

HB

87

A M E N D M E N T

Offered in the HOUSE

By Carpenter and Brown

TO: HOUSE BILL NO. 87

Page 1, line 14, following "service", through line 16:

Delete the remainder of the sentence and insert:

if the power to use areawide taxes or other areawide revenues to finance special services of a service area has been acquired by holding an areawide election on the question. The vote on the question shall be tabulated in two separate classifications. One shall consist of all votes cast in the home rule and first class cities of the borough. The other shall consist of all votes cast in the remaining borough area. If the majority of votes cast in each classification is favorable, the power is adopted. After enactment of an authorizing ordinance the borough may make appropriations for the purpose authorized.

Page 1, line 22:

Following the word "perform", delete ". Grants so made shall be authorized by borough ordinance." and insert:

if the power to use areawide taxes or other areawide revenues for grants to cities has been acquired by holding an areawide election on the question. The vote on the question shall be tabulated in two separate classifications. One shall consist of all votes cast in the home rule and first class cities of

the borough. The other shall consist of all votes cast in the remaining borough area. If the majority of votes cast in each classification is favorable, the power is adopted. After enactment of an authorizing ordinance the borough may make appropriations for the purpose authorized.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
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LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 3, 1978

SUBJECT: HB 87 - Grants from boroughs to service areas
and cities.

TO: House Judiciary Committee

FROM: Billy G. Berrier, Director
Division of Legal Services *BGB*

You have requested our opinion on whether the authorization for boroughs to finance from areawide revenues all or part of the special services provided by service areas and to make grants to cities contained in HB 87 is constitutional. In my opinion the authority granted is constitutional.

There are a host of arguments that may be raised against a revenue sharing program. These center around taxing one area for the benefit of other areas. Revenue sharing has long existed on federal and state levels and I see no difference of constitutional significance.

It could be argued that the constitutional provision in Sec. 5 of Article X of the state constitution which provides:

"The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services."

by negative inference prohibits financing special services by other means.

The power to impose differential taxes based upon differential services had been normally held unconstitutional leading to creation of single purpose units of local government and other avoidance devices. The constitutional convention therefore deliberately gave this power in order to obviate the problem and implement the strong constitutional policy of a minimum of local government units. There appears no indication that this was intended as the exclusive method of financing special services.

House Judiciary Committee
April 3, 1978
Page 2

Sec. 13 of Art. X set out a strong policy of local government cooperation. This would support my view that the quoted language is expansive of the power of boroughs rather than restrictive.

BGB:hjd

Palmer McAlester
put 2/3's vote requirement

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

1 IN THE HOUSE

BY MALONE

HOUSE BILL NO. 87

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

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

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

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

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

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

20 30 (37) AS 29.73.070 (revenue sharing by boroughs)

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

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

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

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

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

12 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).