stage in the process. The Coast Guard recommends that a provision for this participation be included in section 6 AAC 80.020 of the Standards.

The Coast Guard has commented on several occasions that a mechanism is needed for government participation at the district level in the development of the local plans. The Coast Guard is concerned that each district may develop its own mechanism for government participation and then cite compliance or non-compliance with this mechanism as evidence of government participation. Because the actual decision concerning adequacy of participation will be made at the State level by the Council, the Coast Guard feels that it is very important that a well developed State mechanism for participation be defined as part of the ACMP. If this accomplished, the process will not vary from district to district and all parties will have a clear understanding of their responsibilities and opportunities. It is therefore recommended that Section 85.100 be expanded to detail exactly when, where, and how government agencies will be allowed to participate in the development process.

Priority of Uses.

Section 923.13 of the federal regulations requires that the State must: "(1) Identify what constitute uses of regional benefit; and (2) identify those methods that shall be used to assure that unreasonable restrictions or exclusions of such uses by local land and water use regulations shall not occur." The Coast Guard finds no mention of regional benefit, national interest, or defense considerations in the Guidelines and Standards. National Defense, including Coast Guard functions and responsibilities such as search and rescue and fisheries enforcement, should be identified in Chapter 80, Article 2 of the Standards as an important priority use of the Coastal Zone. This priority provides the basis for regulating future land and water use, provides a common reference point for resolving potential conflicts, and is important for future acquisition of areas not presently controlled by the Coast Guard.

Section 6 AAC 80.0[illegible] of the Standards addresses water based transportation routes. Under the Ports and Waterways Safety Act of 1972, the Coast Guard is authorized to establish vessel traffic services in ports, harbors, and other waters subject to congested vessel traffic. Any district plans dealing with the management and control of vessel traffic should be coordinated with the Coast Guard to insure such plans are compatible with Coast Guard traffic control responsibilities. There is also considerable regional and national interest connected with transportation and these considerations should be mentioned in this section.

Specificity. The present Standards and Guidelines are lacking in specificity and substance and, as a result, the plans developed and implemented by the Alaska Coastal Resource Districts may vary so widely that the Coast Guard may be compelled to operate under as many as 50 different

plans within Alaska rather than under one plan which is implemented by various local government units. This situation would present an unacceptable burden on the Coast Guard and other federal agencies and is therefore considered a serious defect which must be remedied.

The Coast Guard feels that the Standards and Guidelines are deficient in the following areas concerning specificity:

a. The standards and criteria upon which decisions pursuant to the program will be based are not sufficiently specific to provide "(i) a clear understanding of the content of the program, especially in identifying who will be affected by the program and how, and (ii) a clear sense of direction and predictability for decision makers who must take actions pursuant to or consistent with the management program." These provisions are required by section 923.3(a)(2) of the Federal Coastal Zone Management Approval Regulations.

b. Section 923.12(a) requires the States to "develop policies and procedures by which uses determined to be subject to the management program will be permitted, conditioned, modified, and/or prohibited. These policies and procedures regarding management of uses and/or their impacts must be capable of effective implementation at the time of program approval." Alaska's section 6 AAC 85.070 and 6 AAC 85.080 delegates these functions to the districts. This creates a situation where each district's uses and policies may differ and is therefore not authorized under the federal regulations.

The effective implementation required under this section can not occur under Alaska's present Standards and Guidelines. If the state delegates the responsibilities of establishing uses and policies to the individual districts (85.070 and 85.080), and the district policies and uses are not submitted to NOAA with the ACMP (district plans will be developed later), it is impossible to implement meaningful management procedures regarding unknown uses and policies. It is therefore not clear what status the Program will have before the district plans are in place.

c. Section 923.12(e) of the Federal regulations states that "to the extent a state's government program policies are generalized, performance standards that will be used to enforce these policies will need to be sufficiently explicit and specific that persons affected by the management program will have a reasonable understanding of what uses would be permitted in which locations of the Coastal Zone and under what condition." The Coast Guard feels that the Standards are neither explicit nor specific and do not provide the required clear understanding as to what uses are permitted in any location.

The Coast Guard is very interested in coastal zone management and desires to work closely with the State of Alaska in implementing the ACMP. However, the mere opportunity to comment on the various stages of combined plan development when with the lack of response received concerning these comments, can not be considered real participation. The continued failure of the State to react to the concerns expressed herein is viewed as a matter of concern and is considered a serious continuing deficiency under the federal regulations. I am hopeful that these defects can be corrected before the ACMP is sent to NOAA, and am looking forward to continuing interaction with the State in coastal zone matters.

Sincerely,

J. B. HAYES
Rear Admiral, U. S. Coast Guard
Commander Seventeenth Coast Guard District

STATE OF ALASKA

COASTAL POLICY COUNCIL

LOCAL MEMBERS:
Roger Allington,
Northern Southeast,
Co-Chairman
Roger Fagerstrom,
Bering Straits
Donald Gilman,
Lower Cook Inlet
Eben Hopson,
Northwest
Malcolm "Pete" Isleib,
Prince William Sound
Stan Paukan,
Southwest
Robert Sanderson,
Southern Southeast
Lidia Selkregg,
Upper Cook Inlet
Betty Wallin,
Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer,
Director of Policy
Development &
Planning,
Co-chairwoman
Donald Harris,
Commissioner of
Transportation &
Public Facilities
Phillip Hubbard,
Commissioner of
Commerce &
Economic
Development
Robert LeResche,
Commissioner of
Natural Resources
Lee McAnerney,
Commissioner of
Community &
Regional Affairs
Ernst Mueller,
Commissioner of
Environmental
Conservation
Ronald Skoog,
Commissioner of
Fish & Game

The Honorable Hugh Malone
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Malone:

The Coastal Policy Council met in Juneau May 4 and 5 to discuss a number of issues which we have had to ignore to date while developing and refining the guidelines and standards which were submitted to you in early April.

One of the issues discussed is coastal management in the unorganized borough. Staff prepared a series of thorny questions to stimulate discussion (see attached). Not surprisingly few of the questions were answered and several more were identified. However, the Council did reach consensus on several policy positions, two of which require legislative action for implementation.

The Council adopted the attached resolution supporting that provision of HCSSB 338 which extends the time for consolidation of coastal resource service areas.

The Council also requests funding from the Legislature to assist those areas of the unorganized borough which wish to engage in the organization and planning efforts associated with initial development of a district coastal management plan. The Council received testimony from a number of individuals, including Dan Branch (AVCP), John Shively (NANA), Ralph Amouaka (Aleutian/Pribilof), and George Allen (Rural Cap) indicating that although there are groups in the unorganized borough interested in assisting the organization of districts to do coastal planning, no resources currently exist for those groups to do the necessary travel, communication and education which would be essential. As you are aware, the Alaska Coastal Management Act provides that coastal planning must be done by local resource districts except in extreme situations when the Council may direct such planning. In the unorganized borough resource district planning can be accomplished only through the formation of a resource service area. Many areas want and/or need the benefits of coastal resource planning but need assistance in organizing a service area.

ALASKA
COASTAL MANAGEMENT PROGRAM

The Council made the policy decision that it would be desirable to assist those areas which are interested in organizing, and moved to request the Free Conference Committee on the Budget to consider an appropriation of $500,000 to be used for pass through monies for organization efforts by local, public and native groups.

We understand that the lateness of the session and other funding priorities may preclude an appropriation for this purpose at this time. However, we feel it deserves your consideration.

Sincerely,

Frances A. Ulmer
Co-Chairman

Roger Arlington
Co-Chairman

cc: Free Conference Committee: Senator John Rader
Senator John G. Sackett
Senator George H. Hohman
Representative Steve Cowper
Representative Clark Gruening
Representative E. J. Haugen

Senator Joseph L. Orsini
Senator Kay Poland
Representative Lisa Rudd

STATE OF ALASKA

COASTAL POLICY COUNCIL

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Roger Allington, Northern Southeast, Co-Chairman
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Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
Stan Paukan, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer, Director of Policy Development & Planning, Co-chairwoman
Donald Harris, Commissioner of Transportation & Public Facilities
Phillip Hubbard, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

May 11, 1978

Honorable Joe Orsini
Chairman, Senate Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for the copies of the letter sent to you by the U.S. Coast Guard on May 1, 1978.

The Office of Coastal Management has examined that letter in detail at our request, and has prepared the attached response.

We have reviewed OCM's response and generally concur with it. Please advise us if you should receive any additional communications of this type, and we will be pleased to respond again.

We appreciate the opportunity to comment on this matter, and we are at your disposal for any future discussions on the ACMP Guidelines and Standards

Sincerely,

Roger Allington, Co-Chairman
Alaska Coastal Policy Council

Frances A. Ulmer, Co-Chairman,
Alaska Coastal Policy Council

ALASKA
COASTAL MANAGEMENT PROGRAM

May 10, 1978

OFFICE OF COASTAL MANAGEMENT.

Staff Response

To

May 1, 1978 Letter From

Admiral Hayes to Senator Joe Orsini.

We believe that the concerns expressed by the Coast Guard reflect a basic misunderstanding of the legal status of the guidelines and standards within the Alaska Coastal Management Program.

While the Coast Guard cites several sections of the guidelines and standards, federal Coastal Zone Management Act, and federal approval regulations in their letter, we can find no place in which the Alaska Coastal Management Act was cited. The guidelines and standards, as regulations, were never intended to stand alone from the statute under which they were promulgated. They can only be understood as implementing, interpreting, or making specific, but in no event repeating, the Alaska Act. See Drafting Manual for Administrative Regulations (State of Alaska Legislative Affairs Agency, 1976).

I. PARTICIPATION

The first major concern raised in the letter concerns "Participation". The problem cited here is lack of "a

It was, at all times, the intent of the Council to include federal agencies in the definition of the term "public". We believe that the above sections satisfy the concerns raised by the Coast Guard regarding participation.

Additionally, 6 AAC 85.130 specifically requires that "Districts shall provide opportunities for coordination and review required by federal...agencies..." (This would apply both before and after program approval).

6 AAC 85.140, provides that any party who participated in the district public hearing shall be served with and allowed the opportunity to comment on staff recommendations concerning the approval of district programs by the Council, as well as be served with the Council's decision, and allowed to attend mediation sessions. In the event of an adjudicatory hearing between the Council and a district, any such person may intervene as a party.

The internal guidelines of the Alaska Coastal Policy Council, adopted by the Council in March, 1978, contain other relevant provisions, as follows:

> "(1) Opportunities shall be provided for participation of federal agencies in the development, review and approval of all parts of the Alaska Coastal Management Program. Notice of Council meetings, public hearings, and other Council activities shall be provided to allow federal agency review and comment on the guidelines and standards, district programs, and any changes or additions to the Alaska Coastal Management Program. Considerable opportunities for review of Alaska's coastal program will be provided, by the State and by the federal Office of Coastal Zone Management, after the program is submitted to the Secretary of Commerce for approval under the provisions of Section 306 of the federal Coastal Zone Management Act of 1972, as amended.

(2) The Council shall provide coastal districts with a specific listing of state and federal agencies having interests, expertise and responsibilities concerning coastal resources, habitats, and development.

(3) Detailed procedures for federal consultation and consistency shall be contained in the management program document to be submitted to the Secretary of Commerce in mid-1978..."

II. PRIORITY OF USES

The second major concern cited by the Coast Guard is the failure of the guidelines and standards to "mention...regional benefit, national interest, or defense considerations". (p. 2).

This comment has apparently resulted directly from a failure by the Coastal Guard to consider the provisions of the Alaska Coastal Management Act in conjunction with the guidelines and standards.

6 AAC 85.070 requires each district program to "include a description of the uses and activities, including uses of state concern, that will be considered proper, and the uses and activities, including uses of state concern, that will be considered improper within the coastal area, including land and water use designations."

The definitions of the term "uses of state concern" is contained in AS 46.40.210(6) and includes "(A) uses of national interest, including...navigational facilities...and national defense and related security facilities..." and "(B) uses of more than local concern...".

In reviewing district programs, the Council is required to find that the district program does not "arbitrarily or unreasonably restrict or exclude uses of state concern". AS 46.40.060. The following section of the Act, AS 46.40.070(c), contains detailed criterial for making this finding.

In addition, the Council has specifically provided that the interagency (state) regional planning team "assist the Council and districts in identifying uses of state concern and developing management policies for these uses". 6 AAC 80.030(b)(3).

III. SPECIFICITY

The third major concern expressed by the Coast Guard is that "the present Standards and Guidelines are lacking in specificity and substance and, as a result, the plans developed and implemented by Alaska Coastal Resource Districts (sic) may vary so widely that the Coast Guard may be compelled to operate under as many as 50 different plans within Alaska rather than under one plan which is implemented by various local government units." (pps. 2 -- 3).

This concern suggests a misunderstanding of the federal (306) approval regulations as well as the Alaska Coastal Management Act.

Proposed federal Coastal Zone Management Approval regulation 923.42 concerns the "technique of control" which a state chooses to exercise its coastal management program. One such technique is "direct state control". Under this

technique, the state controls land and water uses through "direct state land and water use planning and regulation." This would, in fact, result in "one plan" statewide. However, the technique chosen by the State of Alaska, and reflected in the Alaska Coastal Management Act, is "local implementation". Under this technique, the state sets basic standards or criteria, while the local governments prepare local programs. Given the diversity and independence of communities in Alaska, any other plan would be unacceptable.

In our opinion, the Alaska Act and guidelines and standards provide the minimum amount of uniformity required for an implementable coastal management program while allowing the maximum amount of local discretion. The standards to be applied by the Council concerning uses of state concern, referred to above, provide the assurance to the Coast Guard and other federal agencies that they will not, in fact, have their functions impaired by local programs. Coordination can be assured if the Coast Guard will keep abreast of district program development and Council review of those programs.

This office understands that the Coast Guard, or any other federal agency, may have difficulty in monitoring the development of district programs. We have always responded to those concerns by committing the Office of Coastal Management and the Department of Community and Regional Affairs to assist in every way possible to assure adequate federal input to local programs (see Council's Internal Guidelines, above).

We will transmit information on national interests to the districts, provide districts with lists of contact people in federal agencies, inform federal agencies of pending events at the district level, send federal agencies' drafts of district materials when they are available, and, mount special efforts to involve federal agencies in the Council review of district programs. All of these services will be set forth in detail in the ACMP program document, but we do not believe that reporting these services in the Guidelines and Standards is appropriate.

The Coast Guard letter discusses a number of specific examples in which the guidelines and standards are allegedly not sufficently specific (p. 3). The issue of improper delegation of authority from the Council to the districts is raised. In more than one case, the Coast Guard alleges non-compliance with federal regulations.

With respect to these matters, we would note that the State of Alaska Department of Law has determined, in approving the regulations under AS 44.62.060, that they meet basic "legality" and "constitutionality" requirements, and hence do not constitute an improper delegation. The basic philosophy of decentralization and maximum district control was decided by the legislature when it enacted the Alaska Coastal Man-agement Act. The guidelines reflect this.

IV. TOO RAPID DEVELOPMENT

Finally, the Coast Guard notes the rapid pace at which the guidelines and standards were developed, and the lack of time on their part for adequate coordination and review

(p. 1). Parties who have been involved in the development of the guidelines and standards since the inception of the Council in September, 1977 are cognizant of this problem. Both the Alaska Coastal Management Act and the federal program approval requirements have had the effect of making time of the essence. During the six months in which it had to work on the guidelines and standards, the OCM staff distributed, according to the Coast Guard, six drafts for comment; this was done in an effort to maximize participation and coordination, not impair it. At some point, the comments had to end and a draft had to be submitted to the legislature. This was done in early April.

We would also note that the Hearing Draft, which preceded the final draft sent to the legislature, was made available to the Coast Guard in late January. The formal comment period ended in early March (nearly 60 days after publication). Another three weeks elapsed from the time of closing the formal comment period to the actual Council meeting at which the Hearing Draft was revised into the final Draft. The Coast Guard attended that meeting. The Council dealt with each section of the Guidelines and Standards individually, and provided an opportunity for public comment on each section as it came up for Council consideration. The Coast Guard made no effort to comment in this framework, although this was the appropriate time and place to bring up specific points to the Council.

We would note that the first section of the guidelines

and standards, 6 AAC 80.010, requires the Council to review the regulations annually. This reflects the Council's desire to continue refining and improving the guidelines and standards, in cooperation with the Coast Guard and all other interested parties, and its awareness that the version adopted in April is not cast in stone.

The Coast Guard did provide written comments on the January hearing draft of the guidelines and standards. We have not made individual replies to these comments or to any others since the final guidelines and standards themselves constitute our best response. The Coast Guard's comments were used along with dozens of others to prepare the final guidelines and standards that were sent to the legislature. We will respond to the individual comments as time permits, but given the shortness of time remaining, we feel that our primary duty is to prepare the ACMP program document and other tasks related to transmission of the final guidelines and standards to the legislature.

V. SUMMARY

Time continues to be of the essence. The Alaska Coastal Management Program is in its fourth year of program development. It must receive program approval from NOAA this year or it will be ineligible for further development funding. Any changes in the guidelines and standards at this point would require APA review and legislative approval, an impossibility before the legislature adjourns this summer. The effect of pressing for such changes at this time would not result in a correction of defects before submittal to NOAA, but rather result in a scuttling of the Alaska Coastal Management Program.

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D A HOLBROOK
J D MILLER (ANCHORAGE)
T A SOFO
W R HULEN (ANCHORAGE)
D E CUADRA (ANCHORAGE)

OF COUNSEL
M E MONAGLE

May 16, 1978

The Honorable Joseph L. Orsini
Chairman, Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for your letter to me of May 3, 1978 regarding the Coastal Management Regulations. I have specifically reviewed proposed section 6 AAC 80.100 dealing with timber harvest and processing. Due to the press of other business, most notably D-2 Legislation in Congress, I have not had an opportunity to focus on the Coastal Zone Regulations until now.

At ALP we have assumed that passage of SB-59, the Forest Practice Act, would supercede the Coastal Zone regulations. Upon reviewing 6 AAC 80.100 (d) we are not so sure. That section provides that Forest Practices legislation would be substituted for the Coastal Zone Management Act when the Forest Practices legislation is passed. An additional proviso of that subsection, however, requires that the Forest Practices Act establish a standard "corresponding to a standard in this section". A fast check of the Forest Practices Act shows that it will not establish such corresponding standards. Indeed, the Coastal Zone Regulations will establish much higher standards and, therefore, there will be no substitution. We find this to be a most alarming situation.

Hence, this will be a somewhat detailed letter dealing with a number of problems in the timber area.

1. Section 6 AAC 80.100 requires the siting of timber harvest activities in areas "where the management of reforestation, using the best available technology will result in producing a sustained yield of merchantable timber". There does not appear to be a definition of "sustained yield" in the Act. The Federal government has used the words "sustained yield", (as appear in the Multiple Use Sustained Yield Act of 1960) to mean non-declining yield. More recently, in 1976 in the National Forest Management Act, the long standing Forest Service interpretation of Multiple Use Sustained Yield Act was incorporated into law. Were there to be any lawsuit on this, it would seem to me that a Court would use the Federal definition to interpret the words "sustained yield".

If "sustained yield" means non-declining yield it will make it impossible for many Native corporations to operate. Testimony before the Natural Resources Committee, on the Forest Practices Act indicated that. Accordingly, the requirement in the proposed draft of S.B. 59 that timber harvesting be limited to areas that would produce a "sustained yield" of merchantable timber was deleted from that Act. (Compare draft of S.B. 59 Section 41.17.040(b)(1) with CSSB 59 Section 41.17.060(b). Accordingly, even though ALP does not operate on private land, we would urge that subsection (a) be eliminated entirely.

The reason for suggesting elimination is that reforestation is not the business of the Coastal Zone Management Act. What that Act is attempting to insure is that activities in the coastal region are done in a sound environmental way. That is, its purpose is protection of the environment, not reforestation. Accordingly, it is inappropriate for Subsection (a) to be included in these regulations.

2. Subsection (b)(2) requires an assurance of unrestricted fish movement in coastal waters. It would therefore appear that any causeway built in connection with a log dump, and perhaps even wet log storage areas would be

prohibited. Accordingly, we would recommend that the words "assure unrestricted" be deleted and that the words "minimize restriction of" be inserted instead. This would seem to achieve the desired result without unreasonably burdening the timber industry.

3. Subsection (b)(3) has the potential for stopping the entire timber industry in coastal Alaska. It requires that timber harvesting be conducted in a way to "prevent adverse impacts on fish resources and habitats". It may be impossible to do this, depending, of course, on what is meant by "adverse impacts". "Adverse impacts" is not defined in the regulations, and therefore will mean what a Court says it means. What are adverse impacts? No one really seems to know. There is concern for example that long-range, low-level amounts of sedimentation impact fish. We cannot disprove that this is so. Therefore, any group citing this fact could halt any timber operation in coastal Alaska. We would most strongly urge that the word "prevent" be deleted and that the word "minimize" be substituted in lieu thereof. This would make it consistent with impacts on wildlife or resources and their habitats.

Further, we would suggest that the words "minimize" adverse impacts" be defined. The definition should be drafted so as not to prohibit logging where adequate streamside mitigation measures are utilized. Adequate streamside mitigation measures include presently accepted practices in Southeastern Alaska, as required in the Southeast Area Guides put out by the Forest Service.

In any event, please be assured that we are extremely concerned about this section and urge you to mitigate its clear possibility for great damage to the industry.

4. So that the definition for "minimize adverse impacts" is consistent throughout we would suggest that the word "effects" in the third line of Subsection (c)(2) be deleted, and the word "impacts" be substituted therefore.

5. Subsection (d) also should be altered. The words "establishing a standard corresponding to a standard

in this section" should be deleted entirely. The Forest Practices Act should be the sole vehicle for determining what are and what are not appropriate forest practices. Operators should not be faced with dual sets of regulations emanating from different agencies of the State government. One of the principal reasons why we have worked so hard at ALP for the Forest Practices Act is to eliminate the nightmare of several State agencies using overlapping procedural requirements to regulate the same things. The words which we suggest for deletion would have just that effect. As the section is presently written a court somewhere would have to determine whether or not a standard in the Forest Practices Act was similar to that required in the Coastal Zone Management Act. This simply should not be allowed to happen.

Thank you again for providing us with a copy of these regulations, and the opportunity to respond. I am taking this opportunity to forward them to representative Lisa Rudd, who is Chairman of the House Community and Regional Affairs Committee for her consideration as well.

Yours very truly,

James F. Clark

JFC/pc

cc: Senator Robert Ziegler
Senator Kay Poland
Senator Pete Meland
Senator Bill Sumner
Representative Lisa Rudd
Mr. Clarence Kramer
Mr. David Wolfe
Mr. Pete Huberth
Mr. Roger Allington
Mr. Don Finney
Mr. Sam Demmert
Mr. Les Anderson

MARK G. COPELAND*
DAVID WOLF

*ALSO ADMITTED IN OREGON

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RANDALL L. DUNN
ROBERT B. HOPKINS
RICHARD L. SADLER

May 23, 1978

Representative Lisa Rudd
House of Representatives
State Capitol Building
Juneau, Alaska 99801

Re: Coastal Zone Regulations

Dear Lisa:

Thank you very much for your interest in the concerns of our clients Yak-Tat Kwaan, Inc. and Koncor Forest Resource Management Co. We very much appreciate the meeting you set up concerning the Coastal Zone Regulations. At that meeting we submitted what we thought would be a better version of 6 AAC 80.100 along with some ideas for a letter of intent for the legislature. At that meeting you proposed that certain sections of 6 AAC 80.100 be deleted leaving other sections in for approval by the legislature. I indicated that under the practical constraints on every one, since the legislature does not seem to either have the power or is willing to challenge the opinion of the Attorney General that it does not have the power to amend the regulations, your proposal is the best one at this time. As we mentioned at the meeting, we still have problems with 6 AAC 80.100(b)(1) because it seems to refer to potential adverse environmental impacts as opposed to actual adverse environmental impacts. This will put a tremendous burden on the timber industry to show that they will not cause "potential" adverse environmental impacts. As I know you realize, it is very difficult to prove that you will not cause a potential adverse environmental impact and it was my understanding that you were going to refer to this problem in a letter of intent or instruction to the Alaska Coastal Policy Council with suggestions that it be corrected. Also we are concerned with the use of the word "planned" in 6 AAC 80.100 (c)(3), which is a section which you indicated you are going to recommend that the legislature approve. We hope that the council will see fit to delete this word in the future. As I indicated,

our concern is that the regulations will be used to examine the management process of someone in the timber industry as opposed to being only concerned with the design and construction of roads. Fran Ulmer indicated that my concern was totally misplaced and that there was no intention to get into determining how a company involved in the timber industry would be managed. Therefore, there should be no problem in the deletion of the word "planned." I hope this will be contained in your recommendation to the Alaska Coastal Policy Council.

Also I indicated to you and to Murray Walsh that my clients still preserve their right to appear before the Council to make suggestions concerning any new regulations or changes in these regulations as they deem appropriate and that I did not expect to have them told at such time that our willingness to go along with the regulations with your changes because of the practical problems faced by the legislature should be deemed as somehow an acceptance that these regulations are in the best form possible.

Enclosed is a copy of my letter to Joe Orsini which transmits a copy of this letter to him. Because of Joe's birthday party last Friday, I did not have a chance to speak with him at length and told him that I would send him a copy of my letter to you, along with a letter to him concerning these regulations.

Again, thank you for your interest in the problems of these regulations and I hope that your suggestions as to how to solve the problems in the timber harvest and processing part of the regulations will be accepted by your committee and by the legislature.

Sincerely yours,

KEANE, HARPER, PEARLMAN AND
COPELAND

David Wolf

DW/arm
cc: Yak-Tat Kwaan, Inc.
Koncor Forest Resource Management Co.

MARK G. COPELAND*
DAVID WOLF
*ALSO ADMITTED IN OREGON

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DONALD H. PEARLMAN

RANDALL L. DUNN
ROBERT B. HOPKINS
RICHARD L. SADLER

May 23,1978

The Honorable Joseph L. Orsini
Chairman, Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: Coastal Zone Regulations

Dear Joe:

Thank you for the few minutes you had to spend with me last Friday.

Enclosed is a copy of my letter to Lisa, which I said I would send to you.

The content of Lisa's proposal is not clear in my letter to Lisa. It was my understanding that Lisa's suggestion was that certain sections of the timber harvest and processing regulations in the Coastal Zone Regulation be deleted. These sections were 6 AAC 80.100(a),(b), (2)(b), (3), (c)(4), and (d). This will leave sections 6 AAC 80.100 (b)(1), and (c)(1) through (3).

As you can tell from my letter to Lisa our attitude toward this proposal is that it seems the best political compromise at this time and we hope to be able to clean up the rest of the problems when new regulations are reviewed again by the Coastal Zone Council.

Sincerely yours,

KEANE, HARPER, PEARLMAN AND
COPELAND

David Wolf

David Wolf

DW/arm
cc: Lisa Rudd
Sam Demmert
Les Anderson

TELEGRAM

[redacted] COMMUNICATIONS, INC.
[redacted] PHONE: 586-6440
JUNEAU, ALASKA 99801

#

02088 NL ANCHORAGE AK 60 05-15 250P ADT

PMS REP LISA RUDD CHAIRMAN OF COMMUNITY AND REG. AFFAIRS

JUN

JUST LEARNED PROPOSED COASTAL ZONE REGULATIONS REWRITE SB59 MORE ADVERSLY TO PRIVATE LAND OWNERS THAN SB59 IS ITSELF. ON BEHALF OF YAK-TAT KWAAN INC., AND KONCOR FORST RESEARCH MANAGEMENT COMPANY WHICH IS A JOINT VENTURE OF THREE VILLAGE COPORATION IN THE KONIAG REGION-OUZINKIE NATIVE CORPORATION, NATIVES OF KODIAK INC, AND LEISNOE INC., WE REQUEST TIME FOR REVIEW AND COMMENT.

DAVID WOLF, ATTORNEY FOR

KONCOR FOREST RESEARCH MANAGEMENT CO. AND YAK-TAT KWAAN INC.

COMMITTEE REPORT

HOUSE

5/12/78

FURTHER: _____

_____

Date: 5-24-78

Mr. Speaker:

The Committee on C & RA has had HCR 125

Approving regulations adopated by the Alaska Coastal Policy Council.

under consideration a second time /and (a majority of the committee) (the committee reports it back as follows)

( ) recommends it do pass ( ) recommends it do not pass

( ) recommends it be replaced with CS for HCR 125

and _____ ( ) new title (X) same title

(X) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

P Kelley Polly Do Pass

Mike D. Snider DO PASS

Eric Rudd " "

OTHER RECOMMENDATIONS:

Pete Kott NV Rec

Nick Carlson I Do Not Pass

Tom Kelly No Rec

Dave Smith No Rec

Eric S Rudd

Chairman

H 60 (rev. 6/77)

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

LETTER OF INTENT - - CSHCR 125

By the Community and Regional Affairs Committee

Testimony received by the Communtiy and Regional Affairs Committee identified three sections of the regulations submitted by the Alaska Coastal Policy Council for which change is suggested. The first two sections bear upon the desire of the members of the committee to maintain the broadest possible opportunity for public participation in the understanding of the process of developing district and state coastal management programs. Specifically,

(1) in 6 AAC 85.120(b), it is the intent of the committee that, in addition to giving of notice of public hearing by newspaper advertisement, where no newspaper of general circulation exists within a community or region, general notice should be given by radio;

(2) in 6 AAc 85.140, it is the intent of the committee that broad public circulation through general notice or radio broadcast be given to recommendations of the Coastal Policy Council in its review of district programs, that the public at-large (rather than only those persons specifically served a written copy of the Council's recommendations) have oportunity to respond with written comments, and that the public at-large enjoy the opportunity to attend all subsequent sessions, including mediation sessions.

Language adopted by the Coastal Policy Council in each of the sections cited complies with the letter of each underlying statute; the committee recommends reconsideration and change to more nearly accord with the spirit of public participation and understanding which is the basis of the coastal management program.

The third section of the regulations of concern to the committee is the standards for timber harvest and processing in the coastal area, 6 AAC 801100. The committee finds the language and intent of this section to be confusing and potentially detrimental to the development of timber harvest and processing in the coastal portions of the state.

Rather than disapprove the entirety of the section, leaving no standards for interim guidance to state agencies and local districts, the committee has chosen to disapprove only the paragraphs which give rise to confusion and protest, leaving those paragraphs which state broad policies for timber harvest and processing activity. They will serve as a guide for coastal management districts in the formulation of their respective programs, and to demonstrate to the federal government that the Coastal Policy Council is attempting to meet the threshold requirements of applicable federal laws in order to gain the benefits of federal program approval, federal financial assistance, and, most significantly, federal consistency with the state program ultimately adopted.

It is the intent of the committee, with respect to the timber harvest and processing section under review, that the Coastal Policy Council review the entire section and resubmit a comprehensive standard for consideration and approval by the next Legislature. A comprehensive policy statement should, at minimum,

(1) Define the term "sustained yield" if the Council determines that "sustained yield" is an appropriate standard for timber harvest in coastal areas,
(2) Eliminate absolute terminology with regard to the environmental impacts of timber harvest activity or define the term "adverse environmental impacts" to mitigate the absolute terminology;
(3) Clarify the relationship between this section and a future Alaska forest practices act;
(4) Establish a process for coordinating the efforts of the various state departments and federal agencies which have jurisdiction in the area of timber harvest and processing.

LISA RUDD, CHAIR
HOUSE C&RA COMMITTEE

6 AAC 80.100. TIMBER HARVEST AND PROCESSING. (a) Commercial timber harvest activities in the coastal area must be sited in areas where the management of reforestation, using the best available technology, will result in producing a sustained yield of merchantable timber unless the area is to be converted to a use other than timber harvest.

(b) Commercial timber harvest activities in the coastal area must be conducted so as to meet the following standards:

(1) the location of facilities and the layout of logging systems must be managed so as to minimize potential for adverse environmental impacts;

(2) unrestricted fish movement in coastal waters must be assured; and

(3) timber harvest and timber management activities must be planned and implemented so as to protect streambanks and shorelines, prevent adverse impacts on fish resources and habitats, and minimize adverse impacts on wildlife resources and habitats as determined on a case-by-case basis by the Alaska Departments of Natural Resources, Environmental Conservation, and Fish and Game, districts, and appropriate federal agencies.

(c) Commercial timber transport, storage, and processing in the coastal area must be conducted so as to meet the following standards:

(1) onshore storage of logs must be encouraged where compatible with the objectives of the Alaska coastal management program;

(2) sites for in-water dumping and storage of logs must be selected and these activities conducted so as to minimize adverse effects on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not constitute a hazard to navigation;

(3) roads for log transport and harvest area access must be planned, designed, and constructed so as to minimize mass wasting, erosion, sedimentation, and interference with drainage, and must be adequately maintained until they are returned to their pre-road natural drainage pattern (put to bed); and

(4) stream crossings, including bridges and culverts, must be kept to a minimum number, designed to withstand seasonal high water and flooding, and must provide for unrestricted passage of fish.

(d) Upon the effective date of a regulation adopted under the authority of forest practices legislation establishing a standard corresponding to a standard in this section, the standard in this section will not be applicable.

(Eff. , Reg.)

Authority: AS 44.19.893
AS 46.40.040

Example: Paragraphs approved

GOVERNOR'S OFFICE

Register 6 AAC 80.100.

6 AAC 80.100. TIMBER HARVEST AND PROCESSING. (a) Commercial timber harvest activities in the coastal area must be conducted so as to meet the following standards:

(1) The location of facilities and the layout of logging systems must be managed so as to minimize potential for adverse environmental impacts;

(b) Commercial timber transport, storage, and processing in the coastal area must be conducted so as to meet the following standards:

(1) Onshore storage of logs must be encouraged where compatible with the objectives of the Alaska coastal management program;

(2) Sites for in-water dumping and storage of logs must be selected and these activities conducted so as to minimize adverse effects on the marine ecosystem, minimize conflicts with recreational uses and activities, be safe from storms, and not constitute a hazard to navigation;

(3) Roads for log transport and harvest area access must be planned, designed, and constructed so as to minimize mass wasting, erosion, sedimentation, and interference with drainage, and must be adequately maintained until they are returned to their pre-road natural drainage pattern (put to bed).

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OF COUNSEL
M. E. MONAGLE

May 16, 1978

The Honorable Joseph L. Orsini
Chairman, Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for your letter to me of May 3, 1978 regarding the Coastal Management Regulations. I have specifically reviewed proposed section 6 AAC 80.100 dealing with timber harvest and processing. Due to the press of other business, most notably D-2 Legislation in Congress, I have not had an opportunity to focus on the Coastal Zone Regulations until now.

At ALP we have assumed that passage of SB-59, the Forest Practice Act, would supercede the Coastal Zone regulations. Upon reviewing 6 AAC 80.100 (d) we are not so sure. That section provides that Forest Practices legislation would be substituted for the Coastal Zone Management Act when the Forest Practices legislation is passed. An additional proviso of that subsection, however, requires that the Forest Practices Act establish a standard "corresponding to a standard in this section". A fast check of the Forest Practices Act shows that it will not establish such corresponding standards. Indeed, the Coastal Zone Regulations will establish much higher standards and, therefore, there will be no substitution. We find this to be a most alarming situation.

Hence, this will be a somewhat detailed letter dealing with a number of problems in the timber area.

1. Section 6 AAC 80.100 requires the siting of timber harvest activities in areas "where the management of reforestation, using the best available technology will result in producing a sustained yield of merchantable timber". There does not appear to be a definition of "sustained yield" in the Act. The Federal government has used the words "sustained yield", (as appear in the Multiple Use Sustained Yield Act of 1960) to mean non-declining yield. More recently, in 1976 in the National Forest Management Act, the long standing Forest Service interpretation of Multiple Use Sustained Yield Act was incorporated into law. Were there to be any lawsuit on this, it would seem to me that a Court would use the Federal definition to interpret the words "sustained yield".

If "sustained yield" means non-declining yield it will make it impossible for many Native corporations to operate. Testimony before the Natural Resources Committee, on the Forest Practices Act indicated that. Accordingly, the requirement in the proposed draft of S.B. 59 that timber harvesting be limited to areas that would produce a "sustained yield" of merchantable timber was deleted from that Act. (Compare draft of S.B. 59 Section 41.17.040(b)(1) with CSSB 59 Section 41.17.060(b). Accordingly, even though ALP does not operate on private land, we would urge that subsection (a) be eliminated entirely.

The reason for suggesting elimination is that reforestation is not the business of the Coastal Zone Management Act. What that Act is attempting to insure is that activities in the coastal region are done in a sound environmental way. That is, its purpose is protection of the environment, not reforestation. Accordingly, it is inappropriate for Subsection (a) to be included in these regulations.

2. Subsection (b)(2) requires an assurance of unrestricted fish movement in coastal waters. It would therefore appear that any causeway built in connection with a log dump, and perhaps even wet log storage areas would be

prohibited. Accordingly, we would recommend that the words "assure unrestricted" be deleted and that the words "minimize restriction of" be inserted instead. This would seem to achieve the desired result without unreasonably burdening the timber industry.

3. Subsection (b)(3) has the potential for stopping the entire timber industry in coastal Alaska. It requires that timber harvesting be conducted in a way to "prevent adverse impacts on fish resources and habitats". It may be impossible to do this, depending, of course, on what is meant by "adverse impacts". "Adverse impacts" is not defined in the regulations, and therefore will mean what a Court says it means. What are adverse impacts? No one really seems to know. There is concern for example that long-range, low-level amounts of sedimentation impact fish. We cannot disprove that this is so. Therefore, any group citing this fact could halt any timber operation in coastal Alaska. We would most strongly urge that the word "prevent" be deleted and that the word "minimize" be substituted in lieu thereof. This would make it consistent with impacts on wildlife or resources and their habitats.

Further, we would suggest that the words "minimize" adverse impacts" be defined. The definition should be drafted so as not to prohibit logging where adequate streamside mitigation measures are utilized. Adequate streamside mitigation measures include presently accepted practices in Southeastern Alaska, as required in the Southeast Area Guides put out by the Forest Service.

In any event, please be assured that we are extremely concerned about this section and urge you to mitigate its clear possibility for great damage to the industry.

4. So that the definition for "minimize adverse impacts" is consistent throughout we would suggest that the word "effects" in the third line of Subsection (c)(2) be deleted, and the word "impacts" be substituted therefore.

5. Subsection (d) also should be altered. The words "establishing a standard corresponding to a standard

in this section" should be deleted entirely. The Forest Practices Act should be the sole vehicle for determining what are and what are not appropriate forest practices. Operators should not be faced with dual sets of regulations emanating from different agencies of the State government. One of the principal reasons why we have worked so hard at ALP for the Forest Practices Act is to eliminate the nightmare of several State agencies using overlapping procedural requirements to regulate the same things. The words which we suggest for deletion would have just that effect. As the section is presently written a court somewhere would have to determine whether or not a standard in the Forest Practices Act was similar to that required in the Coastal Zone Management Act. This simply should not be allowed to happen.

Thank you again for providing us with a copy of these regulations, and the opportunity to respond. I am taking this opportunity to forward them to representative Lisa Rudd, who is Chairman of the House Community and Regional Affairs Committee for her consideration as well.

Yours very truly,

James F. Clark

JFC/pc

cc: Senator Robert Ziegler
Senator Kay Poland
Senator Pete Meland
Senator Bill Sumner
Representative Lisa Rudd
Mr. Clarence Kramer
Mr. David Wolfe
Mr. Pete Huberth
Mr. Roger Allington
Mr. Don Finney
Mr. Sam Demmert
Mr. Les Anderson

STATE OF ALASKA

COASTAL POLICY COUNCIL

LOCAL MEMBERS:
Roger Allington, Northern Southeast, Co-Chairman
Roger Fagerstrom, Bering Straits
Donald Gilman, Lower Cook Inlet
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
Stan Paukan, Southwest
Robert Sanderson, Southern Southeast
Lidia Selkregg, Upper Cook Inlet
Betty Wallin, Kodiak-Aleutians

STATE MEMBERS:
Frances Ulmer, Director of Policy Development & Planning, Co-chairwoman
Donald Harris, Commissioner of Transportation & Public Facilities
Phillip Hubbard, Commissioner of Commerce & Economic Development
Robert Leflesche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

The Honorable Hugh Malone
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Malone:

The Coastal Policy Council met in Juneau May 4 and 5 to discuss a number of issues which we have had to ignore to date while developing and refining the guidelines and standards which were submitted to you in early April.

One of the issues discussed is coastal management in the unorganized borough. Staff prepared a series of thorny questions to stimulate discussion (see attached). Not surprisingly few of the questions were answered and several more were identified. However, the Council did reach consensus on several policy positions, two of which require legislative action for implementation.

The Council adopted the attached resolution supporting that provision of HCSSB 338 which extends the time for consolidation of coastal resource service areas.

The Council also requests funding from the Legislature to assist those areas of the unorganized borough which wish to engage in the organization and planning efforts associated with initial development of a district coastal management plan. The Council received testimony from a number of individuals, including Dan Branch (AVCP), John Shively (NANA), Ralph Amouaka (Aleutian/Pribilof), and George Allen (Rural Cap) indicating that although there are groups in the unorganized borough interested in assisting the organization of districts to do coastal planning, no resources currently exist for those groups to do the necessary travel, communication and education which would be essential. As you are aware, the Alaska Coastal Management Act provides that coastal planning must be done by local resource districts except in extreme situations when the Council may direct such planning. In the unorganized borough resource district planning can be accomplished only through the formation of a resource service area. Many areas want and/or need the benefits of coastal resource planning but need assistance in organizing a service area.

ALASKA
COASTAL MANAGEMENT PROGRAM

STATE OF ALASKA

COASTAL POLICY COUNCIL

May 11, 1978

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Roger Fagerstrom, Bering Straits
Donald Gilman, Lower Cook Inlet
Eben Hopson, Northwest
Malcolm "Pete" Isleib, Prince William Sound
Stan Paukan, Southwest
Robert Sanderson, Southern Southeast
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Phillip Hubbard, Commissioner of Commerce & Economic Development
Robert LeResche, Commissioner of Natural Resources
Lee McAnerney, Commissioner of Community & Regional Affairs
Ernst Mueller, Commissioner of Environmental Conservation
Ronald Skoog, Commissioner of Fish & Game

Honorable Joe Orsini
Chairman, Senate Community and
Regional Affairs Committee
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for the copies of the letter sent to you by the U.S. Coast Guard on May 1, 1978.

The Office of Coastal Management has examined that letter in detail at our request, and has prepared the attached response.

We have reviewed OCM's response and generally concur with it. Please advise us if you should receive any additional communications of this type, and we will be pleased to respond again.

We appreciate the opportunity to comment on this matter, and we are at your disposal for any future discussions on the ACMP Guidelines and Standards

Sincerely,

Roger Allington, Co-Chairman
Alaska Coastal Policy Council

Frances A. Ulmer, Co-Chairman,
Alaska Coastal Policy Council

ALASKA
COASTAL MANAGEMENT PROGRAM

May 10, 1978

OFFICE OF COASTAL MANAGEMENT.

Staff Response

To

May 1, 1978 Letter From

Admiral Hayes to Senator Joe Orsini.

We believe that the concerns expressed by the Coast Guard reflect a basic misunderstanding of the legal status of the guidelines and standards within the Alaska Coastal Management Program.

While the Coast Guard cites several sections of the guidelines and standards, federal Coastal Zone Management Act, and federal approval regulations in their letter, we can find no place in which the Alaska Coastal Management Act was cited. The guidelines and standards, as regulations, were never intended to stand alone from the statute under which they were promulgated. They can only be understood as implementing, interpreting, or making specific, but in no event repeating, the Alaska Act. See Drafting Manual for Administrative Regulations (State of Alaska Legislative Affairs Agency, 1976).

I. PARTICIPATION

The first major concern raised in the letter concerns "Participation". The problem cited here is lack of "a

mechanism for public participation at the district level in the development of local plans." (p. 1). The Coast Guard requests that 6 AAC 85.100 be "expanded to detail exactly when, where, and how government agencies will be allowed to participate in the development process". (p. 2).

We believe that a thorough reading of the guidelines and standards will provide this guidance.

6 AAC 85.120 requires that each district hold no less than two public meetings during the course of program development. The purpose of these meetings is to "inform the public and receive comments concerning the program". Reports of these meetings must be kept in a public file. 85.120(a).

The same section then requires each district to hold a formal public hearing before giving conceptual approval to a district program. At the hearing, "each interested person" is given the opportunity to comment, orally or in writing. A transcript or recording of this meeting must be sent to the Council. 85.120(b).

In addition, districts are required to "provide publicly advertised opportunities for public involvement in the development of all program elements...". 85.120(c).

The district is required to "provide the public, in a timely manner and in understandable form, information explaining the district coastal management program, the requirements of public participation in program development, how and when the public may participate in program development, what information is available, and where such information be obtained". 85.120(d).

It was, at all times, the intent of the Council to include federal agencies in the definition of the term "public". We believe that the above sections satisfy the concerns raised by the Coast Guard regarding participation.

Additionally, 6 AAC 85.130 specifically requires that "Districts shall provide opportunities for coordination and review required by federal...agencies..." (This would apply both before and after program approval).

6 AAC 85.140, provides that any party who participated in the district public hearing shall be served with and allowed the opportunity to comment on staff recommendations concerning the approval of district programs by the Council, as well as be served with the Council's decision, and allowed to attend mediation sessions. In the event of an adjudicatory hearing between the Council and a district, any such person may intervene as a party.

The internal guidelines of the Alaska Coastal Policy Council, adopted by the Council in March, 1978, contain other relevant provisions, as follows:

> "(1) Opportunities shall be provided for participation of federal agencies in the development, review and approval of all parts of the Alaska Coastal Management Program. Notice of Council meetings, public hearings, and other Council activities shall be provided to allow federal agency review and comment on the guidelines and standards, district programs, and any changes or additions to the Alaska Coastal Management Program. Considerable opportunities for review of Alaska's coastal program will be provided, by the State and by the federal Office of Coastal Zone Management, after the program is submitted to the Secretary of Commerce for approval under the provisions of Section 306 of the federal Coastal Zone Management Act of 1972, as amended.

(2) The Council shall provide coastal districts with a specific listing of state and federal agencies having interests, expertise and responsibilities concerning coastal resources, habitats, and development.

(3) Detailed procedures for federal consultation and consistency shall be contained in the management program document to be submitted to the Secretary of Commerce in mid-1978..."

II. PRIORITY OF USES

The second major concern cited by the Coast Guard is the failure of the guidelines and standards to "mention...regional benefit, national interest, or defense considerations". (p. 2).

This comment has apparently resulted directly from a failure by the Coastal Guard to consider the provisions of the Alaska Coastal Management Act in conjunction with the guidelines and standards.

6 AAC 85.070 requires each district program to "include a description of the uses and activities, including uses of state concern, that will be considered proper, and the uses and activities, including uses of state concern, that will be considered improper within the coastal area, including land and water use designations."

The definitions of the term "uses of state concern" is contained in AS 46.40.210(6) and includes "(A) uses of national interest, including...navigational facilities...and national defense and related security facilities..." and "(B) uses of more than local concern...".

In reviewing district programs, the Council is required to find that the district program does not "arbitrarily or unreasonably restrict or exclude uses of state concern". AS 46.40.060. The following section of the Act, AS 46.40.070(c), contains detailed criterial for making this finding.

In addition, the Council has specifically provided that the interagency (state) regional planning team "assist the Council and districts in identifying uses of state concern and developing management policies for these uses". 6 AAC 80.030(b)(3).

III. SPECIFICITY

The third major concern expressed by the Coast Guard is that "the present Standards and Guidelines are lacking in specificity and substance and, as a result, the plans developed and implemented by Alaska Coastal Resource Districts (sic) may vary so widely that the Coast Guard may be compelled to operate under as many as 50 different plans within Alaska rather than under one plan which is implemented by various local government units." (pps. 2 -- 3).

This concern suggests a misunderstanding of the federal (306) approval regulations as well as the Alaska Coastal Management Act.

Proposed federal Coastal Zone Management Approval regulation 923.42 concerns the "technique of control" which a state chooses to exercise its coastal management program. One such technique is "direct state control". Under this

technique, the state controls land and water uses through "direct state land and water use planning and regulation." This would, in fact, result in "one plan" statewide. However, the technique chosen by the State of Alaska, and reflected in the Alaska Coastal Management Act, is "local implementation". Under this technique, the state sets basic standards or criteria, while the local governments prepare local programs. Given the diversity and independence of communities in Alaska, any other plan would be unacceptable.

In our opinion, the Alaska Act and guidelines and standards provide the minimum amount of uniformity required for an implementable coastal management program while allowing the maximum amount of local discretion. The standards to be applied by the Council concerning uses of state concern, referred to above, provide the assurance to the Coast Guard and other federal agencies that they will not, in fact, have their functions impaired by local programs. Coordination can be assured if the Coast Guard will keep abreast of district program development and Council review of those programs.

This office understands that the Coast Guard, or any other federal agency, may have difficulty in monitoring the development of district programs. We have always responded to those concerns by committing the Office of Coastal Management and the Department of Community and Regional Affairs to assist in every way possible to assure adequate federal input to local programs (see Council's Internal Guidelines, above).

We will transmit information on national interests to the districts, provide districts with lists of contact people in federal agencies, inform federal agencies of pending events at the district level, send federal agencies' drafts of district materials when they are available, and, mount special efforts to involve federal agencies in the Council review of district programs. All of these services will be set forth in detail in the ACMP program document, but we do not believe that reporting these services in the Guidelines and Standards is appropriate.

The Coast Guard letter discusses a number of specific examples in which the guidelines and standards are allegedly not sufficently specific (p. 3). The issue of improper delegation of authority from the Council to the districts is raised. In more than one case, the Coast Guard alleges non-compliance with federal regulations.

With respect to these matters, we would note that the State of Alaska Department of Law has determined, in approving the regulations under AS 44.62.060, that they meet basic "legality" and "constitutionality" requirements, and hence do not constitute an improper delegation. The basic philosophy of decentralization and maximum district control was decided by the legislature when it enacted the Alaska Coastal Man-agement Act. The guidelines reflect this.

IV. TOO RAPID DEVELOPMENT

Finally, the Coast Guard notes the rapid pace at which the guidelines and standards were developed, and the lack of time on their part for adequate coordination and review

(p. 1). Parties who have been involved in the development of the guidelines and standards since the inception of the Council in September, 1977 are cognizant of this problem. Both the Alaska Coastal Management Act and the federal program approval requirements have had the effect of making time of the essence. During the six months in which it had to work on the guidelines and standards, the OCM staff distributed, according to the Coast Guard, six drafts for comment; this was done in an effort to maximize participation and coordination, not impair it. At some point, the comments had to end and a draft had to be submitted to the legislature. This was done in early April.

We would also note that the Hearing Draft, which preceded the final draft sent to the legislature, was made available to the Coast Guard in late January. The formal comment period ended in early March (nearly 60 days after publication). Another three weeks elapsed from the time of closing the formal comment period to the actual Council meeting at which the Hearing Draft was revised into the final Draft. The Coast Guard attended that meeting. The Council dealt with each section of the Guidelines and Standards individually, and provided an opportunity for public comment on each section as it came up for Council consideration. The Coast Guard made no effort to comment in this framework, although this was the appropriate time and place to bring up specific points to the Council.

We would note that the first section of the guidelines

and standards, 6 AAC 80.010, requires the Council to review the regulations annually. This reflects the Council's desire to continue refining and improving the guidelines and standards, in cooperation with the Coast Guard and all other interested parties, and its awareness that the version adopted in April is not cast in stone.

The Coast Guard did provide written comments on the January hearing draft of the guidelines and standards. We have not made individual replies to these comments or to any others since the final guidelines and standards themselves constitute our best response. The Coast Guard's comments were used along with dozens of others to prepare the final guidelines and standards that were sent to the legislature. We will respond to the individual comments as time permits, but given the shortness of time remaining, we feel that our primary duty is to prepare the ACMP program document and other tasks related to transmission of the final guidelines and standards to the legislature.

V. SUMMARY

Time continues to be of the essence. The Alaska Coastal Management Program is in its fourth year of program development. It must receive program approval from NOAA this year or it will be ineligible for further development funding. Any changes in the guidelines and standards at this point would require APA review and legislative approval, an impossibility before the legislature adjourns this summer. The effect of pressing for such changes at this time would not result in a correction of defects before submittal to NOAA, but rather result in a scuttling of the Alaska Coastal Management Program.

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W. R. HULEN (ANCHORAGE)
D. E. CUADRA (ANCHORAGE)

OF COUNSEL
M. E. MONAGLE

May 16, 1978

The Honorable Joseph L. Orsini
Chairman, Senate Community & Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Thank you for your letter to me of May 3, 1978 regarding the Coastal Management Regulations. I have specifically reviewed proposed section 6 AAC 80.100 dealing with timber harvest and processing. Due to the press of other business, most notably D-2 Legislation in Congress, I have not had an opportunity to focus on the Coastal Zone Regulations until now.

At ALP we have assumed that passage of SB-59, the Forest Practice Act, would supercede the Coastal Zone regulations. Upon reviewing 6 AAC 80.100 (d) we are not so sure. That section provides that Forest Practices legislation would be substituted for the Coastal Zone Management Act when the Forest Practices legislation is passed. An additional proviso of that subsection, however, requires that the Forest Practices Act establish a standard "corresponding to a standard in this section". A fast check of the Forest Practices Act shows that it will not establish such corresponding standards. Indeed, the Coastal Zone Regulations will establish much higher standards and, therefore, there will be no substitution. We find this to be a most alarming situation.

Hence, this will be a somewhat detailed letter dealing with a number of problems in the timber area.

1. Section 6 AAC 80.100 requires the siting of timber harvest activities in areas "where the management of reforestation, using the best available technology will result in producing a sustained yield of merchantable timber". There does not appear to be a definition of "sustained yield" in the Act. The Federal government has used the words "sustained yield", (as appear in the Multiple Use Sustained Yield Act of 1960) to mean non-declining yield. More recently, in 1976 in the National Forest Management Act, the long standing Forest Service interpretation of Multiple Use Sustained Yield Act was incorporated into law. Were there to be any lawsuit on this, it would seem to me that a Court would use the Federal definition to interpret the words "sustained yield".

If "sustained yield" means non-declining yield it will make it impossible for many Native corporations to operate. Testimony before the Natural Resources Committee, on the Forest Practices Act indicated that. Accordingly, the requirement in the proposed draft of S.B. 59 that timber harvesting be limited to areas that would produce a "sustained yield" of merchantable timber was deleted from that Act. (Compare draft of S.B. 59 Section 41.17.040(b)(1) with CSSB 59 Section 41.17.060(b). Accordingly, even though ALP does not operate on private land, we would urge that subsection (a) be eliminated entirely.

The reason for suggesting elimination is that reforestation is not the business of the Coastal Zone Management Act. What that Act is attempting to insure is that activities in the coastal region are done in a sound environmental way. That is, its purpose is protection of the environment, not reforestation. Accordingly, it is inappropriate for Subsection (a) to be included in these regulations.

2. Subsection (b)(2) requires an assurance of unrestricted fish movement in coastal waters. It would therefore appear that any causeway built in connection with a log dump, and perhaps even wet log storage areas would be

prohibited. Accordingly, we would recommend that the words "assure unrestricted" be deleted and that the words "minimize restriction of" be inserted instead. This would seem to achieve the desired result without unreasonably burdening the timber industry.

3. Subsection (b)(3) has the potential for stopping the entire timber industry in coastal Alaska. It requires that timber harvesting be conducted in a way to "prevent adverse impacts on fish resources and habitats". It may be impossible to do this, depending, of course, on what is meant by "adverse impacts". "Adverse impacts" is not defined in the regulations, and therefore will mean what a Court says it means. What are adverse impacts? No one really seems to know. There is concern for example that long-range, low-level amounts of sedimentation impact fish. We cannot disprove that this is so. Therefore, any group citing this fact could halt any timber operation in coastal Alaska. We would most strongly urge that the word "prevent" be deleted and that the word "minimize" be substituted in lieu thereof. This would make it consistent with impacts on wildlife or resources and their habitats.

Further, we would suggest that the words "minimize" adverse impacts" be defined. The definition should be drafted so as not to prohibit logging where adequate streamside mitigation measures are utilized. Adequate streamside mitigation measures include presently accepted practices in Southeastern Alaska, as required in the Southeast Area Guides put out by the Forest Service.

In any event, please be assured that we are extremely concerned about this section and urge you to mitigate its clear possibility for great damage to the industry.

4. So that the definition for "minimize adverse impacts" is consistent throughout we would suggest that the word "effects" in the third line of Subsection (c)(2) be deleted, and the word "impacts" be substituted therefore.

5. Subsection (d) also should be altered. The words "establishing a standard corresponding to a standard

in this section" should be deleted entirely. The Forest Practices Act should be the sole vehicle for determining what are and what are not appropriate forest practices. Operators should not be faced with dual sets of regulations emanating from different agencies of the State government. One of the principal reasons why we have worked so hard at ALP for the Forest Practices Act is to eliminate the nightmare of several State agencies using overlapping procedural requirements to regulate the same things. The words which we suggest for deletion would have just that effect. As the section is presently written a court somewhere would have to determine whether or not a standard in the Forest Practices Act was similar to that required in the Coastal Zone Management Act. This simply should not be allowed to happen.

Thank you again for providing us with a copy of these regulations, and the opportunity to respond. I am taking this opportunity to forward them to representative Lisa Rudd, who is Chairman of the House Community and Regional Affairs Committee for her consideration as well.

Yours very truly,

James F. Clark

JFC/pc

cc: Senator Robert Ziegler
Senator Kay Poland
Senator Pete Meland
Senator Bill Sumner
Representative Lisa Rudd
Mr. Clarence Kramer
Mr. David Wolfe
Mr. Pete Huberth
Mr. Roger Allington
Mr. Don Finney
Mr. Sam Demmert
Mr. Les Anderson

Louisiana-Pacific Corporation

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May 23, 1978

Honorable Joseph L. Orsini, Chairman
Senate Community & Regional Affairs
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

We have just recently been made aware of possible problems in the Coastal Zone Management Regulations concerning Section 6AAC 80.100 dealing with timber harvest and processing.

We had assumed that passage of SB-59, the Forest Practices Act, would take precedent over the Coastal Zone regulations. However, we are now concerned over the opposition given to SB-59 and do not see in this Bill the wording that would allow it to supersede the Coastal Zone regulations.

We are aware of the late date and the fact that the Senate is only in the position of pass or not pass on the regulations. What we would propose, would be an acceptance of the regulations in principle but a request to the Coastal Zone Council that they amend the regulations such that they do not exceed the requirements of the Forest Practices Act.

As we have previously expressed to you, our hope in getting a Forest Practices Act was to pull together the various State requirements and reduce the duplication of regulations and repetitive permits faced by timber operators.

Any attention you can give to this problem will be appreciated.

Sincerely,

D. L. Finney, Manager
Forestry & Government Affairs

hr

cc: Senator R. Ziegler
Senator K. Poland
Senator H. Meland
Representative L. Rudd

HJR

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Bristol Bay Native Corporation
P.O. BOX 237 / DILLINGHAM / ALASKA 99576 / PH. (907) 842-3070.

February 17, 1978

Representative Nels Anderson, Jr.
Pouch V
Juneau, Alaska 99811

Dear Nels:

Just received your letter you wrote to Ted Angasan dated 14 February, 1978.

I'm in full support of your Resolution #58. I don't want to see you withdraw your Bill or quit working for a Regional office for here. It's long overdue. Our people in the villages and here have contiruously asked for a BIA office in the Bristol Bay Region.

Things are okay here. Keep up the good work. Give Dorothy and the kids my best regards.

Regards,

BRISTOL BAY NATIVE CORPORATION

Harvey

Harvey Samuelsen
President

HS:ms

Recommendation

The Bristol Bay Native Association and the Alaska Federation of Natives should secure the cooperation of BIA and the state's Congressional Delegation in obtaining Congressional authorization and appropriation of funds under PL 93-638 to enable villages to hire a village leader and to establish a village administrative office.

Meeting Local Needs — Three Examples

Communities should develop their priorities, then proceed to explore funding sources. A careful analysis of the project, both capital and operating costs and revenue, should be prepared. Alternative methods of accomplishing the objective should be evaluated. For example, the Alaska Village Electric Co-op, Inc. (AVEC) has found that it requires a village of 125 to 150 to economically justify the installation of a power system. Villages complain that if they receive their power from the local school, it is not available in the summer. Possibly AVEC could purchase the equipment from the school, add the necessary additional equipment and the school could purchase power from the community. In addition, if a community without power is located within 5-7 miles from a village with power, it may be economical for AVEC to install a transmission line. This additional load may also enable the village with power to better service and amortize their facilities.

A small village may desire a grocery store. Even if it is a co-op, analysis may indicate it is not economic in view of the capital requirements. However, a consumer buying co-op could be organized which would have many of the advantages of a store yet promise lower prices for food because of the absence of capital costs. A common desire of villages is to establish a bulk fuel storage tank. A word of caution — unless a careful analysis is prepared of the proposal, the resulting fuel may be more expensive than the present distribution system. Both Community Enterprise Development Corporation (CEDC) and Alaska Native Industries Cooperative Association (ANICA) are prepared to assist in evaluating the feasibility of a fuel oil operation. The feasibility of alternative methods of supplying fuel locally should be examined, with the attendant costs, before committing to a particular project.

Recommendations

1) There are many possible sources of funding for local projects. BBNA should designate one individual to gather information on funding sources and to keep current on changes in regulations and development of new sources. The availability of this resource person should be publicized among the villages.

2) Many federal and state agencies have considerable impact on the Natives of Bristol Bay; however, BIA has a special relationship. BIA has regional offices in Alaska to facilitate communication with Natives and Native organizations. The Bristol Bay region is served by Anchorage and communication has been difficult. It is expensive for Bristol Bay residents to personally pursue problems or projects with BIA in Anchorage when other forms of communication fail. It is therefore recommended that BIA establish a Regional Office in Dillingham.

3) The importance to economic development of political and social development of the Region and villages should not be underestimated. It is recommended that BBNA and BBAHC develop additional strategies to stimulate local initiative in these areas while continuing to provide important direct services and resource assistance.

velopment of para-professionals supervised by a Registered Nurse. This RN has considerable nursing experience and background. Other programs of BBAHC include innovative approaches to Alcoholism and Drug Abuse, village health planning and village planning. BBAHC also has a unique and "vibrant" Medical Department that produces video and audio media and an Emergency Medical Services Planner.

The above organizations are serving many of the needs of the Bristol Bay region which reduces the need to develop an areawide borough. The residents should maintain the initiative on this matter, with discussions and proper planning, rather than allowing the decision on formation of a borough to be made externally.

With the development of oil and gas resources in Bristol Bay, the question of a region-wide taxing authority should again be reviewed. The North Slope Borough has recognized the advantage to be gained from mineral development in remote areas.

2) **Community Development.** An earlier study produced under this Act, **Bristol Bay: The Fisheries and Its People,** detailed the needs and priorities of each village in the region. The above study was a "grass roots" planning document in which the people in each village indicated their needs. Implementation remains.

Most villagers have neither the training nor access to information, agencies, etc to prepare grant requests. This could be an important function of the Bristol Bay Area Health Corporation and the Bristol Bay Native Association, who could serve the needs of villages by assisting them in initiating grants. The existence of the planning, no matter how well prepared, will not build any houses, develop water and sewer systems or meet any of the other desired goals. Someone or some group must initiate the process and push for its implementation. Federal and State Agencies will respond, but it is very unlikely that they will initiate any of the projects.

The Importance of Local Initiative

Probably the single most important ingredient in community development is local initiative and desire. An external group, such as a borough or BBNA, can assist the local community; however, the "driving force" needs to be the community leadership. An outside group does not want to be in the position of providing services to people who appear indifferent to the service. In addition, all outside agencies have more than enough to do without seeking to provide services to communities who do not really care.

Community leadership can be difficult when the planning, organizing and follow-through must depend entirely on volunteers who must support a family and where records are scattered in individual homes. Some villages are able to overcome these handicaps and effectively initiate and develop projects. Many other villages are not able to do so.

Public Law 93-638, the India . Self Determination and Indian Education Assistance Act, was designed to encourage Natives to assume local control of many services previously provided directly by the federal government. An important contribution to local Native planning and implementing of projects would be the provision of funds under Pl. 93-638 to enable villages to employ a village leader and construction funds for a village office and meeting room. This leader would then have the time to coordinate planning and supervise implementation of projects.

STIMULATING POLITICAL AND SOCIAL DEVELOPMENT

Political and social development should ideally proceed prior to or concurrently with economic development if the residents of Bristol Bay are to fully realize the benefits of economic development. An important step in this development would be the establishment of a regional municipal government. The Bristol Bay region, however, presently has neither the population nor economic resources to support an effective borough government. Several villages have incorporated as second class cities, however, and every effort should be expended to assist them in developing an effective local government. As additional villages incorporate and gain experience in government, a borough may become feasible and desirable.

Planning and discussion of a borough government should not be delayed until a borough is forced upon the region by external circumstances. The thinking should be long range and the concepts discussed at the village level. The establishment of the borough should be delayed, however, until the need for its services is recognized and the costs and benefits are known.

1) **Present Regional Infrastructure.** At the present time there are three organizations assuming many of the functions ordinarily performed by an areawide borough.

   a) **Bristol Bay Borough.** The Bristol Bay region currently has one borough — the Bristol Bay Borough. The Bristol Bay Borough, however, includes only the communities of Naknek, South Naknek and King Salmon. The remainder of the region is unorganized; however the present borough has initiated action to expand its boundaries.

   b) **Bristol Bay Native Association.** The Bristol Bay Native Association (BBNA) is composed of the representatives of the 29 Native villages of Bristol Bay. The BBNA Board of Directors meets three times yearly to discuss issues of a political nature, as well as to hear reports on current activities and to plan for future activities. The Executive Committee meets more frequently.

in the social development area, BBNA has spearheaded a regional housing authority, is actively involved (in cooperation with the Rural Alaska Community Action Program) in winterizing homes in the South Peninsula area and has introduced grants of local assistance to a number of villages. Additionally, BBNA is actively involved in employment assistance, job development, post-secondary classroom training, limited skills development; BBNA Education is involved in the administration of a bilingual, bicultural education programs to 18 villages directly, and four more indirectly. The Association also has an Office of Community Advocacy, specifically for the purposes of village and community planning activities.

BBNA is also involved in planning and helping to spearhead and coordinate the development of an economic system. Planning activities include coordinating the development of an overall development plan with village corporation development. Programs include Economic Planning, with input from a regionally composed OEDP Committee; employment and training services, including a DOC prime contract and several subcontracts; a Johnson-O'Malley educational enrichment program; village advocacy, local government assistance, grantswriting for villages, and other like activities.

   c) **Bristol Bay Area Health Corporation.** The Bristol Bay Area Health Corporation (BBAHC) is composed of representatives of all 29 Native villages of Bristol Bay. The BBAHC Board of Directors meets four times annually, with the Executive Committee meeting more frequently.

The spheres of activity are social and economic, i.e., improving the health standards and medical service delivery in Bristol Bay. Programs of this organization include a Community Health Aid Program which is geared toward de-

SUMMARY OF RECOMMENDATIONS

This section abstracts the recommendations from each of the following sections and organizes them by the responsible agency.

FEDERAL GOVERNMENT

Department of Interior

It is strongly urged that D-2 legislation establishing future land use carry a provision that specifically guarantees traditional users the right to traditional usage of the land in federally withdrawn lands.

Bureau of Indian Affairs

It is urged that a Regional Office of BIA be established in Dillingham.

BIA is urged to request Congress to authorize and appropriate funds under PL 93-638, The Indian Self-Determination and Indian Educational Assistance Act, to allow small villages to hire a village leader and establish a village administrative office.

DEPARTMENT OF AGRICULTURE

U.S. Forest Service

The U.S. Forest Service is requested to make an inventory of timber resources of Bristol Bay and determine the maximum substainable yield.

The Forest Sciences Laboratory in Juneau is requested to evaluate the grazing potential of forest lands in the Bristol Bay region when funds are available.

Soil Conservation Service

The Soil Conservation Service is requested to make an Environmental Impact Statement of the effect of reindeer herding in Bristol Bay including an estimate of the carrying capacity.

DEPARTMENT OF COMMERCE

Economic Development Administration

Funds should be sought from EDA to conduct a manpower assessment and training program to support a reindeer industry.

STATE OF ALASKA

Department of Natural Resources

It is strongly urged that specific legislation be enacted guaranteeing traditional usage of the land for designated state restricted lands, for example, the proposed Wood-Tikchik State Park.

Department of Education

Bilingual and bicultural curriculums should be developed which include industrial arts training.

Local schools foster community pride in educational achievement. We recommend that local school programs be strengthened and that additional local high schools be established.

The Department of Education and the University of Alaska are urged to jointly develop a program of vocational education and training for the Bristol Bay region.

Department of Labor

The Department of Labor is urged to develop a training program for vocational skills needed in construction and in possible oil and gas development.

Department of Aviation

A projected construction schedule for upgrading airports in Bristol Bay villages should be prepared and funds requested. Priority should be given to those villages needing these improvements in order to develop their business potential.

Department of Fish and Game

The Department of Fish and Game is urged to develop and initiate projects to replenish the stock of salmon.

The Department is also requested to evaluate the impact of reindeer herding on the game resources of Bristol Bay.

Department of Public Works

The Department of Public Works is urged to build a boat harbor at Perryville and Chignik so that local fishermen can fish on a year-round basis. Naknek and South Naknek also need boat harbors.

University of Alaska

The University of Alaska should develop training programs designed to develop entrepreneural and management talent among

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

15 February 1978

TO: Representative Nels Anderson

FROM: Representative Lisa Rudd

RE: HJR 58 - Relating to the Bureau of Indian Affairs and Bristol Bay.

Your resolution relating to the BIA and Bristol Bay, HJR 58, has been referred to our committee and we will need some backup information on the bill before it is considered in committee.

Some specific questions occurred to me as I reviewed the bill and I wish you would include information about them in the backup material which you provide for the committee:

1) What is the population of the region?

2) How many villages are involved?

3) What do the terms "village leader" and "village administration" mean in lines 25 and 26?

4) What governmental services are presently being delivered by the BIA in the Bristol Bay area?

Thanks, Nels, for clarifying these points for me.

Yours sincerely,

Lisa Rudd

LR/vb

3. Continued - Village Administration - This would tie in with the village leader (Last 4 paragraphs). Having local control, the people would naturally need an administrative office set up to administer the programs previously done by the federal government.

4. Mrs. Williams, Secretary of the BIA Area Director's office, Juneau informed me of what governmental services are presently being delivered by the BIA in the Bristol Bay area.

1) Higher education, Employment Assistance

2) Realators

3) Social Services - welfare, food stamps

4) 93-638 Grant Program - Indian Self-Determination Act

If this is not enough information I can call the Anchorage Area office and get all the governmental services being delivered by BIA.

Also, I can research how effective the Bristol Bay Area people think these BIA services are.

Most of this information was taken from the Study - "Bristol Bay - Its Potential and Development". Enclosed are excerpts from the study.

Alaska State Legislature

House

JUNEAU ALASKA

February 28, 1978

MEMORANDUM

TO: REPRESENTATIVE LISA RUDD

FROM: REPRESENTATIVE NELS A. ANDERSON, JR.

SUBJECT: Backup material for HJR 58 - BIA in Bristol Bay

First, I will answer your questions in your memo of February 15, 1978.

1. The population of the Bristol Bay Region is approximately 5,000.

2. 29 villages are involved.

3. The Importance of Local Initiative - Probably the single most important ingredient in community development is local initiative and desire. An external group, such as a borough or BBNA, can assist the local community; however, the "driving force" needs to be the community leadership. An outside group does not want to be in the position of providing services to people who appear indifferent to the service. In additon, all outside agencies have more than enough to do without seeking to provide services to communities who do not really care.

Community Leadership can be difficult when the planning, organizing and follow-through must depend entirely on volunteers who must support a family and where records are scattered in individual homes. Some villages are able to overcome these handicaps and effectively initiate and develop projects. Many other villages are not able to do so.

Public Law 93-638, the Indian Self Determination and Indian Education Assistance Act, was designed to encourage Natives to assume local control of many services previously provided directly by the federal government. An important contribution to local Native planning and implementing of projects would be the provision of funds under PL 93-638 to enable villages to employ a village leader and construction funds for a village office and meeting room. This leader would then have the time to coordinate planning and supervise implementation of projects.

RECOMMENDATION - The Bristol Bay Native Association and the Alaska Federation of Natives should secure the cooperation of BIA and the state's Congressional Delegation in obtaining Congressional authorization and appropriation of funds under PL 93-638 to enable villages to hire a village leader and to establish a village administrative office.

ALASKA HOUSE OF REPRESENTATIVES

Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3870

15 February 1978

TO: Representative Nels Anderson

FROM: Representative Lisa Rudd

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Thanks, Nels, for clarifying these points for me.

Yours sincerely,

Lisa Rudd

LR/vb

HJR

67

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POUCH B -- JUNEAU 99811

March 9, 1978

The Honorable Joe McKinnon
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative McKinnon:

Attached is a copy of a list of all subgrantees employing CETA/PSE participants. The list includes the number of positions currently authorized, positions currently filled, and the number that each subgrantee will be reduced or increased on April 1, 1978 and June 1, 1978. The list is broken out by administrative region of the Department of Community and Regional Affairs. A map of Alaska showing the regions is included for easy reference.

Each subgrant is classified as either sustainment or project. Projects are those subcontracts negotiated as a result of the increased funding under the President's economic stimulus program. Sustainments are those contracts negotiated to sustain an enrollment of 516 participants which represent the number covered by the grant prior to the increase created by the stimulus package. By regulation, all projects must be eliminated before sustainment subgrants can be reduced.

The following chart reflects the number of enrollees currently on board. They are broken out by region as well as each region's percent of the total before and after the reduction.

TITLE VI

	BEFORE RESCHEDULE		AFTER RESCHEDULE	
	# of Positions	% of Positions	# of Positions	% of Positions
Region 1	262	35	164	32
Region 2	103	14	82	16
Region 3	79	10	47	9
Region 4	84	11	75	14
Region 5	222	30	148	29
	750		516	

If you have further questions, please feel free to contact me or members of my staff.

Sincerely,

Lee

Lee McAnerney
Commissioner

21-P2LH

POSITION REALIGNMENT

TITLE VI REGION 1

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Dept. of Law Pouch KA Juneau, Alaska 99811	1	1		
St. Ann's Day Care Catholic Comm. Services 529 Gold St. Room 233 Juneau, Alaska 99801	6	5		
City of Yakutat P. O. Box 6 Yakutat, Alaska 99689	2	2		
St. Jude Center Inc. 203 W. Third at Dixon Juneau, Alaska 99801	6	6		
Arts on the Move Inc. Box 7876 Ketchikan, Alaska 99901	12	10	-12	
City of Haines P. O. Box 576 Haines, Alaska 99827	2	2		
City of Pelican Box 757 Pelican, Alaska 99832	2	2		
Dept. of Labor, ESD Employment Security Bldg. 4th & Harris Juneau, Alaska 99811	21	18	-4	
Petersburg Youth Program P. O. Box 842 Petersburg, Alaska 99833	2	2		
Northern SE Regional Aquac. Assn. P. O. Box 786 Sitka, Alaska 99835	1	1		
Sitka Comm. Assn. P. O. Box 4360 Mt. Edgecumbe, Alaska 99835	6	6	-3	
SUB-TOTAL	61	55	-19	

POSITION REALIGNMENT

TITLE VI REGION I

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Sitka Chamber of Commerce P. O. Box 638 Sitka, Alaska 99835	1	1		
SE Ak. Reg. Arts Council P. O. Box 2133 Sitka, Alaska 99835	2	2		
Petersburg Day Care P. O. Box 783 Petersburg, Alaska 99833	3	3		
Health & Social Services Pouch H Juneau, Alaska 99811	29	24	-12	
Dept. of Revenue Pouch SA Juneau, Alaska 99811	5	5		
City of Petersburg P. O. Box 329 Petersburg, Alaska 99833	8	7		
SE. Ak. Comm. Act. Program P. O. Box 449 Juneau. Alaska 99801	2	2		
Comm. & Reg. Aff. Admin. SVCS Pouch BC Juneau, Alaska 99811	5	5	-1	
Fish & Game Dept. of Subport Bldg. Juneau, Alaska 99811	11	11	-5	
City of Kake Box 500 Kake, Alaska 99830	6	6		
SUB-TOTAL	72	66	-18	

POSITION REALIGNMENT

TITLE VI REGION I

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Workman's Comp - DOL Employment Sec. Bldg 4th & Harris Juneau, Alaska 99801	2	2		
Capitol Comm. Broadcasting 240 Main St. Juneau, Alaska 99801	3	3		
Natural Resources, DO Pouch M Juneau, Alaska 99811	5	4		
City Of Klawok Box 113 Klawok, Alaska 99925	9	5	-5	
Ketchikan Indian Corp. Box 6855 Ketchikan, Alaska 99901	2	2		
City of Hoonah Box 360 Hoonah, Alaska 99829	11	11		
Dept. of Education Pouch F Juneau, Alaska 99811	14	14	-6	
Dept. of Admin. Pouch C Juneau, Alaska 99811	14	14	-4	
Juneau, City & Boro 155 S. Seward St. Juneau, Alaska 99801	6	4	-6	
Dept of Comm. & Reg Aff. Manpower Division Pouch BC Juneau, Alaska 99811	6	5		
SUB-TOTAL	72	64	-21	

POSITION REALIGNMENT

TITLE VI REGION 1

SUB-GRANT NAME AND ADDRESS	March 3, 1978 Positions Authorized	March 3, 1978 Positions Filled	April 1, 1978 + = Increase - = Decrease	June 1, 1978 + = Increase - = Decrease
Wage & Hour Div. DOL Employment Sec. Bldg 4th & Harris Juneau, Alaska 99811	2	0	-2	
U of Ak. Southeast Box 1447 Juneau, Alaska 99803	21	20	-18	
City of Angoon Box 189 Angoon, Alaska 99820	17	17	-6	
Metlakatla Ind. Comm. Box 8 Metlakatla, Alaska 99926	8	7	-4	
T & H Indians - Soc Svcs 130 Seward St. Room 412 Juneau, Alaska 99801	1	1	-1	
City of Craig Box 23 Craig, Alaska 99921	8	8		
SE Reg. Res. Center 127 S. Franklin Juneau, Alaska 99801	13	12	-11	
Tenakee Springs, City of Box 52 Tenakee Springs, Alaska 99841	3	3		
SUB-TOTAL	73	68	-42	
TOTAL	278	253	-100	

POSITION REALIGNMENT

TITLE VI REGION 2

SUB-GRANT NAME AND ADDRESS	March 3, 1978 Positions Authorized	March 3, 1978 Positions Filled	April 1, 1978 + = Increase - = Decrease	June 1, 1978 + = Increase - = Decrease
U of A, School of Education Cross-Cultural Education Development Program Fairbanks, Alaska 99701	7	7	-3	
Alaskan Assn. for the Arts Box 2786 Fairbanks, Alaska 99707	2	2		
City of Galena Box 149 Galena, Alaska 99741	1	1		
City of Delta Junction Box 229 Delta Junction, Alaska 99737	3	3	-1	
Village & Town Assn., Fairbanks Box 1267 Fairbanks, Alaska 99701	3	3		
Tanana Valley Comm. College U of A Constitution Hall Fairbanks, Alaska 99701	7	7	-1	
City of McGrath Box 57 McGrath, Alaska 99627	3	2		
Adult Learning Prog. of Ak. Box 81402 Fairbanks, Alaska 99708	20	18	-15	
Ft. Yukon Reg. Learning Center Ft. Yukon, Alaska 99740	1	1		
Fairbanks Environment CTR 431 Steise Hwy. Fairbanks, Alaska 99701	1	1		
SUB-TOTAL	48	47	-20	

POSITION REALIGNMENT

TITLE VI REGION 2

SUB-GRANT NAME AND ADDRESS	March 3, 1978 Positions Authorized	March 3, 1978 Positions Filled	April 1, 1978 + = Increase - = Decrease	June 1, 1978 + = Increase - = Decrease
City of Anderson Box 4011 Clear, Alaska 99704	7	7	-1	
Comm Child Care Council 1007 Evergreen St. Fairbanks, Alaska 99701	7	6		
Galena Reg. Learning Center U of A. Box 181 Galena, Alaska 99741	1	1		
Interior Village Assn. 211 Cushman St. Fairbanks, Alaska 99701	4	4		
City of Ruby Box 15 Ruby, Alaska 99768	2	2		
GR FRBX Family Headstart Box 724 Fairbanks, Alaska 99707	8	8	-1	
Tok Reg. Learning Center U od A. Box 464 Tok, Alaska 99780	1	1		
United Crow Band Box 131 Tok, Alaska 99780	10	10	-1	
Iditarod School Dist. P. O. Box 105 McGrath, Alaska 99627	16	15	-3	
Women in Crisis, Councelling & Assistance 515 First Ave. Rm 116 Fairbanks, Alaska 99701	4	4		
SUB-TOTAL	60	58	-6	
TOTAL	108	103	-26	

POSITION REALIGNMENT

TITLE VI REGION 3

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Buckland City Council Buckland, Ak. 99727	1	1	-	-
Selawik, City of Selawik, Ak. 99727	2	2	-	-
Savoonga, City of Savoonga, Ak. 99762	2	2	-	-
Teller, City of Teller, Ak. 99778	2	2	-	-
Nome Child Care, Inc. Box 907 Nome, Ak. 99762	5	5	-	-5
Bering Straits Fed. Cred. Union Box 1105 Nome, Ak. 99762	1	1	-	-
Ambler, City of Ambler, Ak. 99786	1	1	-	-
Shungnak, City of Shungnak, Ak. 99773	2	2	-	-
Noorvik, City of Noorvik, Ak. 99763	2	2	-	-
Bering Straits REAA School Dist. Box 1088 Nome, Ak. 99762	40	40	-	-35
Elim, City of General Delivery Elim, Ak. 99739	1	1	-	-
Kotzebue, City of Box 46 Kotzebue, Ak. 99752	4	4	-	-
Nome Community Center Box 98 Nome, Ak. 99762	4	4	-	-
Sub-Total	67	67	-	-40

POSITION REALIGNMENT

TITLE VI REGION 3

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Norton Sound Health Center Box 966 Nome, Ak. 99762	4	4	-	-
Shishmaref City Council General Delivery Shishmaref, Ak. 99772	2	2	-	-
Nome Recieving Home Box 221 Nome, Ak. 99772	2	2	-	-
Diomede, City of Diomede, Ak. 99762	1	1	-	-
Deering City Council Deering, Ak. 99736	1	1	-	-
Kivalina, City of Kivalina, Ak. 99750	3	3	-	-
Shaktoolik IRA Council Shaktoolik, Ak. 99771	1	0	-	-
Unalakleet City Council Unalakleet, Ak. 99684	2	2	-	-
Sub-Total	16	15	-	-
Total	83	82	-	-40

POSITION REALIGNMENT

TITLE VI REGION 4

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Bethel Council on the Arts P.O. Box 264 Bethel, Ak. 99559	1	1	-	-
Bethel Social Services, Inc. P.O. Box 271 Bethel, Ak. 99559	4	3	-	-
St. Marys, City of P.O. Box 163 St. Marys, Ak. 99658	2	2	-	-
Bristol Bay Borough P.O. Box 189 Naknek, Ak. 99633	6	6	-	-
Bristol Bay School District P.O. Box 169 Naknek, Ak. 99633	6	4	-	-
Southwest Regional School District P.O. Box 169 Dillingham, Ak. 99576	11	10	-	-
Unalaska Alcoholism Program, Inc. P.O. Box 182 Unalaska, Ak. 99685	4	3	-	-
Kuskokwim Native Association P.O. Box 31 Aniak, Ak. 99557	2	2	-	-
Yupiktak-Bista Manpower, Inc. P.O. Box 219 Bethel, Ak. 99559	24	18	-	-
Bethel, City of P.O. Box 388 Bethel, Ak. 99559	14	13	-	-
Atmautluak, City of Atmautluak, Ak. 99559	1	1	-	-
Sub-Total	75	63	-	-

POSITION REALIGNMENT

TITLE VI REGION 4

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Dillingham School District P.O. Box 202 Dillingham, Ak. 99576	8	7	-	-
Togiak, City of P.O. Box 99 Togiak, Ak. 99678	1	0	-	-
Akolmuit, City of General Delivery Nunapitchuk, Ak. 99641	2	2	-	-
Kuskokwim Community College P.O. Box 638 Bethel, Ak. 99559	10	8	-10	-
Iliuliuk Family and Health Services P.O. Box 144 Unalaska, Ak. 99685	2	2	-	-
St. Paul, City of St. Paul Island St. Paul, Ak. 99660	2	2	-	-
Sub-Total	25	21	-10	-
Total	100	84	-10	-

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978 Positions Authorized	March 3, 1978 Positions Filled	April 1, 1978 + = Increase - = Decrease	June 1, 1978 + = Increase - = Decrease
Cook Inlet Council on Alcoholism P. O. Box 882 Kenai, Alaska 99611	2	1		
Small World P. O. Box 1632 Kodiak, Alaska 99615	4	4		
City of Old Harbor P. O. Box 109 Old Harbor, Alaska 99643	1	1		
Agricultural Experiment Station U of A Box AE Palmer, Alaska 99645	4	4		
Kodiak Comm. Development Corp. P. O. Box 571 Kodiak, Alaska 99615	1	1		
Bidarki Corporation P. O. Box 117 Cordova, Alaska 99574	3	3		
City of Homer P. O. Box 335 Homer, Alaska 99603	18	18		
Alaska Legal Services 524 W. 6th Ave. Suite 204 Anchorage, Alaska 99501	23	23	-23	
Alaska Court System 303 K Street Anchorage, Alaska 99501	10	10		
Alaska State Council on Arts 619 Warehouse Ave. Suite 220 Anchorage, Alaska 99501	4	4		
Human Rights Commission Office of the Governor 2457 Arctic Blvd., Suite 3 Anchorage, Alaska 99501	2	2	-2	
SUB-TOTAL	72	71	-25	

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
City of Soldotna P. O. Box 409 Soldotna, Alaska, 99669	1	1		
City of Wasilla P. O. Box 430 Wasilla, Alaska 99687	3	3		
Ptarmigan Tot Drop P. O. Box 153 Valdez, Alaska 99686	3	3		
Ouzinkie City P. O. Box 35 Ouzinkie, Alaska 99664	2	2		
City of Cordova P. O. Box 1210 Cordova, Alaska 99574	8	6		
Rural CAP Child Development P. O. Box 3908 Anchorage, Alaska 99501	22	18		
Rural CAP Child Development P. O. Box 3908 Anchorage, Alaska 99501	7	7		
Alaska Fed. of Natives 550 W. 8th Ave. Anchorage, Alaska 99501	3	3		
Matanuska-Susitna Borough Sch. Dist P. O. Box AB Palmer, Alaska 99645	40	40		
City of Palmer P. O. Box 1368 Palmer, Alaska 99645	6	6		
Kodiak Council on Alcoholism P. O. Box 497 Kodiak, Alaska 99615	1	1		
SUB-TOTAL	90	96		

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Tyonek Village Tyonek, Alaska 99682	3	1	-3 *	
Alaska Skill Center P. O. Box 615 Seward, Alaska 99664	5	4		
Seward Community Library P. O. Box 537 Seward, Alaska 99664	2	2		
Seward Council on Alcoholism P. O. Box 1045 Seward, Alaska 99664	2	2		
Alaska State Fair P. O. Box 1128 Palmer, Alaska 99645	3	3		
City of Wasilla P. O. Box 430 Wasilla, Alaska 99687	3	3		
City of Seward P. O. Box 337 Seward, Alaska 99664	10	9		
Transportation Muesum of Alaska SR Box S-875 Palmer, Alaska 99645	4	4		
Campfire, Chugiak Council 326 H. Street Anchorage, Alaska 99501	3	3		
Matanuska-Susitna Borough Sch. Dist P. O. Box AB Palmer, Alaska 99645	8	8		
Whittier Historical and Fine Arts Museum P. O. Box 728 Whittier, Alaska 99502	4	4		
SUB-TOTAL	47	44	-3	

* One position will be picked up by Cook Inlet Native Assn.

POSITION REALIGNMENT

TITLE VI REGION 5

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Talkeetna Historical Society P. O. Box 76 Talkeetna, Alaska 99676	1	1		
City of Whittier Whittier, Alaska 99502	9	9		
Salvation Army Kenai/Palmer 135 E. 8th Ave. Anchorage, Alaska 99501	12	11		
SUB-TOTAL	22	18		
TOTAL	237	227	-28	

POSITION REALIGNMENT

TITLE II REGION I

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
Ketchikan Youth Advocate P. O. Box 7202 Ketchikan, Alaska 99901	2	1		
City of Ketchikan P. O. Box 1110 Ketchikan, Alaska 99901	7	7		
Ketchikan Gateway Borough P. O. Box 7252 Ketchikan, Alaska 99901	4	4		
Juneau, City and Borough of 155 South Seward St. Juneau, Alaska 99801	22	22	-4	-8 (-4 May 1,
	35	34	-4	-8

POSITION REALIGNMENT

TITLE II REGION 2

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
North Pole, City P. O. Box 5109 North Pole, Alaska 99705	7	7	-1	
University of Alaska Dir/Libraries Fairbanks, Alaska 99701	14	14	-2	
City of Nenana P. O. Box 177 Nenana, Alaska 99760	4	4	-1	
Arctic Assn. Retarted Children P. O. Box 2075 Fairbanks, Alaska 99707	1	1		
TOTAL	26	26	-4	-0-

POSITION REALIGNMENT

TITLE II REGION 3 *

SUB-GRANT NAME AND ADDRESS	March 3, 1978 Positions Authorized	March 3, 1978 Positions Filled	April 1, 1978 + = Increase - = Decrease	June 1, 1978 + = Increase - = Decrease
City of Nome P. O. Box 281 Nome, Alaska 99762	9	6		
City of Kotzebue P. O. Box 46 Kotzebue, Alaska 99752	2	2		
Kawerak Inc. P. O. Box 505 Nome, Alaska 99762	1	1		
City of Teller Teller, Alaska 99778	1	1		
City of Ambler Ambler, Alaska 99786	1	1		
City of Shishmaref General Delivery Shishmaref, Alaska 99772	1	1		
Kiana, City of Kiana, Alaska 99749	1	1		
TOTAL	16	13	-0-	-0-

* This region will decrease to eleven positions 6/1/78. Normal attrition will decide where positions will be deleted.

POSITION REALIGNMENT

TITLE II REGION 4

SUB-GRANT NAME AND ADDRESS	March 3, 1978 Positions Authorized	March 3, 1978 Positions Filled	April 1, 1978 + = Increase - = Decrease	June 1, 1978 + = Increase - = Decrease
City of Dillingham P. O. Box 191 Dillingham, Alaska 99567	18	18		-8 *
City of Sand Point P. O. Box 16 Sand Point, Alaska 99661	2	2		
City of Bethel P. O. Box 537 Bethel, Alaska 99559	12	12		-8 *
TOTAL	32	32	-0-	-16

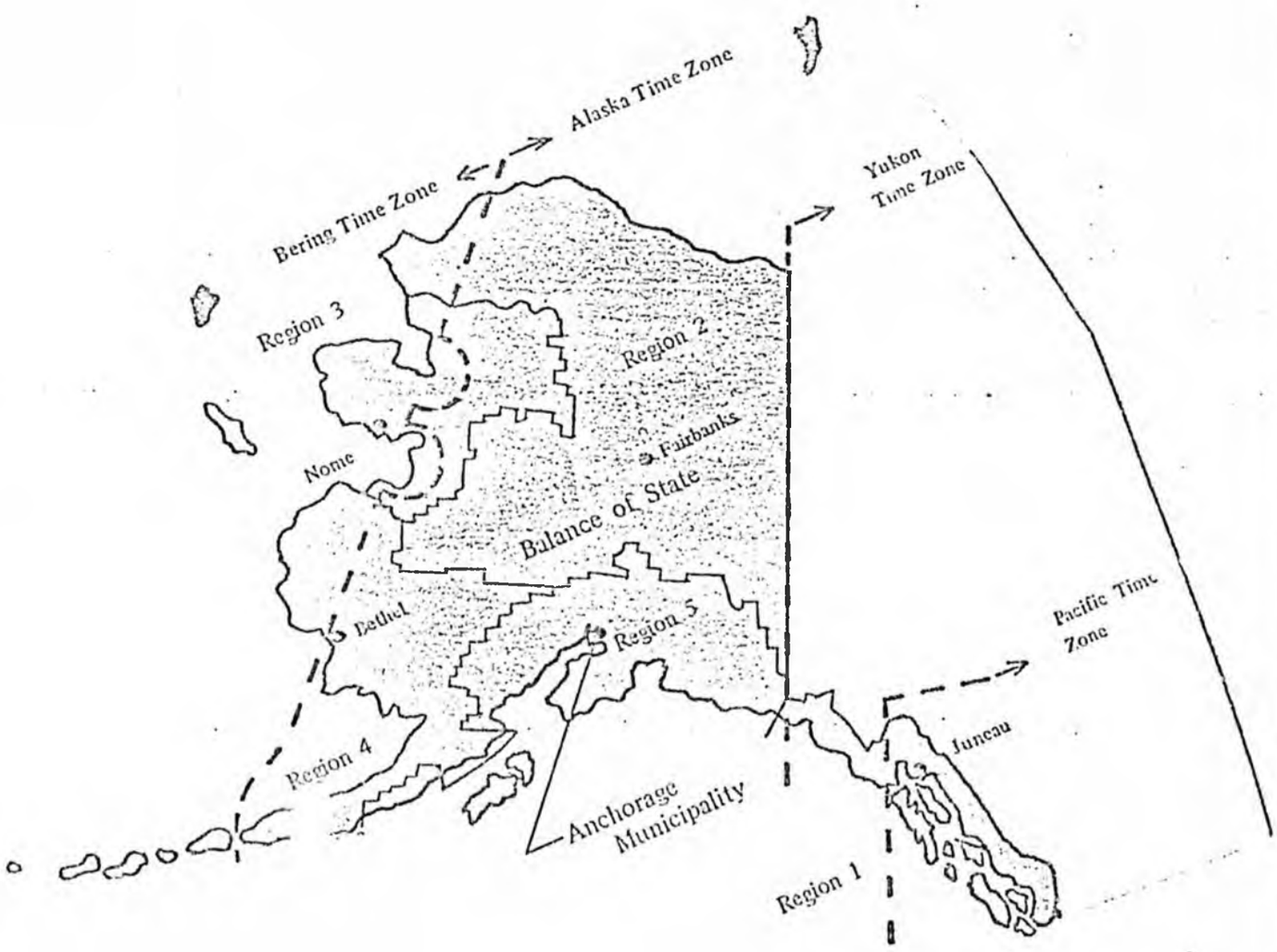
* Each of these vendors will be given a Title VI sub-grant 6/1/78 with four positions.

POSITION REALIGNMENT

TITLE II REGION 5 *

SUB-GRANT NAME AND ADDRESS	March 3, 1978		April 1, 1978	June 1, 1978
	Positions Authorized	Positions Filled	+ = Increase - = Decrease	+ = Increase - = Decrease
City of Kodiak P. O. Box 1397 Kodiak, Alaska 99615	9	9		
Valdez City Schools P. O. Box 398 Valedz, Alaska 99686	5	4		
TOTAL	14	13	-0-	-0-

* This Region will increase to 32 positions by 6/1/78, but potential vendors have not been selected at this time. Strong consideration will be given to vendors receiving a decrease in Title VI.


Alaska Time Zone
Bering Time Zone
Yukon
Time Zone
Region 3
Region 2
Fairbanks
Nome
Balance of State
Bethel
Region 5
Pacific Time
Zone
Region 4
Juneau
Anchorage
Municipality
Region 1

NEWS RELEASE

MIKE GRAVEL

U.S. Senator-Alaska

March 13, 1978

Release: Immediate

GRAVEL REQUESTS FUNDS TO SAVE PUBLIC SERVICE JOBS

WASHINGTON -- Sen. Mike Gravel has asked Labor Secretary Ray Marshall for special funds to preserve 234 public employment positions in Alaska. Gravel said the positions, which were created to reduce unemployment, would be terminated April 1 unless the special funds are provided.

The 234 jobs are among 750 public employment positions administered by the state Department of Community and Regional Affairs. The jobs are provided under the Comprehensive Employment and Training Act (CETA).

Gravel said the jobs are threatened by a disagreement between the Department of Community and Regional Affairs and officials at the federal Region X office in Seattle.

According to the letter, the Region X office insisted that the department's program could be run with 750 job positions at a cost of $875 per position. The department's real costs have been higher, and in essence, it is now running out of money.

The Region X office finally recognized this situation, Gravel said, and raised the cost allowed per participant to $971. However, the allocation of federal money to the department was

NOT RAISED TO MEET THE HIGHER COST, MEANING THAT POSITIONS WOULD HAVE TO BE ELIMINATED IN ORDER FOR THE DEPARTMENT TO STAY WITHIN ITS BUDGET.

THE DEPARTMENT HAD A TWO-YEAR ALLOCATION OF ABOUT $11 MILLION FOR ITS CETA JOBS. GRAVEL SAID ANOTHER $1 MILLION FROM DISCRETIONARY FUNDS CONTROLLED BY SECRETARY MARSHALL WOULD ALLOW THE 234 POSITIONS TO LAPSE THROUGH ATTRITION, WITHOUT PUTTING PEOPLE OUT OF WORK APRIL 1.

THE ALASKA DEMOCRAT SAID THE STATE AGENCY HAD REQUESTED ADDITIONAL MONEY TO SAVE THE 234 JOBS, BUT HAD BEEN TURNED DOWN.

"THE DEPARTMENT WAS INFORMED THAT REDISTRIBUTED FUNDS WERE ONLY AVAILABLE TO INCREASE THE NATIONAL ENROLLMENT LEVEL AND NOT TO SUBSIDIZE EXISTING ENROLLMENT LEVELS," GRAVEL SAID. "THEREFORE, DESPITE THE FACT THAT ALASKA HAS THE HIGHEST UNEMPLOYMENT RATE IN THE REGION, NOT TO MENTION THE NATION, THE REDISTRIBUTED FUNDS WERE ALLOTTED TO AREAS WITH DROPPING UNEMPLOYMENT RATES.

"I AM GREATLY DISTURBED BY THE APPARENT DISTORTION OF THE INTENT OF THE CETA PROGRAM TO THE EXTENT THAT NATIONAL GOALS SUPERCEDED RATIONAL PROGRAM OBJECTIVES. WHEN IT BECOMES MORE IMPORTANT TO SATISFY PUBLIC RELATIONS GOALS THAN TO MEET THE CRITICAL NEEDS OF THE UNEMPLOYED, I QUESTION THE RELEVANCY OF THE PROGRAM."

GRAVEL SAID, "THE NATIONAL PROGRESS MADE IN REDUCING UNEMPLOYEMENT HAS NOT RESULTED IN REDUCED UNEMPLOYMENT IN ALASKA. OUR UNEMPLOYMENT RATE HAS CONSISTENTLY BEEN THE HIGHEST IN THE NATION.. IN FACT, IT IS USUALLY AT LEAST DOUBLE THE NATIONAL AVERAGE."

MIKE GRAVEL
ALASKA

United States Senate

WASHINGTON, D.C. 20510

170/MARSHALL
Nancy Rickie

March 1, 1978

White

The Honorable F. Ray Marshall
Secretary of Labor
Department of Labor Building
200 Constitution Avenue
Washington, D. C. 20210

Dear Secretary Marshall:

As you well know, the Comprehensive Employment and Training Act (CETA) program is the major Federal program for attacking structural and countercyclical unemployment. A significant initiative by the Administration last year resulted in 725,000 public service jobs, and a gradual decline in the unemployment rate nationally. The unemployment rate continues to decline and for the first time in several years a stabilizing trend is apparent.

Unfortunately, the national progress made in reducing unemployment has not resulted in reduced unemployment in Alaska. Our employment rate has consistently been the highest in the nation. In fact, it is usually at least double the national average.

It is with a very serious concern for Alaska's unemployed and a desire that the CETA program be utilized to its maximum effectiveness that I bring to your attention a critical problem involving the Balance of State prime sponsor. This situation has escalated to the point that I am requesting discretionary funds be made available to the prime sponsor.

Last year, the Alaska Department of Community and Regional Affairs assumed the Balance of State prime sponsorship. It reorganized the administration of the program to assure improved services to rural Alaska and developed consistent liaison with the Title III prime sponsors, which had been seriously lacking. At this time, the Balance of State program has stabilized and is successfully providing client services.

Unfortunately, the rapid improvement in the program has created a significant problem. Recent computations of program

costs by the prime sponsor indicate that the allowable costs per participant per month can no longer be tolerated if the program is to function through the fiscal year. Therefore, the client enrollment must be reduced 234 positions by April 1, 1978 due to the necessary modification in the cost per participant per month.

I want to present to you the history of this modification, which I think clearly illustrates why at this time the directive from the Department of Labor is unfair to the clients who must be laid-off and embarrassing to the Department of Community and Regional Affairs, which has acted in good faith.

The Balance of State prime sponsor commenced employment services in July 1977. Based on additional funds available, through the Economic Stimulus appropriation, its contract was modified in July, September and October 1977. In August the Region expressed concern over the low enrollment level and indicated that the prime sponsor would have to meet the enrollment level by September 30. In addition, the prime sponsor was advised that it was expected to absorb any excess funds due to prior program inefficiencies under different administration.

In order to comply, the prime sponsor decided to overenroll by 20%. Since history of the program indicated that it was difficult to maintain a constant enrollment, it was the determination of the prime sponsor that only by overenrolling for a period could it hope to reach the enrollment goal. The vacancy rate at this time was 30% and the cost per participant per month was $1050.00

The national interest in meeting President Carter's 725,000 public service jobs goal heightened the pressure on the Balance of State prime sponsor to meet its individual goal while absorbing past deficiencies. In November, the Regional office sent telegrams to the prime sponsors notifying them of their modified enrollment goals and its intention to reprogram.

With primary focus transferred to the enrollment levels, it became necessary to revise the cost per participant per month. As you know, each prime sponsor is funded by formula and either the prime sponsor's costs determine his enrollment, or vice versa. In the case of Region X the prime sponsors were expected to conform their costs to their enrollment levels.

As negotiations between the prime sponsor and the Regional office began in November, the prime sponsor found itself in an unusually difficult position. It was attempting to meet the enrollment goals, but finding that its costs would not allow it to do this within budget. When it presented this dilemma to the Regional office, it responded that the average cost per participant per month from July to October in the Balance of State program had been $875.00, and with this cost-per-participant base it should be able to meet the enrollment goal.

The base period used by the Region included the early stages of the employment program when enrollment was low and was characterized by turnover. The prime sponsor determined that a more realistic cost base was September through October when a program had begun to stabilize. The average cost per participant per month for this period was $1000.

However, in Region X's desire to maximize the available funds and achieve the President's announced goal the prime sponsor's $1000 cost per participant was rejected. On November 29, the prime sponsor proposed a new modification of $948.00, which was below costs at the time. This was also rejected by Region X and finally in December the prime sponsor agreed to $875.00 per participant. With this cost level the prime sponsor was expected to fill 750 job slots.

Notwithstanding the allowable cost level, the prime sponsor averaged $951.00 cost per participant per month from July to December 1977, and $984.00 from August to December 1977. The real cost of the program coupled with the prime sponsor's effort and success in meeting the enrollment goal made a significant impact on its budget.

The Regional office recently notified the Balance of State prime sponsor that its cost per participant per month will be raised to $971.00, which means that it must eliminate 234 employment positions by April 1. I submit to you, Mr. Secretary, that this action should have been taken last November when the prime sponsor requested a modification in the cost per participant and a modified enrollment level. If that had occurred in November, the reduced enrollment could have proceeded slowly and been achieved by attrition.

It is well known and easily documented that the cost of living in Alaska is the highest in the nation. An entry-level secretary would earn more than the $875.00 allowed by the Regional office for CETA positions. With the explicit mandate of the legislation requiring CETA employees to be paid commensurate with private sector for similar work performed, it is remarkable that the prime sponsor could place clients at all.

An additional fact you should be aware of involves the allocation of redistributed funds. When the Balance of State prime sponsor requested additional funds to help them maintain the high enrollment, it was informed that redistributed funds were only available to increase the national enrollment level and not to subsidize existing enrollment levels. Therefore, despite the fact that Alaska has the highest unemployment rate in the region, not to mention the nation, the redistributed funds were allotted to areas with dropping unemployment rates.

I am greatly disturbed by the apparent distortion of the intent of the CETA program to the extent that national goals superceded rationale program objectives. When it becomes more important to satisfy public relations goals than to meet the critical needs of the unemployed, I question the relevancy of the program. Alaska has significantly benefitted from the Title III CETA program and I hope will be given an opportunity to benefit from the Balance of State program. I recognize that it is more difficult to tailor national programs to Alaska, but I would point to the Title III program as evidence of the possibilities of doing this.

I would appreciate your investigation of this matter. Since the prime sponsor has an April 1 deadline, it is imperative that action be taken prior to this date. If it is not, clients will be laid-off and it will be impossible to rehire them due to the eligibility criteria. In this regard I request that you seriously consider a grant to the Balance of State prime sponsor from your discretionary fund. This would allow them to honor their contracts while beginning the phase-down in enrollment slots.

I wish to thank you in advance for your attention to this matter. Should you need further information in the course of your review, I trust you will not hesitate to call on me.

Sincerely,

Mike Gravel

HJR

70

CENTER FOR EQUALITY OF OPPORTUNITY IN SCHOOLING
THE ALASKA NATIVE FOUNDATION
411 WEST 4th AVENUE • ANCHORAGE, ALASKA 99501 • PHONE (907) 274-2541

April 6, 1978

Honorable Lisa Rudd
House of Representatives
Juneau, Alaska 99811

Dear Representative Rudd:

The Office of Education in Washington, D.C., is currently promulgating regulations which would end direct General Assistance Center services to school districts in Alaska.

The two enclosed papers provide a brief overview of the situation. "Implications..." sets out the effect upon Alaska should these new regulations become adopted, and the "Summary Report" tells of CEOS services in Alaska during the nine month period July 1, 1977 - March 30, 1978.

If you agree that Alaska with its multi-cultures can be most appropriately served by having a separate center for multi-cultural, bias-free, and multi-lingual assistance, please send letters and/or school board resolutions of support to Alaska's congressional delegation in Washington, D.C., and to Mr. Elton Ridge, as soon as possible. Attached is a list of names and addresses. The deadline for comments is April 19, 1978.

Thank you very much.

Sincerely yours,

CENTER FOR EQUALITY OF
OPPORTUNITY IN SCHOOLING

Jane

Jane Yamashiro
Senior Associate

Enclosures:
(1) "Implications..."
(2) Summary Report
(3) List of addresses

Implications of proposed regulations for multi-cultural and non-sexist technical assistance in Alaska

For nearly two years the Alaska Native Foundation has operated the Center for Equality of Opportunity in Schooling, funded under Title IV of the Civil Rights Act of 1964. Technically, it is a General Assistance Center providing race and sex desegregation assistance to school districts throughout Alaska at their request. In terms of staff time, the most important activity of the Center is planning and conducting workshops on-site for teachers and administrators in human relations and multi-cultural awareness, but assistance has also taken the form of developing checklists for Native materials development, a handbook for bilingual program planning, instruments for teacher selection, and a study on strategies for meeting developmental needs of rural youth.

By awarding the contract on a competitive basis for two successive years to the Foundation, the U.S. Office of Education accepted the proposed activities as consonant with the goals of the Civil Rights Act and its amendments. In 1977 the Foundation was advised before it was awarded the contract that multi-year funding should be anticipated and that applicants should plan accordingly.

This week, the March 20 Federal Register was received in Alaska carrying proposed rules for assistance centers narrowly defining their functions and establishing new multi-state service areas that effectively bar the Foundation or any other Alaska institution from entering the competition and that will bring to an end the kind and level of service provided to Alaska districts.

With regard to race and sex desegregation assistance, Alaska, is proposed to be a part of a service area including Washington, Oregon and Idaho. With regard to "national origin" desegregation, Alaska is proposed to be part of a service area including those states, Hawaii, Guam, the Pacific Trust Territory, Samoa, and the Northern Marianas! Since any assistance center would necessarily be located near populations to be served, no Alaska institution could be a successful applicant.

SUMMARY REPORT

CENTER FOR EQUALITY OF OPPORTUNITY IN SCHOOLING

SERVICES TO ALASKA

July 1, 1977 - March 30, 1978
(9 Month Period)

Prepared by Lydia Hays
Assistant Director, CEOS
March 30, 1978

CEOS Staff: Bob Arnold, Lydia Hays, Jane Yamashiro, Jim Chase, Dick Dauenhauer and Mary Lekanof

I. Alaska School Districts receiving direct assistance:

Total number of School Districts assisted:	28*
Total number of School Districts in Alaska:	50
Percentage of school districts served by CEOS in Alaska during the 9 month period	56%*

* NOTE: Statewide events wherein CEOS conducted portions of or all of the sessions included virtually all school districts

II. Types of assistance rendered:

A. Workshops conducted

1. Alaska Native and multi-cultural education/human relations	21
2. Human Relations/Values Clarification	4
3. Title IX, to eliminate sex discrimination	6
4. (Other workshops scheduled but cancelled for various reasons; are to be rescheduled)	4)
Total workshops held	31

Even more distressing is that services needed by Alaska districts to help them provide greater equality of opportunity to all learners will be virtually unobtainable under the scheme proposed. Such services have, heretofore, been provided with funds authorized under the Civil Rights Act.

The proposed rules would restrict race desegregation services to districts which are literally desegregating. There are none in Alaska, but this doesn't mean a minority child has an equal chance. The proposed rules would re-name a category of activities chiefly arising from English language deficiencies as "natural origin desegregation assistance." Can such assistance be rendered to Alaska's largest group of bilingual speakers--Alaska Natives? Their problem is not "national origin."

Finally, the proposed rules would artificially separate activities which are inseparable. Race, sex, language and culture persist in being key factors in making educational opportunities unequal. Reducing racism and sexism and increasing opportunities for all learners dictates that all key factors be addressed together.

What is needed in Alaska is a civil rights assistance center authorized to provide all three kinds of services. What is needed is that a center be in Alaska. Essentially this is what has existed since 1976, and any substantial change ought to be preceded by more than thirty days notice.

Comments on the proposed rules will be accepted until April 19, 1978, they should be addressed to: Mr. Elton W. Ridge, Room 2001, FOB-6, 400 Maryland Avenue SW, Washington D.C., 20202.

Robert D. Arnold

April 3, 1978

B. Consultations/requests for information through visits to CEOS office and telephone calls 90+

(NOTE: Requests for information by letter are not included in the 90+ figure. It is estimated that an additional 75 requests have come to CEOS by letter.)

III. Alaska education agencies receiving CEOS assistance on a statewide basis wherein virtually all school districts were represented:

A. Alaska Department of Education

1. Presentation on multi-cultural education at the State Right to Read Conference
2. Planning, conducting and evaluating the Language Assessment Training workshop (Dec., 1977, Anchorage)
3. Planning goals and objectives for the work session at the Bilingual-Bicultural Conference (Feb., 1978)
4. Conducting two of the 12 sectionals at the Bilingual-Bicultural Conference (Feb., 1978)
5. Consultation on ESAA proposals in Alaska
6. Consultation with Director of ADOE, Educational Program Support
7. Consultation with Director, Bilingual-Bicultural Program, ADOE
8. Consultation with the Commissioner of Education State of Alaska on multi-cultural education needs in Alaska

B. NEA Teacher Conference (March, 1978)

Conduct of three educational sectionals offered at the conference: 1) cross-cultural/linguistics education in the classroom; 2) Title IX, elimination of sex discrimination in schools, and 3) Alaska Native culture, and human attitudes

C. Alaska State School Board Association

Workshop on cross-cultural awareness and communication skills enhancement

IV. Other agencies requesting and receiving assistance from CEOS on cross-cultural awareness, prejudice/discrimination and Title 9 education:

1. Cook Inlet Native Association
2. ARCO Oil Company
3. Alaska Native Language Center
4. Southcentral Regional Resource Center

5. Southeast Regional Resource Center
6. Aleutian/Pribilof Is. Native Association
7. Adult Basic Education Program, Fairbanks
8. Black Caucus, Anchorage
9. Central Lutheran Church, Anchorage
10. United Methodist Church, statewide
11. McLaughlin Youth Center
12. Bristol Bay Native Corp.
13. Alaska Division of Banking and Securities
14. Center for Northern Educational Research, University of Alaska
15. HEW, Region X
16. Office of Civil Rights, Region X
17. Adult Literacy Lab, University of Alaska
18. City Manager, Seldovia
19. X-CED Teacher Training Program, University of Alaska
20. Alaska Native Hospital/ Anchorage; statewide services
21. Alaska Bilingual Advisory Committee
22. Sheldon Jackson College, Sitka
23. University of Alaska
24. Alaska Methodist University
25. Alaska Legal Services
26. Kuskokwim Community College
27. Kellogg Human Resources Project, University of Alaska
28. Ft. Richardson Military Post
29. Anchorage Police Department
30. Alaska Rural Community Action Program
31. Hope Cottage staff for handicapped children
32. University of Alaska Rural Secondary Schools Project
33. Alaska Legislative Affairs Council
34. Alaska Library Assn.
35. Galena Community College
36. Bureau of Indian Affairs, Regional Director
37. Lawyers
38. Alaska Federation of Natives
39. Human Rights Commission
40. Human Rights Commission, Maine
41. Anchorage TV and newspapers
42. Alaska State Library/Media
43. HEW, Washington, D. C.
44. Portland, Lau Center

V. Additional projects conducted by CEOS during the 9 month period:

1. Two cultural awareness posters for school districts
2. Evaluation of business management courses for Alaska Natives in villages
3. Proofreading BIA Tribal Definition research paper
4. Checklist for Planning culturally relevant curriculum materials
5. Research and writing of new chapter to Alaska Native Land Claims, a first in culturally relevant curriculum for Alaska Natives
6. Special mailing, Alaska Native language materials bibliography
7. Preparation of Language Assessment Test for students; distribution to requesting school districts
8. Language Assessment Test Validation Project
9. Research paper on Aleut written literature
10. Development of Alaska Native linguistics exercises for

workbook to be used in language classes
11. Discrimination in Testing, a project in the design stage
12. Bibliography mailings on multi/cultural materials
13. Film evaluations for cultural bias
14. Supplemental educational learning opportunities for for rural ALaska Native Youth, a project in process

VI. Current requests for CEOS assistance:

1. Gateway Borough School District
2. Alaska Gateway School District
3. Hoonah City Schools
4. Lower Kuskokwim School District
5. Wrangell City Schools
6. Anchorage School District
7. Craig City Schools
8. Ketchikan Indian Education Program
9. Iditarod School District
10. Kodiak School District
11. Bering Straits School District
12. Alaska Department of Education cross-cultural awareness/ human relations workshop to be conducted by CEOS April 24-25, 1978.

VII. Clients who have received direct services from CEOS (spectrum of personnel receiving direct benefit):

Teacher aides
curriculum directors
tutors
teachers
secretarial staff of schools
administrators (superintendents)
Indian Education program directors and staff
Johnson-O'Malley program directors and staff
principals
school board members
community school committees
community members/parents
Alaska Department of Education
    Minority Affairs Officer
    Director, Bilingual/Bicultural Education
    Director and Staff, Educational Program Support
    State Commissioner of Education
    State Bilngual Advisory Committee
students in the schools

ALASKA DELEGATION IN CONGRESS

U. S. Senate

Honorable Ted Stevens
United States Senate
411 Russell Building
Washington, D. C. 20510

Honorable Mike Gravel
United States Senate
3317 Dirksen Senate Office Bldg.
Washington, D. C. 20510

U. S. House of Representatives

Honorable Donald E. Young
House of Representatives
1210 Longworth House Office Building
Washington, D. C. 20515

* * * * * *

Send copies of letters/resolutions to:

Mr. Elton W. Ridge
Room 2001, FOB-6
400 Maryland Avenue SW
Washington, D. C. 20202

4-1-78
LLH

SB

47

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 47 — Croft
Prime Sponsor

Resolution No. ____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

At the present time, if a person makes improvements (painting, landscaping, fencing, etc., on their home the value goes up and they pay more taxes. This discourages some people from improving their property. The bill would impose a moratorium on such increases and encourage people to beautify their property.

2. Are there any other viable ways of accomplishing this same goal?

A system of grants or loans might be utilized, but this seems more cumbersome and probably more expensive.

3. Persons or groups you know of who are supporting the legislation.

I know of no organized support for the bill.

4. Persons or groups you know of who are opposing the legislation.

Municipalities have traditionally opposed this type of legislation but I do not know of any specific opposition to this bill.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

If not properly implemented by the Municipality, there might be problems.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

I would appreciate the Committee considering the bill the week of February 28.

Haines Borough
P.O. Box 2314
Haines, Alaska 99827

February 16, 1977

Senator Joe Orsini
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The Haines Borough Assembly wishes to thank you for your letters and copies of proposed bills which may have an effect on our municipality.

Please accept this letter in support of Senate Bill No. 47 - "An Act allowing municipal property tax exemptions for certain improvements to real property." This bill was discussed at great length and the Assembly feels that if passed, this would be of a great advantage to the taxpayers in our area. We are constantly receiving comments concerning the increase of taxes due to improvements on their homes. Many of the residents of Haines feel that they should be given "a break" for trying to keep their homes nice looking which, when completed, would enhance the exterior appearance or quality of the land or structure.

Also, for your information, I am sending to you a copy of the minutes for a meeting held concerning the recent attorney general's opinion concerning third class borough powers and a copy of the newpaper article that was published by our local paper, the Chilkat Valley News. We would be interested in any comments you may have concerning our problem here in Haines.

Thank you for your time and concern.

Sincerely,

Kathy Dixon

Kathy A. Dixon
Secretary

Enclosures

P. O. Box 223
Douglas, Alaska 99824

February 10, 1977

The Honorable Joseph Orsini, Chmn.
Senate Community & Regional Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Re: SB No. 47

Dear Senator Orsini:

I am writing you as a citizen of Douglas for the past 25 years, a property owner and as a member of the Project Pride Committee of the Juneau Borough.

For years, I have felt that the home-owner who takes pride in keeping his property in good repair and making exterior improvements that would enhance the appearance of the property is penalized by having to pay a greater tax assessment than the slob down the street who has a comparable piece of property but does nothing in the way of maintenance or beautification, and the home is usually surrounded by junk cars, abandoned trailers, etc.

Maybe I am wrong, but I have felt that perhaps the fear of having to pay increased taxes was the primary reason for the slob's life-style. With this bill and given wide publicity once it becomes law, I would hope all of Alaska will embark on a giant-size cleanup campaign with empassis on paint-up, fix-up.

My membership on the Project Pride Committee has been mainly directed toward pursuing the possibilities of a tax credit or rebate when the property owner makes exterior improvements, but without this type of enabling legislation; my efforts have been in vain.

With the passage of this bill, not only will the property owner benefit, but the neighborhood, the community, city and state as well. I urge your support of the bill---it has been long over due.

Sincerely yours,

Julie H. Isaac

PS Please advise me when this will be taken up by your committee. My phone is 364-2431. Thank you.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 16, 1977

FILE NO. Legislature-1977

SUBJECT: Senate Bill 47

The Honorable Joseph L. Orsini
Chairman
Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Juneau supports the concept expressed in Senate Bill 47 but suggests that certain changes might make the bill more workable.

As we understand it, the intent of the bill is to allow the municipality to exempt from taxation that portion of an increase in assessed valuation which can be attributed to new maintenance, repair or renovation of an existing structure where such work enhances the exterior appearance. The first sentence of the exemption reads, however, that the exemption goes to "the assessed value of improvements to real property." As the "improvements to real property" include the entire existing structure, it appears that the bill would authorize the municipality to exempt the entire assessed value of the structure if recent maintenance, repair or renovation has caused the assessed value to increase. If it is the intent of the Legislature to exempt only the increase, and not the value of the entire structure, I would suggest that the first sentence be changed to read as follows:

> (F) Municipalities may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if such increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or esthetic quality of the land or structure.

The approach taken in the above suggested language involves three changes from the original. First, it would authorize the municipality to allow an exemption of part of the increase attributable to new maintenance, etc. rather than requiring that the municipality allow a full exemption or no exemption. The amount of the partial exemption would have to be set forth in the ordinance. The second change makes clear the fact that the exemption could not exceed the amount of the increase in assessed valuation which is directly attributable to the new maintenance, etc. The third change involves the implication in the existing language that an exemption may be given prior to the actual accomplishment of the alteration or maintenance. The proposed language indicates that an enhancement must have occurred before the exemption can be given.

The exceptions to the exemption which appear in the second sentence of the section are well thought out and should be retained.

We would suggest that municipalities be given a little more flexibility than is currently provided in the last sentence of the proposed section. As presently written, the section would require the municipality to give the exemption for a period of four years. We would suggest that rather than this all or nothing approach the municipalities be authorized to grant the exemptions for a period not exceeding four years. Also, requiring that the period run from the date the improvement is completed or the date of approval of an application, whichever is later, creates the problem whereby a property owner may come in three or four years after the improvement has been completed to make application. At this point it may be extremely difficult to determine the increase caused by the improvement. I would suggest that this part be deleted so that the municipalities may deal with that problem in the ordinance which authorizes the exemptions. Therefore, I suggest that the last sentence of the bill be changed to read as follows:

> An exemption provided under this subsection may continue for a period not to exceed four years from the day the improvement is completed.

If you have any questions, I would be happy to discuss them with you. I can be reached at 586-3300.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

cc: Senators Croft, Rodey, Willis,
Ferguson, Hackney, Sumner
Don Berry, Executive Director,
Alaska Municipal League

SB

126

Matanuska-Susitna Borough, Inc.

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

DEPARTMENT OF ADMINISTRATION

April 29, 1977

Ms. Lisa Rudd, Chairman
House Community & Regional
Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Rudd:

Subject: Senate Bill 126

This Borough favors the elimination of the requirement that municipal officials be elected by a majority of the votes cast, since that may require runoff elections which attract very little interest.

We believe this matter should be optional for municipalities and, therefore, we favor SB 126.

Very truly yours,

Wesley M. Howe

Wesley M. Howe
Borough Manager

WMH:er

cc: Alaska Municipal League
Representative Al Ose

Matanuska-Susitna Borough, Inc.

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

BOROUGH ASSEMBLY

April 29, 1977

Ms. Lisa Rudd, Chairman
House of Representatives
Community and Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Re: SB 126

Dear Ms. Rudd:

When the Alaska Municipal Clerks met in Juneau last month, they reviewed all of the election bills that had been introduced at that time and paid particular attention to bills pertaining to run-off elections. Prior to the meeting in Juneau, a survey had been taken to obtain statistics on run-off elections. The Clerks found that only in four instances over the years had a run-off election made any changes. The Clerks objected to run-off elections due to the additional cost involved and the fact there there is a very small turnout when an additional municipal election is held within days after the regular municipal election. In view of the above, the Clerks would favor HB 9 or SB 125 which would allow municipalities to exempt themselves from run-off elections by ordinance.

The Matanuska-Susitna Borough has found it necessary to hold only one run-off election and that was for one School Board member. In that instance, the second high candidate won and the results didn't change the outcome of the election.

In view of the above, I would like to go on record as opposing SB 126 as noted above. A copy of the Clerks' position on various bills is enclosed for your information.

I appreciated your appearing at one of the Clerks' sessionsin Juneau.

Thank you for bringing the above to the attention of your committee.

Yours respectfully,

Evelyn Thompson

Borough Clerk

Enc.

TO: MEMBERS OF AAMC LEGISLATIVE REPORT April 20, 1977

Compiled below are brief summaries of several bills now pending in the Legislature and, also, the AAMC's position worked out by the Clerks attending the Clerks Education program in Juneau, March 28-April 1. All members are encouraged and requested to read the various bills, review the AAMC's position, and write your own legislators of your & AAMC's position.

HOUSE BILL 24 - Compensation of Election Officers (referrals: House Finance)

Description - Increases pay of Judges from $4.50 to $5 and Canvass Board from $5 to $5.50

AAMC's Position - Oppose. Board members received a raise last year which increased our election costs as much as 25% for the boards, which is the largest cost in any election. Part of the reason they serve is a sense of civic duty and volunteer effort. They are not serving in this capacity to make a living wage at it - there aren't enough elections each year to do so. The idea behind payment is compensation for expenses like gas, transportation, babysitting, etc.

HOUSE BILL 131 (CSHB 131 Judiciary) - Freedom of Information (referral: Senate Judiciary - has passed House)

Description - provides State Policy for privacy and public information, makes certain exceptions of records to be open to inspection, provides procedure for requests for records, establishes enforcement procedures, covers mishandling of records and obstruction of access to records and lists definitions.

AAMC's Position - Oppose in its present form. Amend to include local option - that would satisfy us. 1. Bill is tailored for State records. Municipalities have different types of records from State and from each other. 2. Bill leaves determination of definitions of what's confidential and what isn't to the Clerk since she is the custodian of the records. Interpretation differs from Clerk to Clerk. 3. Definitions are vague - it would appear that complainants in perhaps a health violation would have to be disclosed. It is also unclear whether the complainants to the Ombudsman would have to be disclosed. Cost to small municipalities would increase. They do not have staff attorneys and would need to retain or at least check with an attorney fairly frequently for verification of their decision on confidentiality. Six municipalities have a public information ordinance adopted or in progress.

HOUSE BILL 188 (CSHB 188) - Voter Registration (referral: Senate Rules)

Description - increases number of registrars per precinct

AAMC's Position - Amend "shall appoint" to "may appoint" and raise precinct size criteria to 500 (this bill may have been amended to satisfy the Election Supervisor since 4/1)

HOUSE BILL 218 (CSHB 218) - Voter Registration (referral: House Judiciary)

Description - Amends Title 15 (State Election Code) to provide that a voter may register at the time of voting, changes provision that voter may vote in precinct in which he is registered to "election district", provides a voter may register before an election judge at any time throughout the year including election day, provides same procedure for re-registering, rewords procedure on manner questioned ballots may be counted and adds State special election to those elections which will determine purging.

AAMC's Position - Opposed. If it passes, voters could vote on election day and not by questioned ballot. If this is the idea, then do away with State registration entirely as Municipalities would have to institute their own systems for voter registration if this becomes law (and they were allowed by State law to do so.) State's position on this bill is that Legislature should wait and see what happens with the Federal registration bill - if that's passed, then there is little at the local (State) level that can be done.

HOUSE BILL 243 - Public Meetings (referral: House State Affairs)

Description - 2/3rds vote required for executive session, added reasons for executive session, covers chance or social meetings and what can and cannot be done; lists requirements for public notice of meetings, written records of all meetings; time period for suits to contest action of public body, etc.

HOUSE BILL 243 (cont.)

AAMC's Position - Needs amendment. On a chance meeting, if business is discussed, what is the consequence? 72 hour notice is too long, should be 24 hours. Also change "to discuss or act" to "to discuss and act". Should be 30 days - notification on suits, rather than 90. 30 days is ample period for most court actions and for appeal on most other municipal actions. 90 days is hanging fire too long - it puts the original meeting action in too much jeopardy. Further action based on original action could take place within that 90 days and further complicate the situation. Appeal should be speedy. Re: 72 hour notice provision - agendas are not usually finalized 72 hours prior to a meeting. Also, the longer the notice requirement, the sooner you are going to have to cut off deadlines like public appearance requests - thereby denying the public the right to appear at a meeting. Re: mailing the agenda to anyone who requests it. Delete. In most cases the mail system is such that mailed agenda reaches the person requesting it after the meeting takes place. Also, there is no limit or specification on who pays the mailing cost. Assume its the municipality - can you see all 194,500 people in Anchorage wanting agendas mailed to them? The cost would be absolutely horrendous for mailing alone, not including the cost of duplicating, envelopes and salaries involved. Legislative hearings are not announced 72 hours prior to the hearing. Legislators should have to come under the same regulations - a copy of the notice of each legislative hearing be mailed to every registered voter in the State of Alaska requesting one.

SENATE BILL 126 - Run-Off Elections (referral: House CRA, then Judiciary)

Description - Exempts Municipalities from run-offs with exception of Mayor's position

AAMC's Position - Oppose this particular bill, favor instead HB 9 and SB 125 which exempt Municipalities from all run-off provisions, including Mayor, by ordinance. Mandatory run-off provisions have been in effect since 1972. Of the Municipalities that have had to hold run-offs since that date, there have been 209 seats on the original (regular) ballot and of those, 29 went to a run-off. Only 4 of those run-off seats resulted in a change. Only 1 run-off for Mayor since 1972. All others have involved other offices. Percentage of voter participation in run-offs has steadily decreased since inception of mandatory run-off and costs have increased by some 27%

cc: AML Office and Legislative Committee
Others attending Clerks Education Program

SB

213

Introduced: 3/4/77
Referred: Community & Regional Affairs and Finance

IN THE SENATE BY CROFT

SENATE BILL NO. 213 am (eff.date am)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the program of rural development assistance in the Department of Community and Regional Affairs; and providing for an effective date."

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

* Section 1. AS 44.47.140(1) is amended to read:

(1) no program for any one community may exceed $40,000 [$20,000] in cost a year; and

muni. - ?

* Sec. 2. This Act takes effect July 1, 1978.

Was Driam project done?

COPPER
RIVER
NATIVE
ASSOCIATION, INC.
(Ahtna Tanah Ninnah)

Education
Welfare
Health

Adm. 822-3949-3521
Health
Alcoholism 822-3955
J.O.M. 822-3333
Manpower 822-3333
Housing 822-3333

Drawer H-Copper Center, Alaska 99573

copies in members' mailboxes

May 3, 1977

Senator Joseph Orsini
Chairman Community & Regional Affairs
Assembley 100
Juneau, Alaska 99811

Dear Senator Orsini:

At the present time the community and regional affairs is administrating state RDA grants in the amount of $20,000.00. Several of the villages in our region are currently receiving these grants. These have been greatly instrumental increasing the capacity of village councils of our area.

We would request your support with the increase in these grants from $20,000.00 to $40,000.00 as is contained Senate Bill 213. By increasing the amount of the grant from $20,000.00 to $40,000.00 it will greatly offset increased costs of construction due to inflation and other factors.

Your support is appreciated.

Sincerely,

Maxwell L. Fancher
Executive Director
Copper River Native
Association, Inc.

cc: Lisa Rudd, Chairman
Community &Regional Affairs
Court Building 620
Alaska House of Representive
Juneau, Alaska 99811

Senator Jalmar M. Kerttula
Court Building 624
Juneau, Alaska 99811

Your attention is requested.

SOUTHEASTERN ALASKA

COMMUNITY

ACTION PROGRAM

JUNEAU CENTER
P.O. BOX 449
JUNEAU, ALASKA 99801
PHONE: 907 586-1990

May 8, 1978

Representative Lisa Rudd
Chairman, Community and Regional
Affairs Committee
House of Representatives
Alaska State Legislature
Court and Office Building, Room 625
Juneau, Alaska 99811

Dear Representative Rudd:

As an advocate for low-income persons in Southeast Alaska, SEACAP strongly supports Senate Bill 213.

SEACAP feels that the rural development assistance program has definitely been important to the economic development of rural communities. SEACAP concurrently feels that increasing the project funding limit to $40,000 is a realistic and necessary improvement of the rural development assistance program.

Sincerely,

James Axel Wilson
Executive Director

JAW:ew

CC: Sarah Smith
Nels Anderson
Alfred Nakak
Al Ose
Merle Snider
Tim Kelly
Peter Lovseth
Randy Phillips

SB
241

SB

FAIRBANKS NORTH STAR BOROUGH

Box 1267, Fairbanks, Alaska 99707

March 21, 1977

House C & RA Committee
Members -
Thought you should
see this letter -
Lisa

Senator Joe Orsini, Chairman
Community & Regional Affairs
Committee
Pouch V
Juneau, AK 99811

Dear Senator Orsini:

Thank you for the opportunity to present our views on upcoming legislation.

SB 241

One bill of particular interest to the Fairbanks North Star Borough is Senate Bill 241. In its current form, the Fairbanks North Star Borough must oppose the proposed legislation. The attached resolution by the Fairbanks Chamber of Commerce also demonstrates local opposition to SB 241. We have been working with other Boroughs on the formulation of a substitute for SB 241 and hope to be able to support substitute legislation.

The basic problem with the current situation is the fact that boroughs are selecting state selected land and are not receiving prompt action on their selections. While this bill goes a long way to resolve that matter, Article 3A, "Determination of Entitlement" ends future land entitlements.

We feel that there will be a great deal of land selection activity by the State within the North Star Borough in the future, and we cannot see equity in taking from the boroughs their entitlement of 10% of state selected land within their boundaries per A.S. 29.18.190-200; companion to the Mandatory Borough Act.

We further feel that there is a need for a cooperative selection effort by the State Division of Lands and Alaska's Boroughs in exercising future selections within the organized municipalities. We definitely wish the opportunity to testify regarding this bill and other legislation affecting Borough selection of state selected lands.

SB 210

While I favor property tax relief, it appears that the proposed Senate Bill 210 is premature at this time. The State's record in being able to fund shared revenue in construction debt reimbursement has been very poor in that we seldom receive full funding on revenue sharing commitments. Furthermore, this legislation is somewhat in opposition to the philosophy of local control as adopted by the Alaska Municipal League.

When municipal governments go to the bond market, a major consideration in

determining their bond rating has been their property values and the amount of pressure on them. In conclusion, whereas I am generally in support of those things which relieve pressures on the property tax, we feel this legislation is premature (effective date 1979) and would recommend deferring it to subsequent legislatures.

Very truly yours,

John A Carlson
BOB

JOHN A. CARLSON
Borough Mayor

JAC:RAG:cmo

cc: Alaska Municipal League
Lisa Rudd, Chairman ✓
House Senate C & RA Committee

SB
372

CS SB 372

The purpose of SB 372 is to correct an oversight in SB 371 Chapter 43 SLA 77. The intent of the law was to have it apply to home rule municipalities as well as general law municipalities and SB 372 would clarify this point.

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE H. SULLIVAN, MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

August 26, 1977

Senator Edward C. Willis
Box 402
Eagle River, Alaska 99577

Re: Senate Bill No. 37/Chapter 48 SLA 77.

Dear Senator Willis:

During the First Session of the Tenth Legislature, you co-sponsored Senate Bill No. 37 entitled "An Act Relating to the Sale, Repurchase and Disposition of the Proceeds of the Sale of Tax Foreclosed Real Property". This bill was subsequen enacted by the Legislature as Chapter 48 SLA 77. As you remember, your bill amended various portions of AS 29.53 dealing with foreclosure procedures by local government. Specifically, the bill was intended to prevent the loss of valuable interests in real property through inadequate notice or the inadvertent actions of local government. I believe you are familiar, for example, with the situation involving property originally owned by Mr. Russell Oberg in the Chugiak/Eagle River area.

In studying provisions of Title 29 concerning tax foreclosure, I have recently discovered that several of the sections in AS 29.53 are omitted from the list of sections applicable to home-rule municipalities under AS 29.13.100. As you can see from the attached copy, the provisions of AS 29.53 that are applicable to home-rule municipalities in Alaska end with Section 350. It is therefore apparent that the portions of your bill (SB 37) amending Sections 370-380 of AS 29.53 could be construed to be inapplicable to the Municipality of Anchorage as a home-rule local government. However, I want to assure you that it has been the Municipality's policy to follow the provisions of AS 29.53 in the foreclosure, sale or dedication of real property.

SB 372 Extending provisions of law governing the sale, repurchase, and disposition of the proceeds of the sale of tax-forclosed real property to home rule municipalities.

This is a housekeeping measure. Reference SB 37 passed last year to remedy a situation which was reocurring in Anchorage. (The Oberg case)

The intent of SB 37 was to have the law pertain to home rule municipalities as well as general law. It was a drafting oversight that this provision was not included in SB 37.

CS FOR SS FOR SB 37

Present Law:	Bill Sec.	Effect of Amendment:
Tax foreclosed land is redeemed by paying liens, penalties, interests and costs.	(1)	"Costs" shall include cost of publishir notices & locating mortgage and Lien holders.
Redemption period expiration notices are sent to record owners	(2)	also sent to all lien and mortgage holders, if value is $10,000 or more.
No provision	(3)	Municipalities may recover costs of publishing notices and locating mortgage and lien holders (as required by section 2)
Foreclosed land can be held for public purposes by resolution	(4)	must be done by ordinance; notice must be sent to former owner (unless land has been held more than 10 years)
Record owner can repurchase land by paying taxes, interests, and delinquent taxes	(5)	must also pay the administrative costs of foreclosure and sale (including publishing costs, and costs of locating mortgage & lien holders)
Right of former owner to repurchase expires after one year	(6)	expires after ordinance adopted providing the land be kept for a public purpose
Proceeds from sale of foreclosed land are divided between borough and municipality	(7)	owner is entitled to proceeds in excess of taxes, interest, penalties, and costs. (must claim within 6 mos.)
AS 29.48.130(a) requires assembly or council to use ordinances to exercise certain powers.	(8)	adds to those powers which must be exercised by ordinance the retention or sale of tax-foreclosed property

COMPARISON :

SB 37 to Present law notice costs recovery by munis. proceeds recovery by owners

16 years

Foreclosure Victims Seek Changes

"Somebody just asked me wasn't it awful about the Obergs losing land for taxes when I found out the same thing happened to me."

That statement was made recently by Thilman Wallace of Chugiak who said the Greater Anchorage Area Borough had also taken 39½ acres of his land as park and open space land after foreclosure for less than $200 in taxes due from 1973.

Wallace, who has had his problems with the borough and neighbors in his struggle to subdivide Swiss Alps apparently was delinquent in property taxes and failed to make payment during the one-year redemption period. His land — which he said is worth $200,000 — and foreclosed land in which Russell and Elsie Oberg had an interest were foreclosed in March, 1974 and dedicated as borough open space land July 28, 1975. That dedication ended their rights to pay off the taxes and redeem their property.

Wallace said he later received a notice on one of three adjacent parcels he owns in Chugiak, advising that the property would be put up for tax sale. He said he immediately went to the borough offices and paid off outstanding taxes on several different parcels on the tax rolls. He was not aware that any had been taken, he said, and believed that he had protected all of them.

To make matters worse, Wallace said he had just raised $15,000 and paid off a mortgage on it after the property had already been taken. The lost land is not part of the Swiss alps homesteads.

The Obergs situation had been different. They had sold part of their homestead in Peters Creek to Ernie Lampert. Lampert ran into finacial difficulties and ended in bankruptcy with several liens against the property. He apparently had transferred the property to a B. Bailey, the name which was on published foreclosure lists. The Obergs said they had asked to be notified of any foreclosure action, but that a card to obtain this notice apparently had strayed from borough files.

Both Wallace and Oberg said they plan to take the matter to court and will argue several points in an effort to regain title to their property.

But they are also interested in seeing the state law changed to prevent situations of this type from happening to others.

State laws in Alaska allow taxing agencies to foreclose on property to recover delinquent taxes plus penalty and interest. There is a one year redemption period in which the owner may redeem his property by paying the amount due. After that time, the property may be sold.

Apparently there is another provision, however, which allows the municipality to retain the property for some "immediate public need." The municipality gains title to the land subject only to payments of state and federal liens and has no obligation to pay off mortgages or other liens. Once the land has been so designated, its redemption is not possible.

Wallace said that although he was notified that the third tract — which was delinquent on the same basis as the surrounding land which was taken — was to be put up for tax sale, he was not given notice that the two tracts were to be up for dedication as park land.

"It looks like we should have our 'Miranda rights' or something," Wallace said. He said he had been following a murder trial underway last week in Anchorage and had been impressed with concern for rights of the two young men accused of murdering a youth who formerly lived in Peters Creek. "They kept asking the police if they had advised the accused of their rights, how they did it and when. I can't halp but wonder why Russ and I didn't have the same consideration in being advised of our rights."

The local men hope to see the laws changed to require municipalities to send notices to parties who have an interest in the property on which taxes are delinquent. Requiring lienholders to sign a card which can be misfiled or otherwise disappear should not be sufficient, they say.

They also believe that a municipality should not be able to gain land just for the taxes due. They say it should be put up for sale with the municipality collecting only the taxes and penalty and interest plus cost. If the municipality wants the land, they feel it should pay the owners or lienholders the difference between the taxes due and its market value.

Existing laws, they feel, could lead a land-hungry municipality to gobble up all land on which taxes are not paid, thus seriously reducing the tax base and putting extra burden on remaining property owners.

File:
Office
Ed Will

Bank
Feb 3
Fraud

Municipality of Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN, MAYOR

OFFICE OF THE MUNICIPAL ATTORNEY

August 26, 1977

Senator Edward C. Willis
Box 402
Eagle River, Alaska 99577

Re: Senate Bill No. 37/Chapter 48 SLA 77.

Dear Senator Willis:

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In studying provisions of Title 29 concerning tax foreclosure, I have recently discovered that several of the sections in AS 29.53 are omitted from the list of sections applicable to home-rule municipalities under AS 29.13.100. As you can see from the attached copy, the provisions of AS 29.53 that are applicable to home-rule municipalities in Alaska end with Section 350. It is therefore apparent that the portions of your bill (SB 37) amending Sections 370-380 of AS 29.53 could be construed to be inapplicable to the Municipality of Anchorage as a home-rule local government. However, I want to assure you that it has been the Municipality's policy to follow the provisions of AS 29.53 in the foreclosure, sale or dedication of real property.

I was very happy for the opportunity to provide you with input in Juneau concerning the Municipality's interests in SB 37 and appreciated your concern in developing a bill that adequately protects both the interests of local governments and affected property owners in tax foreclosure proceedings. I therefore felt that you should be advised of my findings concerning the problems with applying this measure, as presently written, to home-rule municipalities. You may wish to consider submitting a brief amendment to AS 29.13.100 that would apply all of the sections of AS 29.53 included in SB 37 to home-rule municipalities. Since there will not be another round of tax foreclosure proceedings until next year, present questions concerning the applicability of SB 37 to the Municipality of Anchorage should not cause any problems in the near future. If I can be of any further assistance in this matter, please feel free to call me at 264-4349.

Sincerely yours,

Theodore D. Berns
Assistant Municipal Attorney

Enclosures

cc: Pete Argetsinger, Deputy Municipal Attorney

TDB/ckb

SB
388

See esp. p. 5

COASTAL RESOURCE SERVICE AREA BOUNDARIES

A Determination Under Section 46.35.120(b) of the

Alaska Coastal Management Act (Ch. 84 SLA 1977)

December 2, 1977

Lee McAnerney

Commissioner

Alaska Department of

Community and Regional

Affairs

Kevin Waring

BY: Kevin Waring, Director

Division of Community

Planning

Debra E English

12/2/76

Introduction

Section 46.35.120(b) of the Alaska Coastal Management Act states that:

> The Commissioner of the Department of Community and Regional Affairs may, after public hearings held in the area affected, consolidate two or more regional educational attendance areas as a single coastal resource service area
>
> > (1) if a substantial portion of the coastal area contains land and water area owned by the federal government over which it exercises exclusive jurisdiction or land held in trust by the federal government for Alaska Natives over which the state would not exercise control as to use; or
> >
> > (2) if, after giving due consideration to the standards applicable to incorporation of borough governments and the likelihood that a borough will be incorporated within the area, the commissioner determines that the functions to be performed under this chapter could be undertaken more efficiently through the combination of two or more regional educational attendance areas as a single coastal resource service area.

All determinations under this section must be made by December 4, 1977.

Coastal resource service areas are areawide coastal planning districts that may be formed in portions of the unorganized borough outside of municipalities that have and exercise planning authority. Service area boundaries must parallel those of one or more existing regional educational attendance area (REAA); the area covered by an REAA cannot be subdivided in determining boundaries of units that might be organized as coastal resource service areas. No time limits are set for establishment of a coastal resource service area.

Actual organization may be initiated:

(1) by submission to the (Alaska Coastal Policy) council of a petition signed by a number of registered voters equal to 15 per cent of the number of votes cast within the coastal resource service area at the last state general election;

(2) by submission to the (Alaska Coastal Policy) council of a resolution approved by the city council or traditional village council of not less than 25 per cent of the number of cities and villages within the coastal resource service area; or

(3) at the direction of a majority of the members of the (Alaska Coastal Policy) council when it appears that a major economic development activity will occur.

In all cases, organization must be preceded by an election in the affected area.

Proposal

On June 21, 1977, the Commissioner of Community and Regional Affairs proposed consideration of coastal resource service area boundary adjustments in four regions, which included the following regional educational attendance areas.

(1) Regional educational attendance areas 3(Lower Yukon) and 4(Lower Kuskokwim).

(2) Regional educational attendance areas 6(Nushagak-Bristol Bay) and 7(Lake/Peninsula-Bristol Bay).

(3) Regional educational attendance areas 8(Aleutian Chain), 9(Pribilof), and 10(Adak).

(4) Regional educational attendance areas 18(Northern Panhandle), 19(Southern Panhandle), and 20(Metlakatla/Annette).

Response

To obtain comments on boundary adjustments under consideration, the Department of Community and Regional Affairs:

(1) scheduled and conducted public hearings in affected areas;

(2) attended and participated in public workshops conducted by the Office of Coastal Management;

(3) published a public notice in several newspapers of general circulation;

(4) sent a cover letter (or memorandum) and information packet to mayors and city managers of coastal communities in affected areas, village council presidents, village corporation presidents, Coastal Policy members from affected areas, numerous state and federal agencies, and a variety of interest groups;

(5) delivered presentations at meetings of organizations drawing individuals from throughout an affected area (e.g., the Southeastern Conference in Sitka, and a Bristol Bay Area Health Corporation Board of Directors meeting in King Salmon);

(6) held informal meetings and discussions with people in affected areas; and

(7) made a brief presentation to the Coastal Policy Council at their October, 1977 meeting in Kodiak.

Public hearings were held in Unalaska, Juneau, Dillingham, Ketchikan, and Craig. Hearings were also planned in Bethel, Emmonak, Naknek, St. Paul Island, and Petersburg, but were not conducted as a result of scheduling difficulties. Public sessions not actually conducted as formal hearings were held in Petersburg and King Salmon. Hearings were generally poorly attended, with members of the public present ranging from two to twelve.

Department of Community and Regional Affairs representatives attended coastal management workshops conducted in Kipnuk, Kotzebue, Juneau, Anchorage, Kodiak, Ketchikan, and Craig. Coastal resource service areas represented an item actively discussed at several of these workshops, as well as other workshops carried out in locations such as Bethel, Dillingham, and Unalaska.

Written comments were received from three state agencies, four federal agencies, and eight other individuals representing private corporations, non-profit associations, local governments, or no identifiable affiliation.

No clear consensus has emerged. Several comments received were not actually directed toward furnishing guidance on coastal resource service area boundaries. Many expressed a preference for creating coastal resource service areas smaller than existing REAA's. As previously noted, this is not allowed by statute.

Comments on the Nushagak-Bristol Bay and Lake/Peninsula-Bristol Bay REAA's (6 and 7) were mixed, but a majority of those presenting their views favored a single coastal resource service area for the Bristol Bay region.

Comments on the Northern Panhandle, Southern Panhandle and Metlakatla/ Annette REAA's (18, 19, and 20) were predominantly in favor of maintaining separate areas, although many also supported a coastal resource service area that would include two or more REAA's.

Comments on the Aleutian Chain, Pribilof and Adak REAA's (8, 9, and 10) were also mixed, but a majority of commentators supported maintaining three separate areas.

Input on the Lower Yukon and Lower Kuskokwim REAA's (3 and 4) was limited by an inability to schedule a hearing there, but a majority of those who made recommendations expressed a preference for a single coastal resource service area in the Yukon/Kuskokwim Delta region.

Determination

(1) Section 46.35.120(c) of the Alaska Coastal Management Act, which requires a final determination on coastal resource service area boundaries by December 4, 1977, should be amended. A majority of citizens appearing at public hearings and expressing themselves through other means were unable to make an informed recommendation on territory that should be included in a coastal resource service area without a clearer understanding of what a coastal management program would entail. A determination by the Commissioner of Community and Regional Affairs without substantial input from affected residents is inconsistent with the Act's emphasis on a strong local role in coastal decision-making. Since no time frame is specified for service area organization, the problem could be rectificed by revising Section 46.35.120(c) to read:

> (c) a determination under (b) of this section shall be made before organization of the coastal resource service area.

Because expanded opportunities for better informed public input might result in preferences contrary to combinations recommended in this report, specific provision for "deconsolidating" REAA's combined should also be made, if the amendment suggested above is not interpreted to accommodate that option.

(2) We encourage that if a service area is organized in the Bristol Bay region, it should include both the Nushagak-Bristol Bay and Lake/Peninsula-Bristol Bay REAA's (6 and 7), and have therefore combined these REAA's. Although distinctions exist between these two portions of the region, these differences are outweighed by areawide commonalities.

(3) We support maintenance of two separate coastal resource service areas in northern and southern Southeast Alaska, and inclusion of the Metlakatla/Annette REAA (20) in a single service area with the Southern Panhandle REAA (19). Inclusion of REAA's 19 and 20 in a single service area is based on the criterion in AS 46.35.120(b)(1) concerning land held in trust by the Federal Government for Alaska Natives. While Southeast Alaska is a distinct region, significant differences between communities at northern and southern extremes of the region, as well as substantial distances involved, discourage formation of a single service area at this juncture. In addition, Southeast's unusual situation, with a number of small, dispersed first class cities, relatively few second class and unincorporated communities, and a majority of coastline under U.S. Forest Service jurisdiction, points out a need to consider special adaptations of the coastal resource service area, or alternatives to it, for responsive coastal

planning and management in this region.

(4) At this time, we encourage maintenance of three separate areas for the Aleutian, Pribilof and Adak REAA's (8, 9, and 10). The Pribilof Islands are linked to the Aleutian Chain by certain transportation, cultural and related ties, but remoteness makes the Pribilofs an independent entity in many respects. While Section 46.35.120(b)(1) of the Act provides grounds for including Adak in a combined Aleutian coastal resource service area, a disadvantage would be that the Adak Island population, which is solely military, contrasts sharply with that of civilian communities characterizing the remainder of the Aleutian Chain.

(5) We encourage that if a service area is organized in the Yukon/Kuskokwim Delta region, it should include both the Lower Yukon and Lower Kuskokwim REAA's (3 and 4), but consider it inappropriate to place these REAA's in a single service area prior to adequate public hearings.

Conclusion

The major question facing unorganized borough residents with respect to the Alaska Coastal Management Program is what form coastal management should take in their areas. Coastal resource service area boundaries represent only one aspect of this question, and one that cannot be responded to in an informed manner without considering what a coastal management

program might consist of, and how it should be carried out. These answers can only be furnished after a thoughtful educational and local involvement effort which was not possible in the constricted time frame and with the limited subject matter that applied to consideration of service area boundaries.

The Office of Coastal Management's recently completed extensive series of public workshops has provided a crucial first step in informing localities and their citizens about coastal management. With a Coastal Policy Council that is just becoming operational, and basic guidelines and standards that are only now being formulated, disseminated, and reviewed, final determination of service area boundaries at this time is premature, however.

We strongly encourage that the Coastal Policy Council devote careful attention to the complex question of coastal planning and management in the unorganized borough, and that service area boundaries be considered in the more appropriate context of but one component of broader questions involving the unorganized borough, before final boundary determinations are made. A minor amendment to the Alaska Coastal Management Act, as described in this report, is required to allow service area boundaries to be considered in this context, and we support such a change as a step which would strengthen Alaska Coastal Management Program effectiveness.

February 23, 1978

Amendment proposed to A.S. 46.40.210(6)(C)

Purpose: Protection of State and lessees against possible unreasonable and arbitrary actions.

Suggested Change: 46.40.210(6) - "Uses of state concern... include... (Local plans must be consistent with)

(C) the siting of major energy facilities, activities pursuant to a state oil and gas lease, or large-scale industrial or commercial development activities which are dependent on a coastal location and which, because of their magnitude or the magnitude of their effect on the economy of the state or the surrounding area, are reasonably likely to present issues of more than local significance;

Effect: Each District Coastal Management Program must be submitted for approval by the Alaska Coastal Zone Management Council. In approving the District Program, the Council must find under existing law that the Program "does not arbitrarily or unreasonably restrict or exclude uses of state concern". A.S. 46.40.060(a). Thus, by amending the definition of "uses of state concern" in A.S. 46.40.210(6), the state and its lessees would have clearer protection against "arbitrarily" or "unreasonably" imposed restrictions or exclusions. Local control Restricted only if "unreasonable or arbitrary"

Rationale:

1. 1976 federal amendments to Coastal Zone Management Act require state managers to submit state management plans to local officials in advance of implementation, with opportunity for comment. CZMA, § 306(c)(2)(B).
2. Amendment would protect paramount state interest and state policy governing state lands, in matters of greater than local concern, without pre-empting or restricting local authority, except as to arbitrary or unreasonable conduct.
3. Creates a more favorable environment for investment, thus tending to increase responses to state invitations for bidding, etc.
4. Reduces possibility of regulatory vagueness leading to (a) intergovernmental conflicts; (b) conflicts between the private sector and government; (c) litigation.
5. Proposed state preleasing procedures will provide ample opportunity for comment and input from districts before state decisions to lease are final, adding to protections provided by the 1976 federal amendments.

BP supports local govt. involvement in leasing decisions & planning — amendment wd. promote cooperation avoid conflict

Joe P. Josephson
425 "G" St., Anchorage 99501

Local govt. cd. impair planning process

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6440
JUNEAU, ALASKA 99801

1978 FEB 17 PM 7 44

02083 TDA BARROW ALASKA 104 02-17 0410P AST

PMS MS LISA RUDD, CHAIRMAN ALASKA HOUSE OF REPRSENTATIVES

COMMUNITY AND REGINAL AFFAIRS COMMITTEE

POUCH V STATE CAPITOL JUNEAU AK 99811

CSSB 388 WAS INTRODUCED TO FORCE ME TO APPOINT SOME OTHER ELECTED OFFICIAL AS MY ALTERNATE ON THE COASTAL POLICY COUNCIL. THOSE OF US IN ELECTED SERVICE N THE NORTH SLOPE BOROUGH HAVE MANY CONFLICTING DEMANDS UPON OUR TIME. THE PRESENT FREEDOM TO APPOINT WHOMEVER I CHOOSE AS MY ALTERNATE ENABLES ME TO DECIDE WHCN TO ATTEND PERSONALLY, OR WHO TO SEND IN MY PLACE AND TO CHOOSE SOME ONE BEST ABLE TO PRESENT MY POINT OF VIEW DEPENDING UPON THE NATURE OF THE ITEMS ON THE AGENDA. PLEASE DO NOT PASS CSSB 388. IT WORKS AGAINST THE BEST INTERESTS OF OUR CZM PARTICIPATION.

EBEN HOPSON MAYOR NS BOROUGH BARW

SB
430

CEIP ?

Hosp. funding - ?

Original sponsor: Croft

Offered: ./30/78
Referred: Rules

Mun. tax limitation ?

IN THE SENATE

BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 430

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act extending the authority of the Alaska Municipal Bond Bank; and providing for an effective date."

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

* Section 1. AS 44.58.170(b) is amended to read:

(b) Notwithstanding any provision of law, to the extent that any department or agency of the state is the custodian of money payable to a municipality, at any time after written notice to the department or agency head from the bond bank authority that the municipality is in default on the payment of principal or interest on municipal <u>general obligation</u> bonds of the municipality then held or owned by the bond bank authority, the department or agency shall withhold the payment of that money from that municipality and pay over the money to the bond bank authority for the purpose of paying principal of and interest on bonds of the bond bank authority.

* Sec. 2. AS 44.58.180(c) is amended to read:

(c) Notwithstanding the provisions of (a) and (b) of this section, the total amount of bond bank authority bonds and notes outstanding at any one time, except bonds or notes issued to fund or refund bonds or notes, may not exceed $150,000,000 <u>for the purchase of general obligation bonds and $150,000,000 for the purchase of revenue bonds</u>.

* Sec. 3. AS 44.58.410(3) is amended to read:

(3) "municipal bond" means a bond or note or evidence of debt which constitutes

<u>(A) a general obligation bond which is</u> a direct and

general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.53.410; or

(B) a revenue bond issued by a municipality which is a pledge of the revenue of a revenue-producing capital improvement payable solely from unpledged revenue of the public facility for which the obligations are issued; or

(C) a general obligation bond or revenue bond combined or additionally secured;

* Sec. 4. AS 44.58.420 is amended to read:

Sec. 44.58.420. SHORT TITLE. This chapter may be cited as the Alaska Municipal Bond Bank Authority Act or the Alaska Municipal Bond Bank Act. The Alaska Municipal Bond Bank Authority created by this chapter may be referred to as the Alaska Municipal Bond Bank with the same legal effect as if the reference were to Alaska Municipal Bond Bank Authority.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

use on revenue bonds

CHAIRMAN:
NORMAN J. LEVESQUE

BOARD MEMBERS:
STERLING GALLAGHER
LEE MCAFEE
LANCE ANDERSON
JAMES R. EIDE

THE FINANCIAL PLAZA
601 WEST FIFTH AVENUE
SUITE 325
ANCHORAGE, ALASKA 99501
(907) 274-7366

EXECUTIVE DIRECTOR:
DAVID A. ROSE

ALASKA MUNICIPAL BOND BANK AUTHORITY

February 6, 1978

Senator Joe Orsini
Chairman, Community and Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Joe:

Thank you for your recent letter requesting my comments on SB 430 which will be reviewed by your committee.

The Board of Directors, by resolution, fully supports the Bill provided a new Section is added as follows:

"Sec 2. AS 44.58.420 is amended to read:

Section 44.58.420. SHORT TITLE. This chapter may be cited as the Alaska Municipal Bond Bank Authority Act or the Alaska Municipal Bond Bank Act. The Alaska Municipal Bond Bank Authority created by this chapter may be referred to as the Alaska Municipal Bond Bank with the same legal effect as if the reference were to Alaska Municipal Bond Bank Authority."

The above change will allow us to market bonds without the word "Authority" appearing in our name. We are advised that the word "Authority" infers that the bond is more of a revenue issue rather than general obligation. Also, some housing authorities and port authorities have recently fallen into market disfavor. If this amendment to title is passed, we plan to drop the word "Authority" on general obligation issues but would probably retain it for revenue issues. Dropping the word may provide market savings of as much as 20 basis points on G.O. issues.

Section 1 of SB 430 will enable us to meet the needs of smaller cities wishing to accomplish projects not properly classified as general obligation. These include utilities, docks, ports, etc. This change is extremely important if we are to be in a position to assist communities impacted by offshore energy exploration and development.

Hope you can schedule early action on the Bill. I'll be pleased to meet with the committee.

Sincerely,

David A. Rose, Executive Director

COPY

M E M O R A N D U M

TO: Lisa Rudd FROM: Annette Smith

Summary of CSHB 430

CSSB 430. Extending the authority of the Alaska Municipal Bond Bank.

By expanding the definition of municipal bonds in Section 3, SB 430 extends the authority of the Municipal Bond Bank to include revenue bonds as well as general obligation bonds of municipalities. Revenue debt was not included in the original bond bank authority because it was felt the Bond Bank needed to establish a "track record" before it expanded into the area of revenue debt. The broadening of the definition of municipal bonds will permit the Bond Bank to assist smaller cities in financing projects such as utility and port development and will enable it to use CEIP Federal money to leverage debt rather that State funds.

Mr. Rose can elaborate on the proposal to use CEIP funds to back up municipal revenue bonds, but basically it consists of a method to use a portion of the $69 million available to the state under CEIP which is designated for Credit Assistance, i.e., loans to municipalities for the construction of facilities in response to coastal energy impact. The loan money is now available at 8% from the Federal government. The Bond Bank proposes to borrow up to $50 million of these funds from the Feds at 8%, reinvest the money at 8% and use that money to back up its municipal revenue bonds with a 100% guarantee, thereby securing a lower rate for the municipalities. This idea was conceived by the DC&RA and the Bond Bank and has been well received by all parties concerned. In order for the program to work effectively, however, the Bond Bank needs this extra authority in the field of revenue bonds.

Section 2 is part of the committee substitute. It establishes a ceiling ($150 million) on the amount of revenue bonds outstanding at any one time. This is the same ceiling as for general obligation bonds. This ceiling on bonds is considered desireable for the first few years of operation of the program.

Section 1 inserts the distinction of the type of municipal bonds referred to in that section since there are now two types of municipal bonds in the Authority.

Section 4 is inserted at the request of the Bond Bank. The change will allow them to market general obligation debt without the stigma of the word "Authority" which frequently has the connotation of risk, and thus may result in higher interest rates.

The insertion of the words "to the extent permitted by law" (Sec. 3, p. 2, line 4) was at the request of Lee Sharp of Juneau and is designed to clear up a gray area created by the Kalamarides decision on municipal tax limitation. Apparently, in order for the Bond Bank to buy a city's bonds, the city has to promise to levy taxes without limitation as to rate or amount. The Kalamarides decision declares that a municipality may not make that promise. As a result, the bond bank cannot buy the city's bonds because it has no authority to. There is a Supreme Court ruling pending on this decision. The amendment language would allow the city to make whatever pledge the court finally determines the law to be. The new language also has the blessings of Eric Wolforth, bond counsel.

THE CITY AND BOROUGH OF JUNEAU
CAPITAL OF ALASKA
155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 16, 1978

FILE NO. Legislature - 1978 Session

SUBJECT: SB 430, AMBBA Authority

Honorable Joe Orsini, Chairman
Senate Community and Affairs Committee
Pouch "V"
Juneau, Alaska 99811

Dear Senator Orsini,

As you and the committee are no doubt aware, litigation involving the oil companies and the North Slope Borough have cast doubts on the meaning of sections of Title 29 which relate to the extent of the authority of municipalities to pledge taxes to secure debt. The decision in the Superior Court placed certain limitations on the language which municipalities and bond counsel had not previously believed existed. The definition of "municipal bond" as it appears in the Alaska Municipal Bond Bank Act reflects the commonly held view that there was no limitation on the authority of the municipality to levy taxes for the purposes of securing and paying debt and interest. The bond bank is authorized by the Act to buy only municipal bonds which are defined as bonds which have an unlimited tax pledge. Unfortunately, the decision in the North Slope case prohibits the municipality from making an unlimited pledge of taxes. Therein lies the problem. The AMBBA is authorized by law to buy bonds which boroughs, first class and home rule municipalities are unable to issue under the North Slope decision. To overcome this dilemma, we suggest that the following amendment be made to Senate Bill 430:

> In line 16, after the word "generally" add the phrase "to the extent permitted by law".

This amendment would authorize the AMBBA to purchase municipal bonds where the municipality had made a pledge of its taxes to the extent authorized by law. The law being what the court says it is (until the legislature changes it), this amendment would authorize the purchase by the AMBBA of municipal bonds which it cannot now purchase under the North Slope ruling.

I believe that the proposed amendment is in keeping with the original purpose of defining a municipal bond in the

manner it presently appears; that is, that the bond be backed by the maximum full faith and credit pledge which the municipality could lawfully make.

Today, I discussed this proposed amendment with Eric Wolforth, who is bond counsel for the AMBBA. He concurred that the proposed amendment would alleviate the problem created by the North Slope decision as it relates to the authority of the bond bank to purchase bonds.

We urge the committee to include the proposed language in a committee substitute for Senate Bill 430.

Very truly yours,

Gerald L. Sharp
City/Borough Attorney

GLS/sm

cc: Senators Willis, Ferguson, Hackney and Sumner

SB
471

[illegible] ANCT.

ATTEMPTS TO TRY AGAIN TO SEND TWO PAGE LETTER FROM DAVE ROSE TO SEN. WILLIS VIA OTC.

TO: SENATOR ED WILLIS

SUBJECT: TESTIMONY FOR STATE AFFAIRS COMMITTEE, FEB. 16, 1978, REGARDING AUTO REGISTRATION TAX

FROM: DAVE ROSE, ANCHORAGE MUNICIPAL ASSEMBLYMAN

GOOD AFTERNOON, I REGRET THAT I AM UNABLE TO BE PERSONALLY WITH YOU TODAY TO DISCUSS THE PROBLEMS BEING ENCOUNTERED WITH THE AUTO REGISTRATION TAX IN ANCHORAGE. I DO APPRECIATE, HOWEVER, THE OPPORTUNITY TO ENTER THIS TESTIMONY AND AM PARTICULARLY APPRECIATIVE OF THE COMMITTEE'S WILLINGNESS TO DISCUSS THE MATTER AND SEEK SOLUTIONS.

BASICALLY THERE ARE TWO PROBLEMS: FIRST, THE TAX ADVERSELY AFFECTS THOSE WHO OWN OLDER VEHICLES IN THAT IT PROVIDES HIGHER TAXATION UNDER THIS SCHEME THAN UNDER THE OLD PERSONAL PROPERTY TAX SCHEME. SECONDLY, THERE IS A STRONG PROBABILITY THAT THE CURRENT TAX IS NOT INCOME TAX DEDUCTIBLE WHEREAS THE OLD PERSONAL PROPERTY TAX WAS DEDUCTIBLE.

THIS MATTER WAS DISCUSSED BEFORE THE ANCHORAGE ASSEMBLY UNDER SPECIAL ORDERS OF BUSINESS ON TUESDAY EVENING, FEB. 14, 1978. AT THAT TIME THE ASSEMBLY DISCUSSED THE BILL BEFORE YOU THIS AFTERNOON AS WELL AS ALTERNATIVES. THIS TESTIMONY REPRESENTS THE POINT OF VIEW OF THE ANCHORAGE MUNICIPAL ASSEMBLY.

WITH RESPECT TO TAXATION DEDUCTIBILITY: THE ASSEMBLY FULLY SUPPORTS THE PROPOSED CHANGE OF THE NAME OF THE TAX FROM "REGISTRATION" TO "PROPERTY". THIS MAY ASSIST IN CONVINCING INTERNAL REVENUE THAT WE ARE TALKING ABOUT THE TYPE OF TAX WHICH IS DEDUCTIBLE.

WITH RESPECT TO ADJUSTMENT OF TAX RATES: TESTIMONY BY THE MUNICIPAL ASSESSOR INDICATES THAT 65 PERCENT OF OUR PEOPLE PAY LESS TAXES UNDER THE AUTO TAX APPROACH THAN UNDER THE PERSONAL PROPERTY TAX APPROACH; 15 PERCENT PAY ABOUT THE SAME, AND 20 PECENT PAY MORE. THOSE WHO PAY MORE ARE THOSE WHO OWN THE OLDER VEHICLES. WE HAVE DOUBTS THAT THE ELECTION TO PAY ONE AND ONE HALF PERCENT OF FAIR MARKET VALUE - AS PROVIDED IN SB 471 - IS GOING TO BE ADMINISTRATIVELY WORKABLE. IT IS PERHAPS THE FAIREST APPROACH BUT PROBABLY WILL BE EXTREMELY COSTLY TO EXECUTE. FOR EXAMPLE, THE TAXPAYER WHO HAS A ONE DOLLAR DIFFERENCE BETWEEN THE TAX TABLE AND THE ELECTION WOULD PROBABLY TAKE THE ELECTION ROUTE THUS INCURRING A HIGH GOVERNMENT COST IN EXCESS OF THE ONE DOLLAR SAVED.

THE ASSEMBLY RECOMMENDS THAT SB 471 BE ALTERED TO PROVIDE FOR AN EXTENSION OF THE EXISTING TABLE FOR AUTOMOBILES. PROVIDE FOR A SIXTH YEAR AT AT TAX RATE OF 15 DOLLARS; A SEVENTH YEAR AT 10 DOLLARS AND AN EIGHT YEAR AND OLDER COLUMN AT 5 DOLLARS. WE FEEL THAT ALL VEHICLES, REGARDLESS OF AGE, SHOULD PAY AT LEAST FIVE DOLLARS AND THAT THE CHART SHOULD NOT BE CUT OFF IN SUCH A MANNER AS TO PROVIDE FOR NO TAX AT ALL ON SOME VEHICLES.

THE ASSEMBLY DID NOT DISCUSS THE PROVISION OF THE BILL WHICH PROVIDES EXEMPTION FOR THE ELDERLY AS THERE HAS BEEN MUNICIPAL REQUEST FOR SUCH AN EXEMPTION. IF THE EXEMPTION IS PROVIDED, WE CONCUR WITH THE WORDING IN THE BILL; PARTICULARLY THAT WHICH APPEARS ON LINES 21 AND 22.

I HOPE I HAVE BEEN OF SOME HELP IN THIS MATTER. IF YOU HAVE QUESTIONS, I [illegible]

Municipality
of
Anchorage

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

ANCHORAGE ASSEMBLY

February 8, 1978

Senator Ed Willis
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Ed:

Thank you for your quick response to the auto registration tax problem. I have a copy of your Senate Bill 471 which was introduced on February 7th and referred to State Affairs and Finance.

The tax deductibility problem seems to be taken care of by the name change from "Annual Motor Vehicle Registration Tax" to "Annual Motor Vehicle Property Tax." Property taxes generally are deductible while registration taxes are not. Additionally, the reference on line 13 to a percentage of fair market value is indicative of the fact that the tax is indeed ad valorum oriented and thus deductible qualified.

The election to pay one and one-half percent of value in lieu of the tax set forth in the table is a good stroke. This will properly address the problem of older, low value vehicles and will restore everyone's original intent that older vehicle owners would pay their fair share but not more. I cannot assess the impact of paperwork on Department of Revenue but you might expect that department to raise some concern. I expect that other alternatives to solution of the problem might surface once the bill goes to hearing.

The exemption of one vehicle from taxation for the elderly will be welcomed by persons in that group. Seniors have always been subject to personal property tax (even under the old system) so this is a new benefit for them. I have no problem with this since the State will reimburse the municipality for any potential lost revenue. I don't know whether this section will receive flak from representatives of other jurisdictions which do not levy such a tax or whether the statewide price tag on such an exemption is one which is affordable. Again, I am sure this will all be hashed out in committee.

Ed, let me thank you for your responsiveness on this. You have pointed out that several changes may take place once the committees start their review. Regardless of the exact end product you are to be commended for starting things moving.

Sincerely,

Dave Rose

Joe Guthrie 3894 W.O. 4855

(i) *Special rules relating to compensating use taxes.* (1) In general, a use tax on an item is complementary to a general sales tax on similar items if the use tax is imposed on an item which was not subject to such general sales tax but which would have been subject to such general sales tax if the sale of the item had taken place within the jurisdiction imposing the use tax. For example, a tax imposed by State A on the use of a motor vehicle purchased in State B is complementary to the general sales tax of State A on similar items, if the latter tax applies to motor vehicles sold in State A.

(2) Since a compensating use tax is treated as a general sales tax, it is subject to the rule of subparagraph (C) of section 164(b)(2) and paragraph (g)(4) of this section that no deduction is allowed for a general sales tax imposed in respect of an item at a rate other than the general rate of tax (except in the case of lower rates on the sale of food, clothing, medical supplies, and motor vehicles). The fact that a compensating use tax in respect of any item provides for an adjustment in the rate of the compensating use tax or the amount of such tax to be paid on account of a sales tax on such item imposed by another taxing jurisdiction is not taken into account in determining whether the compensating use tax is imposed in respect of the item at a rate other than the general rate of tax. For example, a compensating use tax imposed by State C on the use of an item purchased in State D is considered to be imposed at the general rate of tax even though the tax imposed by State C allows a credit for any sales tax paid on such item in State D, or the rate of such compensating use tax is adjusted to reflect the rate of sales tax imposed by State D. [Reg. § 1.164-3.]

.01 Historical Comment: Proposed 1/19/57. Adopted 10/7/57 by T. D. 6256. Amended 12/21/64 by T. D. 6750 to reflect Sec. 207(a) and (b) of P. L. 88-272.

[¶ 1453A] Definitions—Deductible State Taxes

• ◦ *CCH Explanation*

.01 Real property taxes.—Real property taxes include those imposed on interests in real property and levied for the general public welfare. This does not include assessments for local benefits (see Reg. § 1.164-4, ¶ 1455).

.02 Personal property taxes.—To qualify for deduction as personal property taxes, the tax must be—

(1) an ad valorem tax—one assessed in proportion to the value of the property;

(2) an annual tax—one *imposed* on an annual basis (even though it is *collected* more or less often than once a year); and

(3) a tax imposed on personal property (even though in form it may be imposed on the exercise of a privilege).

License fees paid for the registration of a motor vehicle are deductible as personal property taxes, therefore, if they meet these three qualifications. Meeting the ad valorem requirement is the most difficult. Reg. § 1.164-3(c) specifies that a motor vehicle tax based on weight, model year, and horsepower, or any of these characteristics, is not an ad valorem tax. But a tax based partly on value and partly on other criteria can qualify in part.

Example: State X imposes a motor vehicle registration tax of 2 percent of the value of the vehicle plus 20 cents per hundredweight. A, a resident of X, owns a car having a value of $2,000

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 760

Title "An Act relating to the registration tax on motor vehicles."

Requested by Phillips, Gruening and Meekins Date 2/3/78

II. FISCAL DETAIL

Agency Affected Department of Public Safety

Program Category Affected n/a

Budget Request Unit(s) Affected n/a

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND			30.0	30.0	32.0	35.0
FEDERAL FUNDS						
OTHER (Specify)						
Program Receipts			(30.0)	(30.0)	(32.0)	(35.0)

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

$10-reduction of collection on each vehicle over 5 years old

64,000 - vehicles effected by reduction at 5% commission rate

Net result is $30,000.00 estimated loss of program receipt revenue

This fiscal note Does not incl. sr. cit. exemption

IV. DATE 2/16/78 PREPARED BY Trygve R. Hermann, Director, Admin. Services

AGENCY Department of Public Safety

PHONE 465-4322

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legisator Named)

33-001 (Rev. 10/76)

SCR

12

APPENDIX A

FARM USE LAND ASSESSMENT

AS 29.53.035

APPENDIX A

FARM USE LAND ASSESSMENT
AS 29.53.035

The 1976 Program Summary includes data for the four boroughs involved in the program as indicated on 89 applications filed which are subject to the department's final audit and approval.

Effective January 1, 1968, the first Farm and Agricultural Land Deferred Tax Program was enacted.(ch 82 SLA 1967) Effective January 1, 1975, the act was substantially amended.(Sec 1 ch 90 SLA 1974) And effective January 1, 1977, the act was further amended.(Sec 3 ch 229 SLA 1976)

The 1974 amendment reduced the yearly gross farm income requirement from 25% to 10%; provided for the averaging of income over a three year period; provided for estimated farm income for the current year; provided for the use of the lessee farm income to qualify the owner for farm use assessment; increased to seven years the deferred tax payment provision; and provided for reimbursement by the state of property tax revenue lost to the municipality in the operation of the act.

The 1976 amendment increased the penalty for conversion of the land to a use incompatible with farm use by requiring the owner to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceeding seven years as though the land had not been assessed for farm use purposes.

Experience over the last several years has vividly demonstrated the difficulty of administering existing legislation dealing with the dual or differential assessment included in AS 29.53.035.

The omission of a lien provision to make the eligible property liable for the payment to the state of an amount equal to the deferred taxes plus interest is a glaring weakness in the legislation requiring farm use assessments in addition to assessments mandated by AS 29.53.060 at full and true value.

In an effort to correct the obvious deficiency in the existing law, an amendment is respectfully suggested and recommended.

FARM USE LAND ASSESSMENT
AS 29.53.035

*1976 PROGRAM SUMMARY

MUNICIPALITY	Number of Applications	Number of Acres	Full and True Land Value	Total Deferred Value	Total Deferred Tax
Anchorage	4	40.950	849,475.00	835,150.00	$13,050.63
Fairbanks	11	1,960.500	1,105,117.00	866,867.00	5,527.58
Kenai	9	727.808	305,650.00	178,900.00	1,127.83
Matanuska-Susitna	64	13,420.628	12,615,420.00	9,681,540.00	79,473.00
STATEWIDE TOTAL	88	16,149.886	14,875,662.00	11,562,457.00	$99,179.04
AVERAGE PER APPLICATION:		183.520	169,041.61	131,391.56	$ 1,127.03
AVERAGE PER ACRE:			921.10	715.95	$ 6.14

* *Estimated pending final approval of accounts*

FIVE-YEAR SUMMARY OF PROGRAM PERFORMANCE

YEAR	Number of Applications	Number of Acres	Total Deferred Value	Total Deferred Tax
1972	55	*NA	2,299,265	$25,290
1973	66	*NA	3,332,290	34,945
1974	71	11,250	4,737,290	57,735
1975	91	18,759	6,140,300	77,805
1976	88	16,150	11,562,457	99,179

* *Data not available*

ALASKA ADMINISTRATIVE CODE TITLE 19
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

CHAPTER 55
FARM USE LAND ASSESSMENT

19 AAC 55.010. FORMS. (a) The Department of Community and Regional Affairs Form 21-410 and Form 21-411 are adopted for use in application for the farm and agricultural land use assessment and tax deferment program.

(b) Application and authorization forms shall be made available by and shall be returned to the clerk or assessor of the municipality in which the land for which the farm use assessment and tax deferment are sought is located.

19 AAC 55.020. SUPPLEMENTARY INFORMATION SUPPORTING APPLICATION FOR THE ASSESSMENT AND TAX DEFERMENT. (a) Applicants for the assessment and tax deferment shall in addition to the application prescribed in Section 10 of this Chapter:

(1) provide for inspection by the clerk or assessor of the municipality copies of the applicant's state income tax returns as required for the application as submitted and such other information as may reasonably establish that the applicant has derived at least 10 per cent of his yearly gross income from the agricultural use of the land for which the assessment and tax deferment are sought and that the percentage was from agricultural use; or

(2) attach to the application form an authorization, signed and notarized, granting to the office of the state assessor the right of inspecting Alaska income tax returns to ascertain that the applicant has derived the requisite level of yearly gross income from the use of the land for which the application is submitted for farm purposes.

(b) Failure to provide documentation or authorization required by this section forfeits the claim for the farm use assessment and tax deferment.

19 AAC 55.030. APPEAL. An applicant for the farm use assessment and tax deferment who believes that the valuation or classification assigned to the land that is the subject of the application is erroneous may appeal to the board of equalization of the municipality in which the land is located in the manner provided by AS 29.53.130. The municipality shall report the disposition of all such appeals to the state assessor.

19 AAC 55.040. MAINTENANCE OF RECORDS: DUPLICATE COPIES. The municipality in which the land is located shall maintain separate files and records of all applications for the farm use assessment and tax deferment, whether allowed by the municipality or not, including valuation of the property under the full and true value standard of AS 29.53.060. Duplicate copies of all records relating to the application entered in the file shall be forwarded to the state assessor. The municipality shall investigate to determine whether title to land for which the assessment and deferment have been granted has been conveyed or alienated in such a way that the assessment or deferment may be terminated and shall advise the state assessor as to the results of its investigation.

19 AAC 55.050. CONFIDENTIALITY. Tax records and other documents providing evidence of the applicant's eligibility for the farm use assessment and tax deferment are confidential and shall be used only for the purpose of ascertaining whether the applicant is entitled to the benefits of the assessment and deferment.

19 AAC 55.060. DEFINITIONS. In this Chapter:

(1) "farm use assessment" means the value of the unit or parcel of property for which application for a farm use assessment and tax deferment is made, based upon its highest and best use as farm or agricultural land;

(2) "yearly gross income" means the income of the applicant for the year preceding the tax year for which the application is filed and means the adjusted gross income of the applicant as defined in Section 62 of the Internal Revenue Code (26 USC 62).

FARM USE ASSESSMENT APPLICATION

AS 29.53.035 ~~March 1~~

Application must be filed on or before February 1 of the assessment year.
Complete one form for each parcel of property within the farm unit.

NAME _____ DATE REC'D _____ BY: _____

MUNICIPALITY _____ ACCOUNT NUMBER _____

NAME OF APPLICANT _____ LAND USE ACRES

MAILING ADDRESS _____

CITY _____ STATE _____ ZIP _____ CROPS: ____ / ____ (Row Crops / Grains) ____

TELEPHONE _____ SOC. SEC. NO. _____ OTHER FARM USE: ____ / ____ (Pasture / Hay-Silage) ____

PROPERTY LOCATION AND DESCRIPTION

BUILDING SITE: ____ / ____ (Farm Use / Residential) ____

CITY OR SERVICE AREA _____ COMPATIBLE USES: ____ / ____ / ____ (Uncleared/Windbreak/Graze) ____

PARCEL NUMBER _____

SUBDIVISION/JSS _____ BLOCK _____ LOT _____ TOTAL: ____

SECTION _____ TOWNSHIP _____ RANGE _____

PROPERTY OWNERSHIP

☐ OWNER OF RECORD RECORDING DISTRICT _____

☐ LEASED LAND DATE OF INSTRUMENT _____
Copy of lease attached

TYPE _____ VOL. _____ PAGE _____

Ownership Verified By: _____ Assessor or Clerk

INCOME

I hereby apply for Farm Use Property Tax Assessment on the property described above as provided in AS 29.53.035 for 197____ assessment year. I am actively engaged in ing the land for profit and declare that my gross income attributed to the farm use land for the year(s) indicated below is 10% or more of my yearly gross income:

☐ For last year ☐ Averaged for two years

☐ Estimated for this year ☐ Averaged for three years

☐ I will provide income verification documents for inspection of the clerk or assessor on or before May 15 of the assessment year or,

☐ Attached is a notarized authorization granting to the state assessor the right of ~~inspection~~ verification of my state income tax return, which will be available at the Department of Revenue prior to December 31 of the assessment year.

CERTIFICATION

I the undersigned hereby certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.30.270. My signature, hereon, authorizes the assessor to review municipal records with those of the local Soil Conservation Subdistrict.

DATE _____ SIGNATURE OF APPLICANT _____

This space for local assessors use only ☐ Approved ☐ Denied _____

PROPERTY	FULL VALUE	FARM VALUE	DEFERRED
Land			
Buildings			
Total			
Mill Rate			
Amount of Tax			$

"Does the gross income attributed to the farm use land for which application is made equal or exceed 10% of the applicant's annual gross income?"

☐ YES ☐ NO DATE:

Verified By: _____ Assessor or Clerk

Department of Community & Regional Affairs

☐ YES ☐ NO DATE:

Verified By:

orm 410 Local Assessor's copy-white Department of Community & Regional Affairs' copy-yellow Taxpayer's copy-pink

AUTHORIZATION
FOR
INCOME VERIFICATION

Farm Use Land Assessment AS 29.53.035

I hereby request and authorize the Department of Revenue to release to the State Assessor ~~information~~ verification taken from my Alaska Income tax return for _____, _____, _____, calendar year(s). Accordingly, I waive my right to privacy regarding the ~~information~~ verification as stated below.

DATE	SIGNATURE OF APPLICANT	SOCIAL SECURITY NUMBER

SUBSCRIBED AND SWORN to before me, this_____ day of_____, 19_____.

_____
Notary Public in and for Alaska
My commission expires:_____

This space for Department of Revenue use only

"Does the gross income attributed to farm use land equal or exceed 10% of the applicants adjusted gross income?"

☐ No record available _____
Date

☐ YES ☐ NO

_____
Signature - Department of Revenue

Department of Community & Regional Affairs
Form 21-411

PROPOSED LEGISLATION

AN ACT

Relating to the differential assessment and deferred tax reimbursement payment by the state to a municipality for revenue lost to it by the operation of Section 29.53.035.

Be it enacted by the legislature of the State of Alaska:

AS 29.53.035 is amended to read:

(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 converted to a use incompatible with farm use, the owner shall be liable to pay an amount equal to the additional tax at the current mill levy together with eight percent 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 for the preceding seven years. The balance of the payment shall be made to the city or borough.

(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. Reimbursement under this subsection is a lien in favor of the state against the property for which a partial tax deferred payment has been approved and granted. Upon recordation in the recording office of the district in which the property is situated, the lien is prior and superior to other liens against the property except for general taxes and may be enforced by lien foreclosure as provided in AS 34.10.070 - 34.10.220. The lien becomes immediately due and payable on change of use to a purpose not compatible with farm and agricultural use.

SUGGESTED LEGISLATION
AS 29.53.035
FARM USE LAND ASSESSMENT

The preservation of farm and agricultural land as open space areas is vitally important to the continuance of that which is designated as beneficial to the health and welfare of the people, statewide, nationwide and worldwide.

To accomplish the desired objective it is necessary to make it financially possible and attractive to owners of open space areas to utilize such properties for purposes which are consistent with agricultural use.

Much of the open space area possesses an actual full and true value several times higher than the farm and agricultural use value. The assessment and taxation of such property at the higher value creates an ownership financial burden that is a compelling factor in the trend away from maintaining land in a use compatible with farm and agricultural purposes.

The most logical approach to preserving as much area as possible in a use compatible with farm and agricultural purposes is the "Development Rights" concept by which an owner may apply for farm use assessment and petition the state to reimburse the municipality for revenue lost. In exchange for the granting of the application and petition, the owner would grant to the state a first option to purchase the development rights to the property.

At some future date, should a change of use be inescapable, the state would have the prerogative to purchase the development rights at a negotiated price or release the option upon payment by the owner of an amount equal to the total state reimbursement to the municipality for the revenue lost. At some future date should a change of use be inescapable, the option to purchase could be exercised at a negotiated price.

This concept offers several advantages and benefits to owners, potential owners and the general public. One immediate and direct benefit to an owner is the opportunity to continue ownership and use without the burden of satisfying high value liability on a lower value use. The possibility of transferring title to property that will not change use is enhanced by the protection from a high value tax liability. A second benefit is the possibility that the state has an opportunity to purchase the development rights and guide the growth or change in an area in a fashion that is complementary and compatible with the trend indicated at that time.

This total concept provides the necessary mechanism for orderly statewide land use development which is designed and determined to be in the best interests of all residents of Alaska.

MEMORANDUM State of Alaska

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

TO: Lee McAnerney
Commissioner

DATE: February 18, 1977

FILE NO:

THRU: Palmer McCarter
Director

TELEPHONE NO:

FROM: S. Robert Dozier
State Assessor

SUBJECT: Senate Concurrent Resolution No. 12 "Farm and Agricultural Land Use Assessment and Tax Deferment Program" (AS 29.53.035)

Senate Concurrent Resolution No. 12 if adopted by an affirmative vote of both houses annuls Administrative Regulation 19 AAC 38.020 which was adopted by the Department as a means of verifying that the applicant is actively engaged in farming the land for profit and that 10 percent of his yearly gross income is derived by use of land for farm purposes.

Under Administrative Regulation 19 AAC 38.020 the applicant may either provide for inspection by the local assessor a copy of his Alaska State Income Tax Return and other information as may be required or attach to the application form an authorization, signed and notarized, granting to the Office of the State Assessor the right of inspecting Alaska income tax returns to ascertain the requisite level of income.

Approximately 2/3 of the 86 applications received by the Department under the 1976 program provided necessary verification of income to the local assessor. The remaining applicants submitted Income Authorization forms to the Office of the State Assessor.

A copy of Form 21-411 "Authorization for Income Verification" as adopted by the Department is attached.

The notarized signature on the income verification form authorizes the Department of Revenue to inspect the applicant's Alaska state income tax returns and release to the State Assessor the answer to the following question: "Does the gross income attributed to farm use land equal or exceed 10% of the applicant's adjusted gross income?"

Should 19 AAC 38.020 be annulled, legislative intent will be established which prohibits local and state government officials the right to verify the requisite level of yearly gross income.

The farm use land value assessment statute AS 29.53.035 was enacted as a relief measure designed to assist a property owner who is actively engaged in farming land for profit by deferment of a portion of his current tax liability. Lands included in a farm ownership unit, although only partially utilized, are considered eligible for the special farm use assessment. The deferred tax for a period not to exceed seven years, becomes a tax liability against the applicant only at such time the land is converted to a nonfarm use.

The payback penalty imposed by statute against the owner at the time farm land is converted to nonfarm purposes has been vividly demonstrated to be impossible to enforce. For example the accumulated seven year tax deferment liability may be against one or more prior owner-applicants. The current owner-developer will have no deferred tax liability. If it is legislative intent that the deferred tax liability be repaid to the State an amendment to existing law will be required which assigns the deferred tax liability to the property rather than to the applicant (i.e. establishing a tax lien against the property at such time as a deferred payment of taxes is allowed).

Enactment of Senate Concurrent Resolution No. 12 will deny both the local and state governments an opportunity to verify income. This will result in an open-end tax exemption program rather than a tax deferment program for owners of land not dedicated or used for farm purposes.

SRD: nc
Attachment

March 18, 1977

LETTER OF INTENT TO SCR 12

The intent of the Senate Community and Regional Affairs Committee, in the approval of SCR 12, is that the language of 19 AAC 38.020 is repugnant to the concerns of Alaskans, and should be annulled.

However, the Committee felt that the implementation of the regulations was inoffensive and reasonable, and well served the intent of the statutes. Therefore, while the Committee believes the regulation itself should be annulled, it could see no reason to change the existing procedures, and recommends the adoption of a new regulation which more closely describes these procedures.

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Senator Joe Orsini
Chairman
Senate Community and
Regional Affairs
Committee

SJR

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TESTIMONY
SENATE JOINT RESOLUTION NO. 46

The scheduling of hearings in Alaskan communities impacted by pipeline construction along the Alcan is an excellent idea.

For Alaska, the proposed pipeline will entail much more than a right-of-way. It is a large scale industrial project passing through communities with no local government, no statutory authority to control growth, no ability to tax development and no mechanism to officially receive impact assistance.

While the pipeline will be built primarily on federal lands, State funds and technical assistance will be required to anticipate what might happen and to prevent unwanted impacts. My department has in the past, been responsible for providing planning assistance to unincorporated villages and for seeing that federal impact money (CEIP) was distributed to those communities needing funds.

We thus have a great interest in the proposed federal project recognizing that, at the same time, the Federal Energy Regulatory Commission and the Department of Interior both have the responsibility to inform Alaskan communities of the scope and magnitude of the project, to solicit their views on the project itself and its impact on the environment, village organization, values, use of land and lifestyles, and most importantly, they have the responsibility to incorporate the findings of the hearings in the conditions of right-of-way leases and certificates of public convenience and necessity.

To further strengthen the resolution before your committee today, I recommend the following changes be made:

> BE IT RESOLVED by the Alaska State Legislature that the Department of Interior and the Alaska Gas Project Office of the Federal Energy Regulatory Commission are respectfully requested to schedule separate or joint hearings on socio-economic impacts in Alaskan communities this year, especially in those located on or near the proposed route. And furthermore,
>
> BE IT RESOLVED that the Federal Energy Regulatory Commission use the findings of the hearings in conditions of the Certificate of Public Convenience and Necessity and that the Department of the Interior incorporate findings in the right-of-way lease it issues.

The Canadian government has been forthright in its intent to seek out the implications of pipeline development along both the Alcan and Arctic routes. The Berger and the Lysyk Commissions reflect well Canada's genuine respect for the hearing process and the government's ability to lay out the terms and conditions under which development will take place, keeping in mind the best interest of the communities and people who will be affected.

Our federal government should take heed to the Canadian example and begin soon. With the proposed additions, I heartily support this resolution.