

HB

580

COMMITTEE REPORT

(7)

HOUSE

(1/21/80)

FURTHER: FINANCE

Date: 21 Mar 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 580

"An Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 580 same title
 new title
- and recommends it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
CHAIRMAN

0067
Proposed Amendment CSHB 580

Add a new subsection at the end of Sec. 44.17.100 as follows:

The failure of a state agency to comply with the requirements of this section does not invalidate an action taken or proposed to be taken by a state agency.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth.
FROM: Marjorie Gorsuch *MG*
DATE: 3/22/80
RE: Committee Substitutes

Jack,

The Committee has approved the work draft copies of CSHB 886, CSHB 581 as prepared. Please have them run off as finals.

Also approved was the work draft for CSHB580 with the following change

- p. 2 Line 8 Change 120 days to 180 days
- p. 2 Lines 22-25 Eliminate this (b)
- p. 3 Line 11 Eliminate "or the commissioner may request proposals on his own initiative"
- p. 7 Lines 28 & following
There was a question of whether or not this wording was necessary and if (b) on p. 8 lines 3-8 didn't suffice?
- p. 2 Lines 11-14 Change to "The commissioner shall, upon request, hold public hearings in each of the regional educational attendance areas and may, after such hearings establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29,03.011.
The rest of this section p. 2 lines 14-21 would remain as in CS.

*Joint - Aggravation need
jurisdiction of municipalities
high school -
threat to Aggravation
State a local concern
subject of jurisdiction*

*Money -
P. 7
P. 8
P. 9 "may"*

Mayone

WO 7657 ✓
Chenoweth

Original sponsor: Rules/Legislative Council

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 580

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unorganized boroughs, establishing
7 unorganized boroughs, establishing a program of
8 planning assistance for unorganized boroughs, author-
9 izing ^{optional} adoption of home rule charters by unorganized
10 boroughs, and directing submission of recommendations
11 concerning adjustment of the boundaries of service
12 areas of the unorganized borough; and providing for an
13 effective date."

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

15 * Section 1. PURPOSE. The legislature finds that the single unorganized
16 borough of the state has proven unworkable in accommodating demands from its
17 residents for change and recognizes that a more systematic approach to the
18 planning and delivery of services for residents of this area is necessary.
19 In providing, in this Act, for identifying a common set of boundaries by
20 which to subdivide the state's single unorganized borough into multiple
21 unorganized boroughs, it is the purpose of the legislature to extend the
22 opportunity to residents of unorganized boroughs to assist in planning and
23 program development by

24 (1) preparing regional planning studies; and

25 (2) broadening the range of methods by which residents may in-
26 corporate a regional government.

27 * Sec. 2. INTENT. In providing for the division of the state's unorga-
28 nized borough into unorganized boroughs, it is the intent of the legislature
29 that all future transfers of functions or services from state agencies to

1 regions within unincorporated areas be made only within the boundaries for
2 unorganized boroughs established under AS 29.03.011 - 29.03.021, added by
3 sec. 3 of this Act.

4 * Sec. 3. AS 29.03 is amended by adding new sections to read:

5 Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHES. Except as
6 the boundaries are adjusted as provided in AS 29.03.021, the geographic
7 area within each regional educational attendance area established under
8 AS 14.08.031 is, effective 120 days after the effective date of this
9 Act, established as an unorganized borough.

10 Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. (a)

11 The commissioner of community and regional affairs ^{shall} may, after public
12 hearings in regional educational attendance areas, establish boundaries
13 other than the boundaries of a regional educational attendance area for
14 an unorganized borough under AS 29.03.011. In making adjustments, the
15 commissioner shall consider

16 (1) the standards applicable to the incorporation of boroughs
17 under AS 29.18.030;

18 (2) the regional boundaries adopted by the Native regional
19 corporations established under the Alaska Native Claims Settlement Act;
20 and

21 (3) census divisions of the state used for the 1980 census.

22 (b) The commissioner of community and regional affairs may not
23 establish boundaries so that an unorganized borough includes territory
24 within more than one Native regional corporation established under the
25 Alaska Native Claims Settlement Act.

26 * Sec. 4. AS 44.47 is amended by adding a new section to read:

27 Sec. 44.47.085. ASSISTANCE FOR REGIONAL PLANNING PROGRAMS IN THE
28 UNORGANIZED BOROUGH. (a) The commissioner may contract with a
29 municipality, a group of municipalities, or one or more nonprofit

Group becomes

Do not contract with nonprofit to do work

Handwritten scribble in a circle

1 corporations organized under the laws of the state, to prepare a re-
2 gional planning program for an unorganized borough.

3 (b) The commissioner may contract for the preparation of only one
4 regional planning program for each unorganized borough. The commis-
5 sioner may contract only if he is satisfied that the party with whom he
6 contracts is capable of preparing a regional planning program that
7 considers the entire population of the unorganized borough.

8 (c) A municipality, group of municipalities, or one or more non-
9 profit corporations interested in preparing a regional planning program
10 for an unorganized borough may ask the commissioner to request proposals
11 *Comments* or the commissioner may request proposals on his own initiative. The
12 residents of an unorganized borough may petition the commissioner to
13 request proposals for preparation of a regional planning program, and
14 the commissioner shall request proposals if the petition is signed by a
15 number of qualified voters equal to not less than 15 percent of the
16 number of votes cast in the unorganized borough at the last state
17 general election.

18 *See Mayor's* A request for proposal made under this section shall be ad-
19 vertised. *using of 5 grand people* The advertisement of a request for a proposal for the pre-
20 paration of a regional planning program for the unorganized borough
21 shall outline the work to be completed, and contain other information
22 which the commissioner believes will inform the public of the work to be
23 completed under the contract, and which will assist him in evaluating
24 proposals received. The commissioner shall advertise for a period of
25 not less than 45 days by public notice announcements provided to news-
26 papers and radio and television stations.

27 (e) After receiving the proposals for preparation of a regional
28 planning program, the commissioner shall evaluate them. The commis-
29 sioner may refuse all proposals and readvertise, or may accept a pro-

Handwritten arrow pointing to the page number and the text "provide public"

1 posal and enter into a contract as provided in (f) of this section.

2 (f) A contract entered into under this section shall

3 (1) require that the regional planning program include

4 (A) an analysis and recommendations concerning incor-
5 poration of a borough government for all or a portion of the un-
6 organized borough;

7 (B) an evaluation of the economic development potential
8 of the unorganized borough;

9 (C) a recommendation concerning capital facility needs
10 of the unorganized borough;

11 (D) an examination of demographic, social and environ-
12 mental factors affecting the unorganized borough;

13 (E) an examination of

14 (i) interrelationships among the regional educa-
15 tional attendance area, the coastal resource service area, and
16 any other regional entity responsible for services in the
17 unorganized borough; and

18 (ii) the interrelationships between the governments
19 of cities within the unorganized borough and regional entities
20 listed in (i) of this subparagraph; and

21 (F) a process for implementing the recommendations made
22 as part of the regional planning program;

23 (2) provide

24 (A) a mechanism for securing public participation in the
25 regional planning program;

26 (B) that the regional planning program be completed not
27 later than the June 30 following the third anniversary of the date
28 of the contract; and

29 (C) that payment for work performed under the contract

1 is subject to legislative appropriation to the account established
2 in (g) of this section.

3 (g) There is established in the Department of Community and Re-
4 gional Affairs the unorganized borough regional planning account. The
5 account shall be administered by the commissioner and shall be used to
6 pay for contracts entered into under this section.

7 (h) During each fiscal year, the commissioner may not pay to a
8 contractor under a contract authorized by this section more than \$25,000
9 plus \$25 per capita for each person residing within the unorganized
10 borough for which the regional planning program is to be prepared, as
11 determined by the commissioner.

12 (i) In this section, "unorganized borough" means a subdivision
13 established under AS 29.03.011 - 29.03.021.

14 * Sec. 5. AS 29 is amended by adding a new chapter to read: *Change*

15 CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

16 Sec. 29.19.010. INCORPORATION. (a) The residents of an unorgan-
17 ized borough established in accordance with AS 29.03.011 - 29.03.021 may
18 appl^r for the incorporation of a home rule borough. The petition for
19 borough incorporation shall be filed with the Department of Community
20 and Regional Affairs and shall include the information and signatures
21 required by AS 29.18.050. Petitions for incorporation filed under this
22 section shall be processed, reviewed and determined in accordance with
23 AS 29.18.060 - 29.18.090.

24 (b) A petition submitted under (a) of this section shall

25 (1) specify the number of members of the charter commission,
26 but the number of members may not exceed 15;

27 (2) describe the manner of election of members of the charter
28 commission; if election is to be by district, a description of the
29 boundaries of each district shall be included in or attached to the

1 petition;

2 (c) If the petition submitted under (a) of this section requests
3 election of charter commission members on a basis other than at large
4 within the unorganized borough, the manner of election of the members of
5 the commission shall conform to standards applicable to the composition
6 and apportionment of legislative bodies which are imposed by art. I,
7 sec. 1 of the state constitution.

8 (d) The standards applicable to the incorporation of an organized
9 borough under art. X, sec. 3 of the state constitution and AS 29.18.030
10 apply to the incorporation of an unorganized borough under this section.

11 Sec. 29.19.020. CHARTER ELECTION. (a) If the Local Boundary
12 Commission accepts the petition filed under AS 29.19.010, it shall
13 immediately notify the lieutenant governor. Within 30 days after noti-
14 fication, the lieutenant governor shall order an election within the
15 proposed home rule borough to determine whether the voters will elect a
16 charter commission, and to determine the persons elected to serve on the
17 charter commission.

18 (b) Charter commission candidates are nominated by petition signed
19 by at least 50 registered voters residing within the unorganized
20 borough. The lieutenant governor shall allow not less than 20 or more
21 than 30 days during which candidates for the charter commission may
22 present nominating petitions.

23 (c) The election on the question of election of a charter com-
24 mission and the determination of persons elected to serve on the charter
25 commission shall be held not less than 60 or more than 75 days after the
26 date of the election order.

27 Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election
28 called by the lieutenant governor under AS 29.19.020, a majority of the
29 voters favors election of a charter commission, the persons receiving

1 the highest number of votes cast at that election constitute the charter
2 commission. The charter commission shall prepare a proposed charter and
3 submit it to the Department of Community and Regional Affairs within one
4 year of the first meeting of the charter commission. The commissioner
5 of community and regional affairs shall review the proposed charter for
6 compliance with laws applicable to home rule municipalities and, if it
7 complies, request the lieutenant governor to submit the proposed borough
8 incorporation petition and proposed home rule charter to residents of
9 the proposed home rule borough. If the proposed charter does not comply
10 with law, the commissioner of community and regional affairs shall
11 return the proposed charter to the charter commission with a statement
12 of the legal deficiencies.

13 (b) Within 90 days of the receipt of the statement of the commis-
14 sioner of community and regional affairs indicating that the proposed
15 home rule charter does not comply with law, the charter commission may
16 prepare and submit to the commissioner an amended charter which meets
17 the objections to the original proposed charter.

18 (c) Only one original and one amended charter may be submitted to
19 the commissioner of community and regional affairs under this section.

20 Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor
21 shall order an election on the question of whether the unorganized
22 borough shall be incorporated as a home rule borough in accordance with
23 the charter approved by the commissioner of community and regional
24 affairs. The proposed charter shall be posted throughout the proposed
25 borough by the lieutenant governor before the election is held. The
26 election shall be held not less than 60 or more than 90 days following
27 the election order.

28 Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a
29 majority of the votes cast by the qualified voters of the proposed

Board should hold Commission in all areas.

Palmer should election for assembly be at some time

1 borough is against the incorporation of a borough under the proposed
2 home rule charter, the proposal is defeated.

3 (b) If a majority of the votes cast by the qualified voters of the
4 proposed borough favors incorporation of the borough under the proposed
5 home rule charter, the lieutenant governor shall declare that the un-
6 organized borough in which the election was held is incorporated as an
7 organized borough and a municipal corporation in accordance with the
8 provisions of the home rule charter. The lieutenant governor shall
9 provide for the election of the officers provided for in the charter.

10 (c) The election and qualification of officers under (b) of this
11 section shall be completed by the lieutenant governor in accordance with
12 AS 29.18.120 and the provisions of the home rule charter of the borough.

13 Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is
14 rejected, the charter commission shall prepare, adopt and submit a
15 second proposed charter to the voters within one year of the date of the
16 charter election held under AS 29.19.040. If the second proposed char-
17 ter is rejected, the charter commission is dissolved.

18 Sec. 29.19.070. VOTERS, ELECTIONS, COSTS, AND VACANCIES. (a) A
19 person is qualified to vote in an election authorized by AS 29.19.010 -
20 29.19.060 if he is qualified to vote in state elections and if he is a
21 resident of the unorganized borough proposed for incorporation as a home
22 rule borough.

23 (b) The lieutenant governor shall conduct elections authorized by
24 AS 29.19.010 - 29.19.060 substantially in the manner provided in the
25 Alaska Election Code (AS 15.05 - 15.60), and shall certify the results
26 of all elections under this chapter. Costs of elections under this
27 chapter shall be paid by the office of the lieutenant governor.

28 (c) Costs of charter preparation under this chapter shall be paid
29 by the Department of Community and Regional Affairs.

1 (d) The commissioner of community and regional affairs shall ap-
2 point a registered voter of the unorganized borough for which a charter
3 is being prepared to fill a vacancy occurring on the charter commission
4 established under this chapter.

5 Sec. 29.19.080. APPLICABILITY OF TRANSITIONAL PROVISIONS. The
6 provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs
7 incorporated under this chapter.

8 Sec. 29.19.090. STATUS OF HOME RULE BOROUGHES. (a) A home rule
9 borough incorporated under this chapter may exercise all powers granted
10 a first class borough.

11 (b) For purposes of acquisition of areawide powers, the provisions
12 of AS 29.38.010 apply to a home rule borough incorporated under this
13 chapter unless otherwise specifically provided in the charter of the
14 borough.

15 * Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

16 * Sec. 7. UNORGANIZED BOROUGH SERVICE AREAS. (a) The commissioner of
17 education shall recommend to the legislature, not later than January 31,
18 1981, whether changes should be made in the boundaries of a regional
19 educational attendance area organized under AS 14.08 to conform the bound-
20 aries of the regional educational attendance area to an unorganized borough
21 of which it is a part.

22 (b) The Alaska Coastal Policy Council shall recommend to the legis-
23 lature, not later than January 31, 1981, whether changes should be made in
24 the boundaries of an existing coastal resource service area organized under
25 AS 46.40 to conform the boundaries of the coastal resource service area to an
26 unorganized borough of which it is a part.

27 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
28 070(c).

76
L
6 Jan

Original sponsor: Rules/Legislative Council

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 580
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 ELEVENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to unorganized boroughs, establishing
7 unorganized boroughs, establishing a program of finan-
8 cial assistance for the preparation of regional plans
9 by unorganized boroughs, permitting adoption of home
10 rule charters by unorganized boroughs, and directing
11 submission of recommendations concerning adjustment of
12 the boundaries of service areas of the unorganized
13 borough; and providing for an effective date."

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

15 * Section 1. PURPOSE. The legislature finds that the single unorganized
16 borough of the state has proven unworkable in accommodating demands from its
17 residents for change and recognizes that a more systematic approach to the
18 planning and delivery of services for residents of this area is necessary.
19 In providing, in this Act, for identifying a common set of boundaries by
20 which to subdivide the state's single unorganized borough into multiple
21 unorganized boroughs, it is the purpose of the legislature to extend the
22 opportunity to residents of unorganized boroughs to assist in planning and
23 program development by

- 24 (1) preparing regional plans; and
- 25 (2) broadening the range of methods by which residents may in-
26 corporate a regional government.

27 * Sec. 2. INTENT. In providing for the division of the state's unorga-
28 nized borough into unorganized boroughs, it is the intent of the legislature
29 that all future transfers of functions or services from state agencies to

1 regions within unincorporated areas be made only within the boundaries for
2 unorganized boroughs established under AS 29.03.011 - 29.03.021, added by
3 sec. 3 of this Act.

4 * Sec. 3. AS 29.03 is amended by adding new sections to read:

5 Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHS. Except as
6 the boundaries are adjusted as provided in AS 29.03.021, the geographic
7 area within each regional educational attendance area established under
8 AS 14.08.031 is, effective 180 days after the effective date of this
9 Act, established as an unorganized borough.

10 Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. The
11 commissioner of community and regional affairs may establish boundaries
12 other than the boundaries of a regional educational attendance area for
13 an unorganized borough under AS 29.03.011. If requested by residents
14 of an unorganized borough, the commissioner shall hold at least one
15 public hearing within each regional educational attendance area before
16 establishing boundaries for unorganized boroughs under this section. In
17 establishing boundaries under this section, the commissioner shall
18 consider

- 19 (1) the standards applicable to the incorporation of boroughs
20 under AS 29.18.030;
- 21 (2) the regional boundaries adopted by the Native regional
22 corporations established under the Alaska Native Claims Settlement Act
23 and
- 24 (3) census divisions of the state used for the 1980 census.

25 * Sec. 4. AS 44.47 is amended by adding a new section to read:

26 Sec. 44.47.085. ASSISTANCE FOR REGIONAL PLANS IN THE UNORGANIZED
27 BOROUGH. (a) The commissioner may contract with a municipality, a
28 group of municipalities, or one or more regional Native corporations
29 organized as nonprofit corporations under the laws of the state to

1 prepare a regional plan for an unorganized borough.

2 (b) The commissioner may contract for the preparation of only one
3 regional plan for each unorganized borough. The commissioner may con-
4 tract only if he is satisfied that the party with whom he contracts is
5 capable of preparing a regional plan that considers the entire popu-
6 lation of the unorganized borough.

7 (c) When a municipality, group of municipalities, or one or more
8 regional Native nonprofit corporations proposes to prepare a regional
9 plan for an unorganized borough, the commissioner shall request pro-
10 posals for preparation of a regional plan. The residents of an un-
11 organized borough may petition the commissioner to request proposals for
12 preparation of a regional plan, and the commissioner shall request
13 proposals if the petition is signed by a number of qualified voters
14 equal to not less than 15 percent of the number of votes cast in the
15 unorganized borough at the last state general election.

16 (d) A request for proposal for preparation of a regional plan for
17 an unorganized borough made under (c) of this section shall be adver-
18 tised. The commissioner shall advertise for a period of not less than
19 45 days by public notice announcements provided to newspapers and radio
20 and television stations. The advertisement of a request for a proposal
21 for the preparation of a regional plan shall

22 (1) invite a municipality, group of municipalities or re-
23 gional Native nonprofit corporation to submit a proposal for the
24 preparation of a regional plan;

25 (2) outline the work to be completed; and

26 (3) contain other information which the commissioner believe
27 will inform the public of the work to be completed under the contract,
28 and which will assist him in evaluating proposals received.

29 (e) After receiving the proposals for preparation of a regional

1 plan, the commissioner shall evaluate them. In evaluating the pro-
2 posals, the commissioner may request advice from residents of an un-
3 organized borough for which the regional plan is proposed. The commis-
4 sioner may refuse all proposals and readvertise, or may accept a pro-
5 posal and enter into a contract as provided in (f) of this section.

6 (f) A contract entered into under this section

7 (1) shall require that the regional plan include

8 (A) an analysis and recommendations concerning incor-
9 poration of a borough government for all or a portion of the un-
10 organized borough;

11 (B) an evaluation of the economic development potential
12 of the unorganized borough;

13 (C) a recommendation concerning capital facility needs
14 of the unorganized borough;

15 (D) an examination of demographic, social and environ-
16 mental factors affecting the unorganized borough;

17 (E) an examination of

18 (i) interrelationships among the regional educa-
19 tional attendance area, the coastal resource service area, and
20 any other regional entity responsible for services in the
21 unorganized borough; and

22 (ii) the interrelationships between the governments
23 of cities within the unorganized borough and regional entities
24 listed in (i) of this subparagraph; and

25 (F) a process for implementing the recommendations made
26 as part of the regional plan;

27 (2) shall provide

28 (A) a mechanism for securing public participation in the
29 preparation of the regional plan;

1 (B) that the regional plan be completed not later than
2 the June 30 following the third anniversary of the date of the
3 contract; and

4 (C) that payment for work performed under the contract
5 is subject to legislative appropriation to the account established
6 in (g) of this section;

7 (3) may permit the contractor to subcontract parts of the
8 work to be performed to one or more subcontractors.

9 (g) There is established in the Department of Community and Re-
10 gional Affairs the unorganized borough regional planning account. The
11 account shall be administered by the commissioner and shall be used to
12 pay for contracts entered into under this section.

13 (h) During each fiscal year, the commissioner may not pay to a
14 contractor under a contract authorized by this section more than \$25,000
15 plus \$25 per capita for each person residing within the unorganized
16 borough for which the regional plan is to be prepared, as determined by
17 the commissioner.

18 (i) In this section, "unorganized borough" means a subdivision
19 established under AS 29.03.011 - 29.03.021.

20 * Sec. 5. AS 29 is amended by adding a new chapter to read:

21 CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

22 Sec. 29.19.010. INCORPORATION. (a) The residents of an unorgan-
23 ized borough established in accordance with AS 29.03.011 - 29.03.021 may
24 apply for the incorporation of a home rule borough. The petition for
25 borough incorporation shall be filed with the Department of Community
26 and Regional Affairs and shall include the information and signatures
27 required by AS 29.18.050. Petitions for incorporation filed under this
28 section shall be processed, reviewed and determined in accordance with
29 AS 29.18.060 - 29.18.090.

1 (b) A petition submitted under (a) of this section shall

2 (1) specify the number of members of the charter commission,
3 but the number of members may not exceed 15; and

4 (2) describe the manner of election of members of the charter
5 commission; if election is to be by district, a description of the
6 boundaries of each district shall be included in or attached to the
7 petition.

8 (c) If the petition submitted under (a) of this section requests
9 election of charter commission members on a basis other than at large
10 within the unorganized borough, the manner of election of the members of
11 the commission shall conform to standards applicable to the composition
12 and apportionment of legislative bodies which are imposed by art. I,
13 sec. 1 of the state constitution.

14 (d) The standards applicable to the incorporation of an organized
15 borough under art. X, sec. 3 of the state constitution and AS 29.18.030
16 apply to the incorporation of an unorganized borough under this section

17 Sec. 29.19.020. CHARTER ELECTION. (a) If the Local Boundary
18 Commission accepts the petition filed under AS 29.19.010, it shall
19 immediately notify the lieutenant governor. Within 30 days after noti-
20 fication, the lieutenant governor shall order an election within the
21 proposed home rule borough to determine whether the voters will elect a
22 charter commission, and to determine the persons elected to serve on the
23 charter commission.

24 (b) Charter commission candidates are nominated by petition signed
25 by at least 50 registered voters residing within the unorganized
26 borough. The lieutenant governor shall allow not less than 20 or more
27 than 30 days during which candidates for the charter commission may
28 present nominating petitions.

29 (c) The election on the question of election of a charter com-

1 mission and the determination of persons elected to serve on the charter
2 commission shall be held not less than 60 or more than 75 days after the
3 late of the election order.

4 Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election
5 called by the lieutenant governor under AS 29.19.020, a majority of the
6 voters favors election of a charter commission, the persons receiving
7 the highest number of votes cast at that election constitute the charter
8 commission. The charter commission shall prepare a proposed charter and
9 submit it to the Department of Community and Regional Affairs within one
10 year of the first meeting of the charter commission. The commissioner
11 of community and regional affairs shall review the proposed charter for
12 compliance with laws applicable to home rule municipalities and, if it
13 complies, request the lieutenant governor to submit the proposed borough
14 incorporation petition and proposed home rule charter to residents of
15 the proposed home rule borough. If the proposed charter does not comply
16 with law, the commissioner of community and regional affairs shall
17 return the proposed charter to the charter commission with a statement
18 of the legal deficiencies.

19 (b) Within 90 days of the receipt of the statement of the commis-
20 sioner of community and regional affairs indicating that the proposed
21 home rule charter does not comply with law, the charter commission may
22 prepare and submit to the commissioner an amended charter which meets
23 the objections to the original proposed charter.

24 Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor
25 shall order an election on the question of whether the unorganized
26 borough shall be incorporated as a home rule borough in accordance with
27 the charter approved by the commissioner of community and regional
28 affairs. The proposed charter shall be posted throughout the proposed
29 borough by the lieutenant governor before the election is held. The

1 election shall be held not less than 60 or more than 90 days following
2 the election order.

3 Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a
4 majority of the votes cast by the qualified voters of the proposed
5 borough favors incorporation of the borough under the proposed home rule
6 charter, the lieutenant governor shall declare that the unorganized
7 borough in which the election was held is incorporated as an organized
8 borough and a municipal corporation in accordance with the provisions of
9 the home rule charter. The lieutenant governor shall provide for the
10 election of the officers provided for in the charter.

11 (b) The election and qualification of officers under (a) of this
12 section shall be completed by the lieutenant governor in accordance with
13 AS 29.18.120 and the provisions of the home rule charter of the borough.

14 Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is
15 rejected, the charter commission shall prepare, adopt and submit a
16 second proposed charter to the voters in accordance with AS 29.19.030 -
17 29.19.050. The second proposed charter shall be submitted to the voter
18 within one year of the date of the charter election held under AS 29.-
19 19.040. If the second proposed charter is rejected, the charter com-
20 mission is dissolved.

21 Sec. 29.19.070. VOTERS, ELECTIONS, COSTS, AND VACANCIES. (a) A
22 person is qualified to vote in an election authorized by AS 29.19.010 -
23 29.19.060 if he is qualified to vote in state elections and if he is a
24 resident of the unorganized borough proposed for incorporation as a home
25 rule borough.

26 (b) The lieutenant governor shall conduct elections authorized by
27 AS 29.19.010 - 29.19.060 substantially in the manner provided in the
28 Alaska Election Code (AS 15.05 - 15.60), and shall certify the results
29 of all elections under this chapter. Costs of elections under this

1 chapter shall be paid by the office of the lieutenant governor.

2 (c) Costs of charter preparation under this chapter shall be paid
3 by the Department of Community and Regional Affairs.

4 (d) The commissioner of community and regional affairs shall ap-
5 point a registered voter of the unorganized borough for which a charter
6 is being prepared to fill a vacancy occurring on the charter commission
7 established under this chapter.

8 Sec. 29.19.080. APPLICABILITY OF TRANSITIONAL PROVISIONS. The
9 provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs
10 incorporated under this chapter.

11 Sec. 29.19.090. STATUS OF HOME RULE BOROUGHES. (a) A home rule
12 borough incorporated under this chapter shall exercise all powers
13 required of a borough under AS 29.33.

14 (b) For purposes of acquisition of areawide powers, the provisions
15 of AS 29.38.010 apply to a home rule borough incorporated under this
16 chapter unless otherwise specifically provided in the charter of the
17 borough.

18 * Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

19 * Sec. 7. UNORGANIZED BOROUGH SERVICE AREAS. (a) The commissioner of
20 education shall recommend to the legislature, not later than January 31,
21 1981, whether changes should be made in the boundaries of a regional
22 educational attendance area organized under AS 14.08 to conform the bound-
23 aries of the regional educational attendance area to an unorganized borough
24 of which it is a part.

25 (b) The Alaska Coastal Policy Council shall recommend to the legis-
26 lature, not later than January 31, 1981, whether changes should be made in
27 the boundaries of an existing coastal resource service area organized under
28 AS 46.40 to conform the boundaries of the coastal resource service area to an
29 unorganized borough of which it is a part.

1 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
2 070(c).

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Arliss Sturgulewski
FROM: Rep. Bill Parker
DATE: 2/12/80
RE: HB 580, HB 582

- * In addition to the points covered in the attached memo, the Committee raised the following issues for discussion:
HB 580
- * p. 3 Lines 7-29 This section was questioned in general. It was felt that in every instance in the bill, reference should be made to the legislature rather than to the Legislative Council (see p. 3 line 10). The section should be rewritten to direct that the Governor review requests from state agencies for exemptions to AS 44.17.110. The legislature would then be empowered to override such exemptions and modifications.
- * The repealers are to be checked with legislative legal staff.
- * After discussion of the census lines, it was determined that mention should be made of these boundaries, along with those of the ANCSA, on page 2.
- * Use of the term "substantially" (p. 6 line 17) was questioned. McCarter suggested that this was legally applied as there may be technical difficulties in complying with all the requirements of the election code if there are no election clerks in the areas.

HB 582

- * If the term "may" (p. 2 line 26) is changed to "shall", the reference to housing (p. 3 line 1) should be eliminated.
- * p. 2 lines 5-6. The legal meaning of the term "advertise" will be checked to see if it is adequate and "by any means which he believes will provide adequate notice etc." will be eliminated.

HB 583-586 will be reviewed Feb. 13

GARNETT, KLINKNER & BENDELL

ATTORNEYS AT LAW

900 WEST FIFTH AVENUE, SUITE 540
ANCHORAGE, ALASKA 99501
(907) 276-2221

RICHARD W. GARNETT, III
THOMAS F. KLINKNER
JAMES BENDELL

February 21, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

RE: Local Government Study
Legislation

Dear Arliss:

I have reviewed with great interest the legislation resulting from the local government study that you co-chaired. I believe that the legislation your committee has proposed, which I have seen in the form of House Bills 580-586, successfully addresses deficiencies in the State's municipal law that were pointed out during the course of the committee's study. As one who has had some experience practicing municipal law in Alaska, I believe that the amendments proposed in these bills make important improvements in the statutes governing Alaska's municipalities. If passed, these bills will create a better statutory framework for both urban and rural local government, affording needed flexibility to meet unique community needs.

I also would like to offer the following comments and suggestions regarding the specifics of these bills. These address technical matters which, I believe, may be resolved easily while preserving the desirable policy thrust of the legislation as proposed.

HB 580

29.03.021--If the commissioner adjusts boundaries, when does the establishment of an unorganized borough that is the subject of such an adjustment become effective? Some language positively declaring the establishment of unorganized boroughs with adjusted boundaries, similar to that in 29.03.011, might be helpful.

A. Sturgulewski
Page 2
February 21, 1980

?
44.17--A specific requirement that districting be reflected, to the extent feasible, in agency budgets commencing with a specified fiscal year, might help move the districting process along.

?
29.19.020--What are the requirements for the nominating petitions referred to in this section? They might be made analogous to those in AS 29.13.020.

OK
29.19.030--What happens if the commission fails to complete a charter in one year, or if it fails to modify a proposed charter within 90 days of rejection by the commissioner of community and regional affairs. If such a failure terminates the existence of the commission and its authority to act, the statute should so specify.

?
Disputes may arise as to whether particular charter provisions conform to state law. Several cases (for example, the one involving the Anchorage Charter's Notice of Claims Provision) have been litigated over this issue. A provision in Chapter 29.19 providing for judicial review of a charter rejection, the parties who may seek such review, and the procedure after such review has been completed, would be helpful.

?
29.19.040--Should there be a time limitation for the ordering of an election after it has been requested by the commissioner of community and regional affairs?

?
29.19.070--This section may cause problems. Stating that the referenced sections apply may be interpreted to mean that other statutes not mentioned do not apply--for example, the part of AS 29.18 pertaining to land selection.

Also see
HB 580
HB 585

As 29.08.010 also should be amended to read:

A home rule municipality is a municipal corporation and political subdivision and is an organized borough [of the first class] or a city of the first class which has adopted a home rule charter. It has all legislative powers not prohibited by law or charter.

Since both first and second class boroughs may adopt a charter rule under this bill (and under HB 530, too, as I

will discuss below), AS 29.08.010 should be consistent with that change.

STATUS OF HOME RULE BOROUGHES CREATED UNDER HB 580 OR 585

The creation of home rule boroughs under either bill creates a conceptual problem. While this problem in no way detracts from the substantive merits of this legislation, it should be addressed, and one of several policy solutions adopted.

Title 29 presently provides for first and second class boroughs. The principal distinction between them arises in AS 29.38, which specifies how first and second class boroughs, respectively, exercise non-areawide powers. First class boroughs are authorized to exercise any general law municipal power on a non-areawide basis, AS 29.38.010. Second class boroughs are limited to those powers conferred at incorporation, by AS 29.48.020, or approved at an election, AS 29.38.020-050. The labeling of a borough as "first class" or "second class" is basically shorthand for this distinction.

As HB 580 and 585 now stand, a home rule borough formed under either of those bills need not conform to the first class/second class borough distinction in AS 29.38. A new borough charter could adopt as its authority to exercise non-areawide powers one of the alternatives specified in AS 29.38, or develop its own approach, for example, by making the exercising of some, but not all non-areawide powers subject to voter approval. All of these options are open because AS 29.38 does not govern home rule boroughs, see AS 29.13.100. Since Title 29 refers throughout to "first and second class boroughs", it is important that the types of boroughs that may be created (a policy question) and the title's nomenclature (a housekeeping matter that should be resolved after the policy has been determined), be consistent.

There are several possible approaches to this problem:

1. Require each new home rule borough formed under HB 580 or HB 585 to designate itself either a first class or second class borough, by adopting the corresponding authority to exercise non-areawide powers under AS 29.38.
2. The same as (1) above, but in addition specify that a home rule borough formed under HB 585

remains a second class borough governed by AS 29.38.020-050.

3. Provide that home rule boroughs formed under HB 580, HB 585, or both, may determine by charter the scope of their authority to exercise non-areawide powers, and are not limited to the two options provided in AS 29.38.

If (1) or (2) above is adopted, the present nomenclature is sufficient. If (3) is adopted, references to "first and second class boroughs" must be modified to take account of the hybrid home rule boroughs that may be created. In this case, if the legislation abolishing third class boroughs passes, a reference to "organized boroughs" would be sufficient. In the classification of boroughs there would be three distinct classes: home rule, first class, and second class.

Thank you for your consideration.

Yours truly,


Thomas F. Klinkner

TFK:pac

John Halterman, Deputy Director
Div. of Policy Development & Planning

February 15, 1980

J-66-464-80

AVRUM M. GROSS
ATTORNEY GENERAL

HB 580, unorganized
boroughs and state
agencies

By:

Rodger W. Pegues
Assistant Attorney General

This responds to your request for comments on HB 580, relating to unorganized boroughs and state agencies. Our comments follow:

1. AS 29.03.021 refers to an indefinite, undefined "commissioner." Its imprecision makes it a fitting precursor of the things to come.

2. AS 44.17.110 requires "agencies" (whatever that means, the University? the judiciary? ASHA?) to administer their "programs" (whatever that means, activities? goals? budgets?) on the "basis of" (whatever that means, pursuant to? in accordance with? coterminus with? by?) "districts," a superfluous and ultimately confusing synonym for organized boroughs, unorganized boroughs, and unified municipalities. The districts will bear only a partial relationship to many agency activities and no relationship to others. Any reporting, programming, planning, or coordinating on this basis will be correspondingly incomplete, misleading, and wasteful. Worse, because humans are rationalizing animals, bureaucrats will try to rationalize their agency's activities with the bill's requirements for administration on the basis of the districts rather than on the basis of actual needs. If a given amount of agency activity is programmed for the Kenai, rather than for southcentral, then Kenai will get the action regardless of the need.

3. AS 44.17.120 provides for the legislature to make exemptions but does not say how. Presumably, if experience is a guide, exemptions will be made by concurrent resolution on an ad hoc basis. That is not a legislative function under the constitution. In addition, not specifying how to make an exemption raises problems of equal treatment.

4. AS 29.19.010 -- 070 provides for the incorporation of unorganized boroughs as home rule boroughs. Under the present municipal code, only first class municipalities may adopt home rule charters. A sense of symmetry (and of

John Halterman
February 15, 1980
Page #2

fairness) commands that the good citizens of our second and third class boroughs be afforded an equal opportunity. Indeed, in Alaska, the equal protection clause may dictate that result.

The Alaska courts operate on the basic premise that laws governing the administration of government are commands which may be invoked by anyone who feels adversely affected by an agency action which is arguably not consistent with the law. E.g., United States Smelting, Refining & Mining Co. v. Local Boundary Comm'n., 489 P.2d 140 (Alaska 1971) (standards for annexation); State v. Aleut Corp., 541 P.2d 730 (Alaska 1975) (consultation on land disposal); Coghill v. Boucher, 511 P.2d 1297 (Alaska 1973) (early count of votes). The result is that vague and indefinite statutes, such as this bill, which may or may not require an agency to do something or to refrain from doing something are imposed to prevent the agency's doing anything on totally unexpected grounds and for totally unexpected reasons. The agency cannot be sure, or even reasonably comfortable about, what it is supposed to do, but the courts will tell it.

In United States Smelting, a boundary change recommended by the Local Boundary Commission in accordance with powers vested in it by the constitution was held invalid because the commission had not adopted standards which were required by a statute but which were in no way required by the constitution. In Aleut Corp., a land sale was enjoined (even though a complaint was never filed) on the grounds that the statute required consultation with traditional tribal councils when it referred to local planning authorities. In Coghill, early release of election returns was enjoined on the grounds that it could only be authorized by regulations adopted under the Administrative Procedure Act.

Under AS 44.17.110 as proposed by this bill all the "agencies" of the state government must somehow gear their programs to the districts, i.e., to organized boroughs and unified municipalities and to the unorganized boroughs the bill would establish. What that means, no one knows. Presumably, the current land disposal program must be organized on that basis in order to plan and report on that basis. Presumably, criminal prosecutions must also be on that basis. What happens if the agency fails to comply is anyone's guess. Presumably, land disposals can be enjoined and criminal prosecutions halted. Obviously, the statistics on elections will be way out of line. Campaign disclosure and lobbyists reports will be equally so. Fish and game

John Halterman
February 15, 1980
Page #3

statistics do not have a prayer.

The only cure for these uncertainties is either (1) make the use of districts discretionary with the agency, or (2) rewrite section 44.17.110 to be precise. The latter is impossible because no one really knows what result precisely is intended. Accordingly, it must be made a matter of discretion. If it is made discretionary, section 44.17.-120 should be eliminated. If it is not, the bill, if it passes, should be vetoed.

RWP/pjg

CSHB 580

"AN ACT RELATING TO UNORGANIZED BOROUGHs, ESTABLISHING UN-ORGANIZED BOROUGHs, ESTABLISHING A PROGRAM OF PLANNING ASSISTANCE FOR UNORGANIZED BOROUGHs, AUTHORIZING ADOPTION OF HOME RULE CHARTERS BY UNORGANIZED BOROUGHs, AND DIRECTING SUBMISSION OF RECOMMENDATIONS CONCERNING ADJUSTMENT OF THE BOUNDARIES OF SERVICE AREAS OF THE UNORGANIZED BOROUGH"

BOUNDARIES

The bill divides the unorganized borough into "unorganized boroughs" using the boundaries of the Regional Educational Attendance Areas (REAAs). Public hearings are held, upon request, in each REAA by the Commissioner of Community and Regional Affairs and provision is made for adjustment of the boundary lines.

REGIONAL PLANNING

Each unorganized borough is eligible for regional planning program funds to study the economic, social, and environmental conditions of the area and the interrelationships between governmental units along with an examination of the feasibility of borough organization. No one is required to either undertake a study or form a borough. \$25,000 plus \$25 per capita is available to each unorganized borough for each of three years for regional planning programs.

HOME RULE

Title 29 is amended allowing for the incorporation, by petition to the Local Bounday Commission, of unorganized boroughs as home rule municipalities and the adoption by vote of the people of a home rule charter. Nothing in the bill requires the incorporation of a home rule borough or borough of any class. Rather, this section broadens the options currently available to residents in the unorganized borough.

CSHB 581

"AN ACT RELATING TO THE RESPONSIBILITIES OF EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT FOR CERTAIN STATE PROGRAMS"

This bill addresses certain responsibilities of executive departments important to the implementation of CSHB 580. State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted. Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery.

Alaska's Constitution establishes the policy of maximum self government for the people. This policy has been implemented through creation of boroughs and cities in urban areas and in some rural communities. However, the vast bulk of Alaska lacks any basis for self-government, and the people do not even have the means for planning and participating in the affairs of their own region. It is this problem that provided the principal focus for the interim work of the Senate and House Community and Regional Affairs Joint Local Government Study of 1979.

Legislative proposals of the Joint Committee were derived from (1) a series of studies and analyses sponsored by the Committee, (2) a two-day symposium designed to define issues and problems and suggest policies and directions, and (3) a series of public hearings held throughout rural parts of the state.

The Joint Committee found wide consensus in favor of a maximum measure of self-determination and self-rule, and establishment of regional units throughout the state to provide a basis for planning and program coordination. At the same time, the people do not want to rush into formal governmental organization; nor do they want it mandated.

Accordingly, the Joint Committee has developed an evolutionary approach that will provide people in rural areas with the means for self-government without forcing anything upon them prematurely. Choices and initiatives are left with each region.

HB 580 and HB 581 are two of the bills developed by the Joint Committee.



Official Business

Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

CSSB 348

This bill provides for sub-state regional units, called "unorganized boroughs," to be established in the unorganized borough. The Commissioner of Community and Regional Affairs is directed, after public hearings, to determine appropriate boundaries, initially based on REAA boundary lines. Provisions are made for the adjustment of boundary lines.

Each "unorganized borough" will be eligible for regional planning program funds to assist in determinations of the economic, social, and environmental conditions of the area and the interrelationships between governmental levels, with an examination of the potential and need for borough organization. No one is required to either undertake the study or to form a borough. The planning program and future organization, if any, is up to the local area. Each year, for 3 years, \$25,000 plus \$25 per capita is available to each unorganized borough for regional planning. A new chapter is added to AS 29 which allows for incorporation, by petition to the Local Boundary Commission, of unorganized boroughs as home rule boroughs and the adoption by election of a home rule charter. Dual majority votes are required for passage of the home rule charter.

CSSB 349

This bill addresses certain responsibilities of executive departments important to the implementation of CSSB 348.

State agencies are required to collect data and information according to unorganized borough boundaries so that regional information will be available to local people and to the legislature. Certain exemptions are permitted. State agencies are also required to conduct program planning and management according to unorganized borough boundaries to facilitate coordinated service delivery. Combinations of unorganized boroughs for program planning and management purposes are permitted.

Direct service delivery costs will be made available according to unorganized borough boundaries.

The Division of Policy Development and Planning (DPDP), Office of the Governor, is required to develop a data information system to facilitate state agency data collection and retrieval. Further, DPDP is required to report to the legislature alternatives and recommendations for improving coordination in state service delivery.

PEOPLES VIEW

SB 348 or HB 580 goes into effect -

Boundaries

- Within 120 days/ REAA boundaries are established creating unorganized boroughs boundaries
 - Objections/or problem areas - public hearings ^{by} Commissioner C/RA can establish other boundaries
- QUESTION? Any Local Boundary Commission Involvement?

Regional Planning Program

Proposal request

- Munic., a group of munic, or 1 or more nonprofits interested in preparing may ask Commissioner/C/RA to request proposal (10)
- Commissioner may request
- 15% voters petition request (voted in last election)

Advertising - proposal

- Commissioner C/RA - 45 or more days *Advertising required.*

Proposal Acceptance/Rejection

- Commissioner C/RA

NOTE: Commissioner can issue only one contract per unorganized borough
Contractor cannot receive more than \$25,000 plus \$25 per person in area

ABOVE TWO CAN BE MANDATED

Home Rule Borough

Petition

- *by residents* filed with Dept. C/RA (must specify number of members/ - cannot be more than 15- *of Charter Commission*
(must state format for election of members - if district (give boundaries) or at large (be within St. Constit. guidelines)
- if Local Boundary accepts - the L.B. C. will notify Lt. Gov.

Charter Commission

- Lt. Gov. has 30 days to order election - election must be held between 60-75 days from order.
- Charter Commission candidates submit petitions signed by 50 voters to Lt. Gov. within 20/30 days
- Election - if Charter Commission is favored, persons receiving highest no. of votes gets elected

Duties

- prepares proposed Charter and submits to C/RA within 1 year of Charter Commission (if rejected Charter Commission has 90 day days to resubmit amend. charters
- C/RA reviews proposed charter and requests Lt. Gov. / election

Election

- Lt. Gov. submits election order on proposed borough incorp. petit plus proposed home rule charter within 60-90 days
- if Charter rejected at election, get one chance for amendment - to be resubmitted within one year. Rejected again=Commission dissolves)

Election

- officers...

FISCAL NOTES

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

March 21, 1980

The Honorable Bill Parker
Chairman
House Community & Regional
Affairs Committee
Room 112 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Parker:

Re: House Bill No. 580

House Bill No. 580, an Act establishing boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs, was introduced in the House on January 21, 1980 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 copy of a Fiscal Note prepared by Joseph K. Donohue, Deputy Commissioner, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580 (revised fiscal note)
 Title An Act establishing reorganized boroughs
 Requested by Rules - Request of Legislative Council Date 3/17/80

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE March 17, 1980 PREPARED BY Joseph K. Donohue
 AGENCY Department of Revenue
 PHONE 465-2300
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

I. REQUEST
 Bill/Resolution No. CSHB 580
 Title An Act Establishing Unorganized Boroughs
 Requested by Rules Committee (By Legislative Counsel) Date 4-9-80

II. FISCAL DETAIL
 Agency Affected Labor
 Program Category Affected Social Services
 BRU, Program, or Subprogram(s) Affected Employment Security and Administrative Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	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.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

ASSUMPTION

This revised Fiscal Note assumes that CSHB 581 will be passed concurrently so that problems which may develop in relating unorganized borough statistics to census divisions and REAA'S statistics can be addressed later if they arise.

IV. DATE 4-9-80

PREPARED BY James Souby
 AGENCY Labor
 PHONE 465-2720

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

1. REQUEST
 Bill/Resolution No. H. B. 580 and S. B. 348
 Title An Act Establishing Unorganized Boroughs...and Authorizing Adoption of Home Rule
 Requested by Community & Regional Affairs Committee Date 1-21-80 Charters

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	154.8	167.2	180.6	125.0	210.6
200 TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300 CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400 COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500 EQUIPMENT	.0	2.0	.5	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	8.8	287.2	238.7	226.6	233.4	247.1

FUNDING (Thousands of Dollars)

GENERAL FUND	8.8	287.2	238.7	226.6	233.4	247.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

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

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

The high travel cost during FY 81 reflects the need to administer both of the main

IV. DATE 1-21-80 PREPARED BY Doug Griffin
 AGENCY Community & Regional Affairs
 Original: Legislative Finance PHONE 465-4736

activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

The Local Boundary Commission's involvement in the incorporation of home rule boroughs under Section 4 of this bill is not budgeted for in this fiscal note. The annual appropriation received by the LBC to perform its constitutional and statutory duties may be adequate to cover the expenses incurred due to passage of this bill. If these expenses cannot be met by the LBC's annual appropriation there should be adequate lead time to secure additional funding so that the Commission may adequately participate in the borough incorporation process.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580 (revised fiscal note)
 Title An Act establishing reorganized boroughs
 Requested by Rules - Request of Legislative Council Date 3/17/80

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE March 17, 1980

PREPARED BY Joseph K. Donohue
 AGENCY Department of Revenue
 PHONE 465-2300

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

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

February 26, 1980

The Honorable Bill Parker
Chairman
House Community and Regional Affairs
Committee
Room 112 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Parker:

Re: House Bill No. 580

House Bill No. 580, an Act establishing unorganized boroughs, amending the responsibilities of state agencies for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs, was introduced in the House on January 21, 1980 and was referred to the House Community and Regional Affairs Committee.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Denna Cline, Special Assistant, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580

Title An Act establishing unorganized boroughs

Requested by Rules - Request of Legislative Council

Date 2/20/80

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING ^{Millions} ~~(Thousands)~~ of Dollars

GENERAL FUND		(25.05)	(23.85)	(22.86)	(21.98)	(20.87)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

It may be anticipated that the residents of an unorganized borough established under this bill will apply for the incorporation of a home rule borough, especially if they are so located that they would encompass the Trans-Alaska Pipeline corridor. In this case the borough would be able to impose a substantial property tax on property assessed and taxable by the state under AS 43.56. Municipal taxes levied on this type of property are a direct credit against state taxes. It is estimated that the FY 81 loss to state revenues could potentially be \$25.05 million. This analysis does not include the possible effects of a gasline startup in the early 1980's.

There are no administrative costs associated with the proposed bill for the Department of Revenue.

IV. DATE 2/20/80

PREPARED BY David L. Chie
AGENCY Revenue
PHONE 465-2301

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

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149
JUNEAU, ALASKA 99811

February 5, 1980

Marjorie Gorsuch
Administrative Assistant
Community & Regional Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99802

Dear Ms. Gorsuch:

Please find attached a position paper and a fiscal note which support testimony that was presented by John Post, Chief of Research and Analysis, Department of Labor, on Monday, February 4, 1980.

Thank you for the opportunity to present testimony. If you have any further questions, please contact me at 465-2700.

Sincerely,



Judy G. DuBois
Legislative Liaison

Attachments

Bill No. HB 580 (SB 348)

Date February 4, 1980

Title An Act Establishing Unorganized Boroughs...

Contact: Judy DuBois
John Post

The Department of Labor finds no fault with the purpose of this bill. Section 2 provides for the establishment of unorganized boroughs within the geographical boundaries of the rural educational attendance areas (REAs) and the adjustment of their boundaries. The bill also requires the collection of data and information about state programs with reference to a set of boundaries adopted for use by all state agencies. (Section 3). Included is a section that authorizes the adoption of home rule charters by unorganized boroughs. (Section 4).

Currently all areas of the state not part of an organized borough are classified as a single unorganized borough. Essentially this bill allows for the subdivision of this single unorganized borough into several unorganized boroughs with the option of becoming incorporated home rule boroughs.

The area of immediate interest to the Department is Section 3, which amends AS 44.17. When combined with the Provisions of Section 2 where the Commissioner of C&RA may establish/adjust the boundaries of unorganized boroughs, the bill has the potential of disrupting critical data collection and analysis. This is not only a matter of potential file revision and duplication at great cost, but also a matter of potential invalidation of or rendering useless time series of data which are key elements in any serious evaluation or planning effort. The bill, if adopted would have serious implications for the Department.

The Department of Labor (Research & Analysis) collects and disseminates data in a geographical format based on census divisions. The boundaries for the census divisions evolved from election district boundaries and the boundaries of organized boroughs. The census areas have been reclassified for the 1980 census in a plan that treats the unorganized borough similar to that described in this bill. Each organized borough in the state will coincide with a census area while the remaining sections of the state are divided into areas and subareas based on Native corporation boundaries and REAs. This plan was adopted by the Governor's Committee on the census in conjunction with the U.S. Census Bureau. The census area concept geographically divides the state into 23 major areas and 24 subareas. Certain data collected by the Department of Labor which is required and funded by federal agencies must be transmitted to those agencies in the census area format, i.e., ES-202 employment and earnings employer reports, labor force estimates, population figures, and others. The impact of this bill on the department would be substantial. Adoption of a new geographical classification scheme would alter the census area agreement between the Governor's Census Committee and the U.S. Census Bureau. It would be necessary to convert the geographical coding of 10,000 employer files, 50,000 UI claimant files and upwards of 60,000 job applicant files.

At a minimum, an amendment to Section 2 emphasizing correlation of boundaries with the latest Census areas and subareas (or divisions), is essential to good planning and administration over time; or an amendment to Section 3 allowing census area or subarea information (aggregated to approximate unorganized/organized boroughs) to be sufficient for reporting requirements.

POSITION PAPER/Department of Labor

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 580 (SB 348)

Title An Act Establishing Unorganized Borough

Requested by Rules Committee (by Legislative Counsel)

Date 2/5/80

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected Employment Security and Administrative Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	81.6	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	2.3	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	36.0	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	1.0	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	.9	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	122.5	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	122.5	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	2	-0-	-0-	-0-	-0-
PART TIME	-0-	3	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

1. Assumes an effective date of July 1, 1980.
2. Personal Services at current salary schedule (1/79).
3. One time cost, federal funding is not anticipated.
4. This estimate is for the initial boundary changes only. Subsequent changes have not been estimated

IV. DATE 2/6/80

PREPARED BY Jim Souby

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE
 HB 580 (SB348)

	<u>Employment Security</u>		<u>Administrative Services</u>		<u>Total</u>
	<u>1 of 4</u>	<u>2 of 4</u>	<u>3 of 4</u>	<u>4 of 4</u>	
100	38,994	25,386	9,946	7,295	81,621
200	790	639	600	300	2,329
300	2,750	7,000	6,800	13,400	35,950
400	310	250	300	100	960
500	375	300	-0-	-0-	675
Other (ASHA)			600	300	900
	<u>49,219</u>	<u>33,575</u>	<u>18,246</u>	<u>21,395</u>	<u>122,435</u>

Totals: Employment Security 82.8
 Administrative Services 39.7
122.5

1	POSITION TITLE Systems Analyst II			RANGE/STEP 20A	BARG. UNIT. GGU	LOCATION Juneau	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 15	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:		
	1	2	3					
4	PERSONAL SERVICES:							
	SALARY	2532 p/m	30,384	Pers. Serv. current Salary schedule 1/79. NPS: Cost p.p. as in 1981 Detail' Budget				
5	BENEFITS	.1542	4,685					
6	FICA	.0665	2,020					
7	HEALTH INS.	127 x 15	1,905					
8	TOTAL PERSONAL SERVICES		38,994					
9	TRAVEL		790					
10	CONTRACTUAL		8,750					
11	COMMODITIES		310					
12	EQUIPMENT		375					
13	OTHER							
14	TOTAL COST		49,219					
	CODE	FUNDING SOURCE						
15		FED RCPTS. 1002						
16		GF MATCH. 1003						
17		GEN. FUND 1004		49,219				
18		I-A RCPTS. 1005						
19		PGM RCPTS 1028						
20		OTHER						
21	CONTINUATION							
22	ADDITION	XXXX	FOR B&M USE ONLY					
6A KEY NUMBER				COLUMN NO.				

This position will design a cross match coding system, data files and report changes to produce area statistics under provisions of AS 44.17.100. The majority of Department reports are automated. Cross coding will be required for upwards of 120,000 files.

	'81	This form 1.1/4p.
Travel	639	790
Contr.	7,000	8,750
Com.	250	310
Equip.	300	375

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU E.S.D.

COMPONENT Data Processing Applications

13 REQUEST FOR NEW POSITION.

FY 81

1	POSITION TITLE Employment Security Specialist I			RANGE/STEP 14A	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	DISAP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:			
	1		2	'81	3	Pers. Serv. current salary schedule 1/79.			
4	PERSONAL SERVICES:					NPS: Cost p.p. as in FY '81 Detail Budget			
4	SALARY	1,629			19,548				
5	BENEFITS	1542			3,014				
6	FICA	.0665			1,300				
7	HEALTH INS.	127 x 12			1,524				
8	TOTAL PERSONAL SERVICES				25,386				
9	TRAVEL				639				
10	CONTRACTUAL				7,000				
11	COMMODITIES				250				
12	EQUIPMENT				300				
13	OTHER								
14	TOTAL COST				33,575				
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND				33,575			
18		I-A RCPTS.							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION			FOR B&M USE ONLY					
22	ADDITION								
4A KEY NUMBER _____ COLUMN NO. _____									

This position will make manual changes of 20% of all applicant files creating approximately 17,000 computer transactions to adjust the area codes for those clients for which the computer can not automatically generate new area codes.

AGENCY Labor PROGRAM AREA Employment Stabilizaiton
 BRU Employment Security
 COMPONENT Employment Service

13 REQUEST FOR NEW POSITION.

FY 81

1	POSITION TITLE Statistical Clerk III			RANGE/STEP 10A	BARG. UNIT.	LOCATION Juneau	APPROV.	DISAP.
2	TYPE OF POSITION PFT	STAFF MONTHS 6	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	GOV	LEG.

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	1,254 p/m	7,524
5	BENEFITS	.1542	1.160
6	FICA	.0665	500
7	HEALTH INS.	127 x 6	762
8	TOTAL PERSONAL SERVICES		9,946
9	TRAVEL		600
10	CONTRACTUAL		6,800
11	COMMODITIES		300
12	EQUIPMENT		-0-
13	OTHER		600
14	TOTAL COST		18,246

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1012	
16		GF MATCH. 1003	
17		GEN. FUND 1004	18,246
18		I-A RCPTS. 1005	
19		PGM RCPTS 1018	
20		OTHER	

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION	XXXX	

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:
 Pers. Services: Salary Schedule eff. 3/78.
 Non. Pers. Serv:
 Based on NPS cost per position in the research contract
 FY '81 Budget.

	Cost P.P.	This Form 1/2
Travel	1.2	.6
Contr.	13.7	6.8
Comm.	.5	.3
Equip	---	--
Lands. Bldg.	1.2	.6
	16.6	8.3

The individual would assist in developing the detailed coding systems. Using detailed maps and lists of communities and other name places, the individual would insure accurate coding within the overall boundary scheme. Would enter data through an interactive computer terminal for those data series on the University of Alaska and consultant computers. Would give technical support to various statistic 1 programs such as employment, unemployment, occupational information and population, in implementing the coding revisions.

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU Administrative Services

COMPONENT Research Contracts

FY 81

13 REQUEST FOR NEW POSITION.

1	POSITION TITLE Labor Economist II			RANGE/STEP 16A	BARG. UNIT. GGU	LOCATION	GOV	APPROV	DISAPP																																																											
2	TYPE OF POSITION PFT	STAFF MONTHS 3	RF No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG																																																												
3	TYPE OF EXPENDITURE			AMOUNT	JUSTIFICATION:																																																															
	1		2	3	Pers. Services: Salary Schedule effective 3/78.																																																															
4	PERSONAL SERVICES:				NPS: See Page 1 of																																																															
					<table border="0"> <tr> <td></td> <td><u>Cost p/p</u></td> <td><u>This Form 1/4</u></td> <td></td> </tr> <tr> <td>5</td> <td>SALARY</td> <td>1,888</td> <td>5,664</td> <td></td> </tr> <tr> <td>6</td> <td>BENEFITS</td> <td>.1542</td> <td>873</td> <td></td> </tr> <tr> <td>7</td> <td>FICA</td> <td>.0665</td> <td>377</td> <td></td> </tr> <tr> <td>8</td> <td>HEALTH INS.</td> <td>127 p/m</td> <td>381</td> <td></td> </tr> <tr> <td>9</td> <td>TOTAL PERSONAL SERVICES</td> <td></td> <td>7,295</td> <td>Travel</td> </tr> <tr> <td>10</td> <td>TRAVEL</td> <td></td> <td>300</td> <td>Contr.</td> </tr> <tr> <td>11</td> <td>CONTRACTUAL</td> <td></td> <td>13,400</td> <td>Comm.</td> </tr> <tr> <td>12</td> <td>COMMODITIES</td> <td></td> <td>100</td> <td>Lands</td> </tr> <tr> <td>13</td> <td>EQUIPMENT</td> <td></td> <td>-0-</td> <td></td> </tr> <tr> <td>14</td> <td>OTHER</td> <td></td> <td>300</td> <td></td> </tr> <tr> <td>15</td> <td>TOTAL COST</td> <td></td> <td>21,395</td> <td></td> </tr> </table>						<u>Cost p/p</u>	<u>This Form 1/4</u>		5	SALARY	1,888	5,664		6	BENEFITS	.1542	873		7	FICA	.0665	377		8	HEALTH INS.	127 p/m	381		9	TOTAL PERSONAL SERVICES		7,295	Travel	10	TRAVEL		300	Contr.	11	CONTRACTUAL		13,400	Comm.	12	COMMODITIES		100	Lands	13	EQUIPMENT		-0-		14	OTHER		300		15	TOTAL COST		21,395	
	<u>Cost p/p</u>	<u>This Form 1/4</u>																																																																		
5	SALARY	1,888	5,664																																																																	
6	BENEFITS	.1542	873																																																																	
7	FICA	.0665	377																																																																	
8	HEALTH INS.	127 p/m	381																																																																	
9	TOTAL PERSONAL SERVICES		7,295	Travel																																																																
10	TRAVEL		300	Contr.																																																																
11	CONTRACTUAL		13,400	Comm.																																																																
12	COMMODITIES		100	Lands																																																																
13	EQUIPMENT		-0-																																																																	
14	OTHER		300																																																																	
15	TOTAL COST		21,395																																																																	
15	CODE	FUNDING SOURCE			The individual would be responsible for designing and developing a coding system to accommodate the expected boundary changes. Would locate places and boundaries on maps, determine program and projects affected, evaluate various coding schemes and gain comments from affected divisions and sections within the Department of Labor. Would present alternate approaches to management for their review and decision. Would prepare a detailed data processing work request to define and justify project. Would participate in quality data processing reviews through final installation of the coding system. Would prepare a publication defining approved coding scheme.																																																															
16		FED RCPTS. 1002																																																																		
17		GF MATCH. 1003																																																																		
18		GEN. FUND 1004			21,395																																																															
19		I-A RCPTS. 1005																																																																		
20		PGM RCPTS 1028																																																																		
21		OTHER																																																																		
21	CONTINUATION				FOR B&M USE ONLY																																																															
22	ADDITION	XXXX																																																																		
4A KEY NUMBER					COLUMN NO.																																																															

AGENCY Labor PROGRAM AREA Employment Stabilization

BRU Administrative Services

COMPONENT Research Contracts

13 REQUEST FOR NEW POSITION.

FY 81

Page 4 of 4

REVISED DATE _____

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 580/CSSB-348

Title An Act Establishing Unorganized Boroughs...regional plans...home rule charters

Requested by Community and Regional Affairs Committee Date 4-21-80

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	154.8	167.2	180.6	195.0	210.6
200 TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300 CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400 COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500 EQUIPMENT	0	2.0	.5	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	8.8	287.2	238.7	241.2	254.8	269.4

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	8.8	287.2	238.7	241.2	254.8	269.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

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

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session, the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

IV. DATE 4-21-80

PREPARED BY Doug Griffin

AGENCY Community and Regional Affairs

PHONE 465-4735

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CSHB 580/CSB 348 (continued)

The high travel cost during FY 81 reflects the need to administer both of the main activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

There will be no fiscal impact in Sec. 4 of this bill until there is an appropriation (CSHB 886) for regional plans. The Department does anticipate the following additional cost at such time as appropriations are made.

Staff to monitor and oversee contracts.

Personnel		42,156
Local Government Specialist IV (Range 19)		32,934
Benefits @ 28% base pay		9,222
Travel 10 trips @ 600		6,000
Contractural		2,700
Communications	1,000	
Printing and Advertising	200	
Office Space 100 Sq. ft. @ 1.25 x 12	1,500	
Commodities		300
Equipment (one time only)		700
	TOTAL	<u>51,856</u>

CORRESPONDENCE



Ahtna, Inc.

HERBERT SMELCER
LAND MANAGER
PRESIDENT AHTNA
MINERALS COMPANY

HOME PHONE 822-3424 OR 274-1358
TEL: (907) 822-3476 OR 822-3486
DRAWER G
COPPER CENTER, AK 99573

Summarization of:

Need for a Regional Planning Model
The AHTNA Region

INTRODUCTION:

As Exhibit A (Need for a Regional Planning Model) aptly demonstrates there is an urgent need for a mechanism to coordinate and integrate developmental plans, and service delivery by federal and state agencies within the AHTNA Region.

There is presently no such mechanism to coordinate inter-agency services, or the great variety of developmental schemes which are involved within, or directly and significantly impact the Region.

Some of the major forces which will impact the Region result from ANCSA d-2 stipulations, national park plans for the McKinley-Wrangell reserves, Northwest Gasline construction, state and Native land conveyances, Susitna-Salmon Gulch hydroelectric projects, mineral, oil and gas exploration/production. Additionally, the emergence of Valdez as a deepwater port of entry to interior Alaska can be anticipated to have highly significant socio-political, and economic impacts on the AHTNA Region.

It is evident that these forces involve federal, state, local and private interests, which at this time act upon the Region in their own interests absent any mechanism for coordination and integration. The immediate remedy must therefore be the urgent and timely establishments of such a mechanism.

The Regional Planning Model (Exhibit A) provides the basis for the establishment of an effective coordinating and integrating mechanism. *will send you a copy*

OBJECTIVES OF THE MODEL;

The central objectives to be realized through model formulation are as follows:

- 1) To provide a mechanism of implementation that will guide and direct the drafting of a regional cooperative planning organization for the area, and develop guidelines for future permanent government structure.
- 2) The implementation of such an organization will allow for the development and management of integrated programs, services, facilities in community development, economic growth, infrastructure and land use planning. Special attention and reference are given to social, physical, and economic issues influencing the Region. Particular emphasis will be given to the development and implementation of appropriate projects, and in the preparation of proposals for grant applications.
- 3) Planned and coordinated management of the region's resources is intended to approach maximum utilization/enjoyment of the resources for those who reside within, as well as those who visit the area.

- 4) Because citizen participation and inter-agency coordination are the essential elements that will determine the success of this innovative planning model, citizen input will be maximized during the project development.

PROGRAM PROCEDURAL FORMAT:

Upon sufficient funding, endorsement and conceptual initiation of the program, the following outlines the intended course of action, approximately one year's time:

1. Organize board of directors and/or coordinating committee.
2. Establish staff personnel for administrative organization.
3. Contact all interested/participating persons and agencies for initial introduction, review and opinion.
4. Formulate preliminary model and structural organization with state and federal agencies participation.
5. Develop and hold information workshops on local coordination and self determination. These workshops will be held in the AHTNA Region.
6. Revise and review process as needed.
7. Maintain channels of advice and opinion with state legislators and agencies.
8. Formulate mode of implementation system design for primary model alternates.
9. Provide preliminary cost analyses of necessary operational and related support facilities as required.
10. Establish communication methodology for dissemination of priority recommendations and support data to all vested parties and concerned agencies.
11. Obtain conceptual endorsement and support for model and program format, submit to proper governmental agencies for review and endorsement. Review and revise as necessary.
12. Upon endorsement and acceptance of program, organize preliminary plans for initiation of established implementation stage.
13. Begin implementation stage.

GENERAL PROCESS OF PROGRAM EVALUATION:

1. Maintain periodic citizen and agency workshops as required.
2. Establish internal review process for program consistency.
3. Review and audit program efficiency.

PRELIMINARY BUDGETARY CONSIDERATIONS:

The following estimates are anticipated expenses for program development and organization during the initial stage (estimated one year duration):

Office equipment, supplies, printing and space rental

Equipment, supplies, printing	\$ 10,000
Rental of office @ \$500/mo.	6,000

Administrative Costs

Staff	50,000
Support consultant fees (as required)	15,000
Travel and coordinating expenses (village people, others)	10,000
Miscellaneous and contingency costs	<u>9,000</u>

Aggregate Funding Required	\$100,000
----------------------------	-----------

Public Hearing
 HB 580 - 586
 3/19/80 7:30 P.M.
 Meeting with Rural Cap Citizens' Participation Conference

Name

Address

Director
 Participants
 RESOURCES

Chris G... ..	Tarana Corp. Conference Inc.
Pres. - William C. "Spud" Williams	1st - Hall Street FAI, AK 99701
Patricia McAster	Pouch B - Juneau, AK
D. POPE	912 ul. 6 th , Anchorage
Norman H. Cohen	Rural CAP
Patricia Petrucci	" "
Charles Hubbard	3305 Rossella - Anch, AK 99504 (COPPER RIVER NATIVE ASSOC.)
Charles Mueller	PO Box 189 Dillingham AK 99576 (Bristol Bay Native Assoc)
DAVE WAKEFIELD	Box 276, Port Lions, AK 99550 (KANNA)
Robin Bean	Unite. Crow Band P.O. Box 121 Tok, Alaska 99780
J. Alfino	F.4. Log. Chair person Boxes FYU 99740
Jeff Smith	Mareluk, Inc
Bob Lohr	Rural CAP 327 Eagle, Anch 99501

LISA RUDD
2827 LORE ROAD
ANCHORAGE, ALASKA 99507

February 7, 1980

Dear Akliss,

I enjoyed testifying yesterday and hope that some of my comments were useful to you. I'm sure some of them were redundant.

In follow up on my question as to whether there are, or you contemplate, any statutorily required functions of a home rule borough, I'm afraid the citation you gave me - 29.33.010(b) - does not go to my question. Let me try again:

The present practice is for boroughs or cities only to go for home rule after having already established and maintained a fairly sophisticated form of local government, those forms having been required under statute to carry out certain functions. The presumption is that those functions would continue under home rule. However, I do not think there are any particular functions statutorily required of home rule governments. That means, I think, that an unorganized borough seeking home rule status could, if it wished, perform only the function of, say, fire protection in a service area, and still be a home rule government. In other words, it would be very much like the third class boroughs you seek to eliminate.

Perhaps (quite likely, in fact) I am missing something in the present law. Or perhaps the result I outlined above is exactly the result you want. I don't see too much wrong with it, in fact. But I was just wondering if you had thought about it.

Love to see the Senate debating!
As you say, regards to a goodwoman!

LJR

Lydia Seltray 3/18/80

Project '80 Ben Isenstines

Public input & "selection" projects. No S involved.

S' zoning Committee hasn't reviewed.
Mental Health needed.

Need educational program for natives

Need for a Regional Planning Model
The AHTNA Region
Dr. L. Selkregg - February 1980

INTRODUCTION:

A catalyst is needed to integrate and coordinate developmental plans emerging within the AHTNA-Copper River Region.

The concern for local autonomy and regional coordination of these plans encouraged the AHTNA Regional Corporation and Copper River Native Association to further investigate feasible alternate mechanisms that will provide for orderly and planned implementation.

Therefore, upon their commission, an inventory analysis of existing and impending institutional, economic and social issues that will influence the future of the region was developed. Additional data gaps and informational deficiencies were identified as they related to the pertinent issues.

Consolidation of questions, facts and recommendations is the central format of the text "Need for a Regional Planning Model - The AHTNA Region" by Dr. L. Selkregg, 2-1980.

The absence of any such regional government (Exh. A) along with the enormity of impending developmental issues within the Unorganized Borough, indicate the degree of urgency for current action.

CENTRAL ISSUE:

There is presently no existing organizational mechanism to coordinate inter-agency services and development schemes that are involved within the region.

The number of agencies and entities concerned are as diverse as those central institutions that spawned them. Federal, state, local and private interests are represented in a myriad of departments and commissions.

Major forces of impending change are evidenced in ANCSA d-2 stipulations, national park plans for McKinley-Wrangell reserves, Northwest Gasline construction, state and Native land conveyances, Susitna-Salmon Gulch hydroelectric projects, mineral, oil and gas exploration/production in conjunction with the emergence of Valdez as a deepwater port of entry to Interior Alaska are a few of the primary and significant projects that will have an impact on the area.

The absence of any such coordinating mechanism, in view of the potential regional projects and diverse institutional/private interests within the region, suggests the need to act now.

The Regional Planning Model text provides preliminary information and structural analysis that can lead to a feasible solution.

OBJECTIVES OF MODEL:

The central objectives intended to be realized through model formulation are as follows:

- 1) To provide a mechanism of implementation that will guide and direct the drafting of a regional cooperative planning organization for the area, and develop guidelines for future permanent government structure.
- 2) The implementation of such an organization will allow for the development and management of integrated programs, services, facilities in community development, economic growth, infrastructure and land use planning. Special attention and reference are applied to the social, physical and economic issues pertaining to the people of the region. These are the people for whom the model is developed.
- 3) Planned and coordinated management of the region's resources is intended to approach maximum utilization/enjoyment of the resources for those who reside within, as well as those who visit the area.

Citizen participation and inter-agency coordination are the essential elements that will determine the success of this innovative planning model.

PROGRAM PROCEDURAL FORMAT:

Upon sufficient funding, endorsement and conceptual initiation of the program, the following outlines the intended course of action, approximately one year's time:

1. Organize board of directors and/or coordinating committee.
2. Establish staff personnel for administrative organization (approximately three individuals of expertise with consultant support upon need).
3. Contact all interested/participating persons and agencies for initial introduction, review and opinion.
4. Formulate preliminary model and structural organization with state and federal agencies participation.
5. Develop and hold information workshops on local coordination and self determination.
6. Revise and review process as needed.
7. Maintain channels of advice and opinion with state legislators and agencies.
8. Formulate mode of implementation system design for primary model alternates.

9. Provide preliminary cost analysis of necessary operational and related support facilities as required.
10. Establish communication methodology for dissemination of priority recommendations and support data to all vested parties and concerned agencies.
11. Obtain conceptual endorsement and support for model and program format, submit to proper governmental agencies for review and endorsement. Review and revise as necessary.
12. Upon endorsement and acceptance of program, organize preliminary plans for initiation of established implementation stage.
13. Begin implementation stage.

GENERAL PROCESS OF PROGRAM EVALUATION:

1. Maintain periodic citizen and agency workshops as required.
2. Establish internal review process for program consistency.
3. Review and audit program efficiency.

PRELIMINARY BUDGETARY CONSIDERATIONS:

The following estimates are anticipated expenses for program development and organization during the initial stage (estimated one year duration):

Office equipment, supplies, printing and space rental

Equipment, supplies, printing	\$ 10,000
Rental of office @ \$500/mo.	6,000

Administrative Costs

Staff @ 3 qualified individuals	50,000
Support consultant fees (as required)	15,000
Travel and coordinating expenses	10,000
Miscellaneous and contingency costs	<u>9,000</u>

Aggregate Funding Required	\$100,000
----------------------------	-----------

TESTIMONY

MEMORANDUM


State of Alaska

TO: John Halterman, Deputy Director
Division of Policy Development
& Planning
Office of the Governor

DATE: February 21, 1980

FILE NO: 100H

TELEPHONE NO: 465-3900

FROM:  Ronald, Deputy Commissioner
Administration
Department of Transportation
& Public Facilities

SUBJECT: HB 580 - State Program Line to
Follow Standardized Boundaries

The impact of HB 580 upon Department of Transportation & Public Facilities (DOT/PF) for planning and management cannot be adequately assessed without a clearer idea of what is envisioned by the bill. However, a simplified reading of AS 44.17.110 would indicate that all statistics, planning, and information (including financial) would need to be on the basis of districts designated by AS 44.17.100. This would be a considerable shift from the alignments now used. While not impossible, it would be very time consuming and, in my view, counter productive until a clear picture of the benefits expected are outlined.

I would suggest that instead of passage of this bill, which mandates all information along these predetermined lines, funding be made available to one central group to identify the results desired, their benefits, and the costs associated with providing the information. If the bill were passed as it now stands, it would have a financial impact on DOT/PF because it would be necessary for us to revise our financial reporting and planning data processing systems to track the information by the new districts. We would also need to prepare our transportation plans in much finer detail, which would increase their cost.

In summary, I believe that there would be merit in a system which allowed extraction of statistical and program information in a manner which would make it compatible. I am not sure this bill has the best approach. If a central geographic coding were agreed to and sufficient data processing support provided, agencies could supply raw data by location, which is more specific than by district. Then when it would be beneficial to do planning on a district basis, it could be done, or if it were more reasonable to do the planning on a larger basis without reference to district, that could also be done.

RECEIVED

FEB 22 1980

POLICY DEVELOPMENT
& PLANNING

EDWARD HOFFMAN'S STATEMENT ON PROPOSED LEGISLATION ON

THE UN-ORGANIZED BOROUGH

THIS STATEMENT I MUST MAKE CLEAR IS NOT ONLY MADE AS
CHAIRMAN OF THE BOARD OF THE ASSOCIATION OF VILLAGE

COUNCIL PRESIDENTS, BUT IT REFLECTS THE VIEWS OF
OTHER CONCERNED CITIZENS AND ORGANIZATIONS WHO HAVE
SPENT CONSIDERABLE HOURS IN ANALYZING THESE BILLS.

FIRST, THOSE OF US IN THIS REGION WOULD LIKE TO IMPRESS
ON THE LEGISLATURE SEVERAL POINTS:

1. WE CONSIDER THE ISSUES RAISED BY SENATE BILL 348
TO SENATE BILL 354 TO BE OF PARAMOUNT IMPORTANCE
TO OURSELVES AND OUR CHILDREN AND WE CONSIDER THIS
QUESTION OF GOVERNMENT TO BE THE SINGLE MOST IMPORTANT
ISSUE WE WILL BE ADDRESSING IN THE 1980'S.
2. WE ARE DETERMINED TO RESOLVE THIS ISSUE BY 1983. IF
THE OPPORTUNITY IS GIVEN TO US.
3. THE BILLS BEING PROPOSED ARE AN EXCELLENT STARTING
POINT BUT PREMATURE IN THAT NO SERIOUS STUDIES HAVE
BEEN MADE BY THE PEOPLE OF THIS REGION ON THE ISSUE
THEREBY MAKING ACCEPTANCE OR REJECTION OF THE
CONCEPTS PROPOSED IMPOSSIBLE.

AFTER CURSORY ANALYSIS OF THE PROPOSED BILLS, THESE ARE OUR VIEWS
ON EACH:

1. SENATE BILL 348 IS NOT AN ANSWER TO LOCAL GOVERNMENT
IN RURAL ALASKA AS IT SIMPLY CUTS THE EXISTING UN-
ORGANIZED BOROUGH INTO ADMINISTRATIVE UNITS WITHOUT
PROVIDING FOR LEGISLATIVE AND ENFORCEMENT POWERS BY
RURAL ALASKANS. IN ESSENCE THIS BILL WOULD MERELY
EXTEND THE GOVERNOR'S PLANNING POWERS TO THE LOCAL
LEVEL, WHICH IS IN ITSELF A GOOD IDEA, BUT DOES NOT
REQUIRE HARD AND FAST BOUNDARIES AS PROPOSED. THIS
BILL MERELY FORMALIZES THE "ADVISOR" ROLE RURAL ALASKANS
HAVE BEEN PLAYING FOR OVER 20 YEARS. WE FIND HOWEVER
THAT THE CONCEPT ALLOWING FOR AN UNORGANIZED BOROUGH
TO INCORPORATE INTO A HOME RULE BOROUGH A GOOD ONE AND
ARE SUPPORTIVE OF THE CONCEPT. WE FEEL STRONGLY HOW-
EVER THIS LEGISLATION IS PREMATURE AS IT IS NOT BASED
ON FACTS VERIFIABLE BY EXPERIENCE OR SERIOUS STUDY,
AND AS SUCH SHOULD NOT BE PASSED BY THE LEGISLATURE.

2. SENATE BILL 348 HAS IN IT CERTAIN DESIRABLE ELEMENTS IF WE COULD STAY AWAY FROM SENATE BILL 348 AND THE BOUNDARIES IT PURPORTS TO CREATE. THIS BILL WOULD BE ACCEPTABLE IF THE PRINCIPLE OF LOCAL SELF-DETERMINATION IS RESPECTED AND IT WILL NOT BE IF A CONTRACTOR WERE HIRED BY THE COMMISSIONER AND RESPONSIBLE TO HIM TO DETERMINE THE ISSUE WITHOUT THE ACTUAL INVOLVEMENT OF THE LOCAL ELECTORATE. WHAT WE FIND DESIRABLE HOWEVER IS THE LEGISLATURE APPROPRIATING FUNDS TO REGIONAL ORGANIZATION FOR PURPOSES OF STUDY AND PLANNING, BUT SB 349 IS NOT ACCEPTABLE AS PRESENTLY DRAFTED AS IT GIVES TO A CONTRACTOR DECISIONS THAT ARE, AND MUST BE, RESERVED FOR THE LOCAL PEOPLE.
3. SB 350 GIVES TO THE GOVERNOR DECISIONS WHICH SHOULD BE MADE BY THE ELECTORATE AND RECIPIENTS OF STATE SERVICES. THE GOVERNOR CANNOT EVALUATE HIS OWN PERFORMANCE. WE RECOMMEND NO PASSAGE.
4. SB 351 IS ACCEPTABLE AND DESIRABLE AS THE AID PROPOSED IS NEEDED BY RURAL MUNICIPAL GOVERNMENT.
5. SB 352 IS AN EXCELLENT HOUSEKEEPING TOOL FOR THE LEGISLATURE AS LONG AS IT DOES NOT ELEVATE MONETARY CONSIDERATIONS ABOVE HUMAN NEEDS AND AS LONG AS THE LEGISLATURE DOES NOT ALLOW MONEY TO FOREGO ITS CONSTITUTIONAL RESPONSIBILITIES.
6. SB 353 IS AN ACCEPTABLE BILL AS LONG AS IT INCLUDES SECOND CLASS CITIES.
7. SB 354 IS ACCEPTABLE.

IN CLOSING, THOSE OF US IN THIS REGION WOULD LIKE TO REITERATE TO THE MEMBERS OF THE COMMITTEE THAT THE BILLS DEALING WITH THE UNORGANIZED BOROUGH ARE ALL PREMATURE AS WE ALL, INCLUDING THE LEGISLATURE, DO NOT KNOW WHAT WE ARE TALKING ABOUT. WE ALL HAVE NO BASIS TO SUPPORT THESE BILLS AS WE HAVE NOT DETERMINED FOR OURSELVES AS VOTERS AND RESIDENTS OF THIS AREA OF 56 VILLAGES, AS TO WHAT IT IS WE WOULD LIKE TO DO BECAUSE WE HAVE NOT STUDIED THE ISSUE, NOR HAVE WE CONSULTED WITH OUR VILLAGES. WE ALSO CANNOT RULE OUT INCORPORATING INTO MUNICIPAL GOVERNMENTS UNDER EXISTING LAWS SIMPLY BECAUSE WE HAVE NOT SERIOUSLY STUDIED THE ISSUE.

WE FEEL THAT UNTIL WE HAVE STUDIED THIS ISSUE THAT THE STATE
LEGISLATURE SHOULD NOT PRE-EMPT OUR RIGHTS TO SELF-DETERMINATION,
THE VERY REASON WHY WE HAVE LOCAL GOVERNMENTS. WHAT WE WOULD
LIKE THE LEGISLATURE TO DO IS TO PROVIDE FUNDS FOR US TO
STUDY OUR OPTIONS AND PROVIDING AN EFFECTIVE DATE AS TO OUR
DECISION. WE SHOULD AT LEAST BE GIVEN THIS OPPORTUNITY. AT
PRESENT WE ALL DO NOT KNOW WHAT WE ARE TALKING ABOUT, AND
FOR WE AND THE LEGISLATURE TO MAKE DECISIONS AT THIS TIME
WOULD BE IRRESPONSIBLE. WE ALSO HAVE A RESPONSIBILITY TO
OUR VILLAGE PEOPLE WHO TODAY DO NOT EVEN KNOW WHAT WE ARE
TALKING ABOUT. GIVE US MONEY TO INFORM THEM OF THEIR OPTIONS
AND THIS ARGUMENT WILL NO LONGER HOLD WATER. THEN AND ONLY
THEN CAN WE MAKE OUR DECISION, AND WE WILL.

Bill No. HB 580 (SB 349)

Date February 4, 1980

Title An Act Establishing Unorganized Boroughs...

Contact: Judy DuBois
John Post

The Department of Labor finds no fault with the purpose of this bill. Section 2 provides for the establishment of unorganized boroughs within the geographical boundaries of the rural educational attendance areas (REAs) and the adjustment of their boundaries. The bill also requires the collection of data and information about state programs with reference to a set of boundaries adopted for use by all state agencies. (Section 3). Included is a section that authorizes the adoption of home rule charters by unorganized boroughs. (Section 4).

Currently all areas of the state not part of an organized borough are classified as a single unorganized borough. Essentially this bill allows for the subdivision of this single unorganized borough into several unorganized boroughs with the option of becoming incorporated home rule boroughs.

The area of immediate interest to the Department is Section 3, which amends AS 44.17. When combined with the Provisions of Section 2 where the Commissioner of C&RA may establish/adjust the boundaries of unorganized boroughs, the bill has the potential of disrupting critical data collection and analysis. This is not only a matter of potential file revision and duplication at great cost, but also a matter of potential invalidation of or rendering useless time series of data which are key elements in any serious evaluation or planning effort. The bill, if adopted would have serious implications for the Department.

The Department of Labor (Research & Analysis) collects and disseminates data in a geographical format based on census divisions. The boundaries for the census divisions evolved from election district boundaries and the boundaries of organized boroughs. The census areas have been reclassified for the 1980 census in a plan that treats the unorganized borough similar to that described in this bill. Each organized borough in the state will coincide with a census area while the remaining sections of the state are divided into areas and subareas based on Native corporation boundaries and REAs. This plan was adopted by the Governor's Committee on the census in conjunction with the U.S. Census Bureau. The census area concept geographically divides the state into 23 major areas and 24 subareas. Certain data collected by the Department of Labor which is required and funded by federal agencies must be transmitted to those agencies in the census area format, i.e., ES-202 employment and earnings employer reports, labor force estimates, population figures, and others. The impact of this bill on the department would be substantial. Adoption of a new geographical classification scheme would alter the census area agreement between the Governor's Census Committee and the U.S. Census Bureau. It would be necessary to convert the geographical coding of 10,000 employer files, 50,000 UI claimant files and upwards of 60,000 job applicant files.

At a minimum, an amendment to Section 2 emphasizing correlation of boundaries with the latest Census areas and subareas (or divisions), is essential to good planning and administration over time; or an amendment to Section 3 allowing census area or subarea information (aggregated to approximate unorganized/organized boroughs) to be sufficient for reporting requirements.

POSITION PAPER/Department of Labor

Present: Co-Chairmen Senator Arliss Sturgulewski and Representative Bill Parker
Senator Terry Stimson, Repre. M. Branson, Sen. T. Kelly and Sen. B. Mulcahy

Anchorage/ Sig Strandberg, Local Boundary Commission

I have a few general comments on the House Bills 580-586. The Local Boundary Commission just received these bills through the mail so we haven't had an opportunity to meet and formulate any consensus of opinions, but I'll suggest a few comments that I think will general position of the Boundary Commission and rather than separate my own opinions from those. HB 580 relating to the establishment of organized boroughs. I think this is a bill long overdue and I think the Boundary Commission itself would indicate that point of view. Obviously the purpose seems to be several fold, as to the conforming of the State (budget?) as to the various regions of the State, I think all of us applaud the attempt to try and get a better system as to where the State dollars are going and for what particular purpose. The Local Boundary Commission introduction in to the scheme of things, according to this bill, I think does occur at the proper point, where the unorganized boroughs seem to incorporate as municipalities. I'll look through my notes here real quick. I think I should perhaps limit the Boundary Commission's comments to those I've just given on that particular bill. We, of course, don't have any comments on HB 581, relating to the Division of Policy, Development and Planning, Office of the Governor. My own comment on that is that it certainly does tie in very well with HB 580. HB 582, ^{an act} establishing ^a program for planning assistance, an excellent bill, and I think the Boundary Commission would agree to that. IF there is one thing that we haven't accumulated over the years that we have had our organized boroughs, it's information from areas beyond the Fairbanks, Anchorage, and Southeastern urbanized areas. My own comment accumulating information through planning studies is that if you are ever going to determine the economic viability of an organized local government, in a given rural

(2)

area, I think on a Statewide basis, we ought to move ahead to map (mass?) the unorganized borough areas as to the location of an ownership of parcels of private property. I think that this is the necessary precedent to ... activities that addresses the formation of organized boroughs. That is, the unorganized boroughs established by HB 580. This program ought to be started immediately because it is going to take a long time, once boroughs are formed out in the more rural areas we will know what the tax base is. I think we all realize it is limited. A lot of communities are living hand-to-mouth so to speak, and can't afford a large mill rate, but the purpose is to identify how narrow that tax base is out there so that the State can possibly formulate legislation to help support the purpose of local government in these areas. HB 583, State aid to local governments, \$25,000 adjusted to cost of living differential certainly will come in handy ^{to} for all local governments who are weathering heavy inflation and I think that \$25,000 will be well received. HB 584, an act eliminating 3rd Class Boroughs, looking back over the past decade, I believe we had one 3rd Class Borough that was formed as a result of the 3rd class borough legislation of, I believe, 1968. There have been no other takers. It's a very narrow constitutional form of local government in this State, and I think that its elimination probably is in our best interest in order that we have a system of local government that encourages a planning on a regional basis. I think that the Boundary Commission would share that point of view. HB 585, incorporation of second class boroughs as Home Rule

RF-49 → Boroughs, I have got to think about this one for awhile, and I think the Boundary Commission would like to consider that before making any formal comment. HB 586, an act requiring fiscal notes. This is a piece of legislation that is long overdue as well, and it ties into the fiscal needs of rural areas, where they might want to incorporate as an organized borough. Obviously, within a narrow tax base, if a responsibility is thrust upon them that they cannot fund, we could have some serious problems unless we

3
are aware the Executive Branch and the Legislative Branch is aware of ahead of time of the cost implications.

Soldotna, Borough Mayor Don Gilman, Kenai Peninsula Borough

Good afternoon, Madam Chairman. I have the bills of the Senate version of the bills, so I'll be referring to the Senate numbers, and try to keep them in numerical sequence. SB 348, while it does not have much to do with the second class borough, which we are, you know, I would like to make some comments that deal with the service area, or special area concept. Having had some experience in the Kenai, with overlapping and proliferation of service areas, there are some built in preps that people can get into. And Senator, as you know, in the Alaska Coastal Management Act, there are special areas called Coastal Resource Districts, which are now under way and being formed by the vote of the people in those areas, and they are not necessarily, or would they become co-terminus with an REAA as this would indicate here, as one of the potentials? I feel that there should be some way built into SB 348 that Coastal Resource Districts should become a part of this bill, so that we don't end up down on the line someplace with 2 or 3 overlapping districts. If you could have, for instance, a planning area as you have defined here that is not necessarily the same size as an REAA, and you could also have a narrower coastal district, which might end up with 3 overlapping districts with 3 different boards and it will do nothing but complicate the issue. I don't have any specific suggestions of how that's done, but I think it is something that needs to be looked at. Other than that, I would just like to remark that if the unorganized boroughs go along the REAA lines, it is interesting to note that the only difference, and the only ingredient left out between the second class boroughs and these unorganized boroughs is the subject of investment? and collection of taxes. As you know, the 3 powers of the second class boroughs mandated to per-

4
form is education, planning and taxation. That would be all the comments I would have on both SB 348 and 349. Unless there are questions, I would go to areas.

Sen. Sturgulewski.

Mr. Mayor, I would like to make a comment. You raised a very good point regarding, we don't want to create legislation that in turn causes for boundaries that are not co-terminus and one of the things that we have noted and there will be a Committee Substitute on it, the, there is no mechanism for boundary adjustments in the coastal district plan and in the REAA, and so we will be addressing just what you are talking about, because there are some from testimony received apparently some of the REAA's would need perhaps some minor adjustment in boundaries. And the issue has been raised by Senator Mulcahy, and others, so we will be modifying that language to speak to that issue and I do not have a specific answer for you right now, but I do appreciate that.

Mayor Gilman

Thank you. Anything I can do as Chairman of the Coastal Policy Council, please feel free to call on me. Again, not that I have any grand design for how it should work. Next, SB 350, we really have no comment on and we think that's an internal process between the Legislature and the Governor's Office. In SB 351, as we read it, the \$25,000 would be an additional to all cities and boroughs regardless of what the class is, and we thank you for that kind thought and additional money, and we would not be opposed to that at all. We are strongly in favor of SB 352. Not that that concept hasn't been rolling around for some time, this really does strengthen it, and of course both the local municipalities and the Legislature are always concerned about actions which may crop up, or cause problems at the local level and not only problems, but money? problems

(5)

where there is, certain legislation would pass on to the local government fiscal responsibilities that we really are not aware of, so we are strongly in favor of SB 352. SB 353, I don't think, there will be some time before the Kenai Borough, a second-class borough would be considered ... as a Home Rule municipality, but we are in favor of that, because it just gives us just that many more options in terms of expense and municipal services or expenses? as they are needed. SB 354, elimination of the 3rd class borough, we have no official position on this because there is ... at this point. In fact there is a movement led by one assemblyman to place on the ballot, the question of whether the Kenai Peninsula would become a 3rd Class Borough. For your information, that's primarily viewed with problems that crop up with planning and zoning authorities and the issue of who controls what, between the assembly and the school board. The one factor that seems to be a major consideration in the 3rd class status ^{if it were} to be placed before the voters, is, of course, in question, that the Alaska Division of Lands becomes the planning authority and basically can enact building ordinances in what is now what ~~is~~ called the 3rd class borough, and that of course, people who land in the 2nd class borough don't relish the idea of working with the Division of Lands as a planning authority. And that basically are our comments on these series of bills.

Kotzebue/ Pam Herman from Manuluk

Good afternoon. My name is Pam Herman. I am a planner with the Maneeluk manpower which is the employment and training arm of the Maneeluk Association. I am mostly to offer testimony in support of SB 351, which provides a basic entitlement to 2nd Class city in our region. We have 11 2nd class cities incorporated in this region. Our CETA program has about \$1 million this year and that's about a 50% cut from last years level of \$2 million.. With that ^{Funding} ~~money~~, we operate

(b)

a city administrator, a city clerk employment training program. The reason that we are supporting SB 351, is reaction to pretty much of a crisis situation that exists in the villages right now. The City Administrator-City Clerks of this region are responsible under the direction of their City Council for operating municipal electric utilities, sewer and water facilities, 2 or more public buildings in each village, roads, trails and airport runways. They are responsible for providing 24 hours a day law enforcement, many of the villages have jails, recreation programs and they also have special funding capital projects, like REAA, RDA, Public Health Service. In addition to that, they have CETA funds to manage, and they get funds from .. and sales tax. State Federal revenue sharing money that the villages have been receiving generally go to pay fuel bills to keep the public buildings from freezing up in the winter time and for other basic costs not usually including personnel costs. Almost all of the village employees in this region are, not counting Kotzebue, are funded through CETA, either by Muneekluk Manpower, or from the Division of Community and Regional Affairs in Nome. This is despite the fact that CETA funds are not intended to provide basic support in municipalities. It is very clear in the CETA legislation that is not an appropriate use of the money. A fluctuating funding level with CETA is subject to, or partly designed specifically to preclude dependents on CETA funds for the operation of basic municipal services. About the most that any municipality in this region receives of St-Fed. revenue sharing is about \$12-15,000 a year, and that's for the larger villages, so there is no way they pick up those personnel costs on their revenue sharing We have about 65 employees in the villages, to give you an idea of the number, earning between \$10-\$12,000 a year salaries, which by the way, is just about enough to support someone living a subsistence lifestyle that is, someone who spends a great deal of their time out gathering food. The \$10,000 income in villages is really insufficient to buy their own, because of the cost of living out there. The \$12,000 a year that the City Administrators

Fuel

7

receive, pays them for operating municipalities that provide all of these services, with as many as 8 different funding sources. These willing and able, but basically untrained personnel are expected to manage all of these operations and comply with all the various funding requirements of these different agencies, different recording procedures and application procedures. In addition, to that the length of time CETA allows that person to participate in only 18 months, so that by the time someone has finally learned how to do all these things, they are no longer eligible for CETA, and they have to find another City Administrator to take over and start from the ground up again. For this reason, we are strongly in support of any kind of basic entitlement that would provide the villages with enough of a budget so that they hire trained personnel, or provide their current personnel, with adequate training to do an efficient job of operating a village. I think that most people in the states should realize that the well-being of the entire State of Alaska is very dependent on the well-being of the rural residents. It's when things get bad in the villages, they are going to be reflected in a lot of.. urban areas, a lot social problems that don't have to be the case, if we just have an adequate municipal system set up in the region and bush. For that reason, we are in support of SB 351, although we would like to see a larger amount of money made available; but this is at least a start. Thank you for this opportunity.

Bethel/ Edward Hoffman? Sr.

Here is my statement. My name is Edward Hoffman, Sr.. (See written testimony)

One last question - I don't what you to get the best? of us in our region, that's why we had this statement prepared for you. Or, otherwise, you are doing a good job.

WE FEEL THAT UNTIL WE HAVE STUDIED THIS ISSUE THAT THE STATE LEGISLATURE SHOULD NOT PRE-EMPT OUR RIGHTS TO SELF-DETERMINATION, THE VERY REASON WHY WE HAVE LOCAL GOVERNMENTS. WHAT WE WOULD LIKE THE LEGISLATURE TO DO IS TO PROVIDE FUNDS FOR US TO STUDY OUR OPTIONS AND PROVIDING AN EFFECTIVE DATE AS TO OUR DECISION. WE SHOULD AT LEAST BE GIVEN THIS OPPORTUNITY. AT PRESENT WE ALL DO NOT KNOW WHAT WE ARE TALKING ABOUT, AND FOR WE AND THE LEGISLATURE TO MAKE DECISIONS AT THIS TIME WOULD BE IRRESPONSIBLE. WE ALSO HAVE A RESPONSIBILITY TO OUR VILLAGE PEOPLE WHO TODAY DO NOT EVEN KNOW WHAT WE ARE TALKING ABOUT. GIVE US MONEY TO INFORM THEM OF THEIR OPTIONS AND THIS ARGUMENT WILL NO LONGER HOLD WATER. THEN AND ONLY THEN CAN WE MAKE OUR DECISION, AND WE WILL.

- 2. SENATE BILL 348 HAS IN IT CERTAIN DESIRABLE ELEMENTS IF WE COULD STAY AWAY FROM SENATE BILL 348 AND THE BOUNDARIES IT PURPORTS TO CREATE. THIS BILL WOULD BE ACCEPTABLE IF THE PRINCIPLE OF LOCAL SELF-DETERMINATION IS RESPECTED AND IT WILL NOT BE IF A CONTRACTOR WERE HIRED BY THE COMMISSIONER AND RESPONSIBLE TO HIM TO DETERMINE THE ISSUE WITHOUT THE ACTUAL INVOLVEMENT OF THE LOCAL ELECTORATE. WHAT WE FIND DESIRABLE HOWEVER IS THE LEGISLATURE APPROPRIATING FUNDS TO REGIONAL ORGANIZATION FOR PURPOSES OF STUDY AND PLANNING, BUT SB 349 IS NOT ACCEPTABLE AS PRESENTLY DRAFTED AS IT GIVES TO A CONTRACTOR DECISIONS THAT ARE, AND MUST BE, RESERVED FOR THE LOCAL PEOPLE.
- 3. SB 350 GIVES TO THE GOVERNOR DECISIONS WHICH SHOULD BE MADE BY THE ELECTORATE AND RECIPIENTS OF STATE SERVICES. THE GOVERNOR CANNOT EVALUATE HIS OWN PERFORMANCE. WE RECOMMEND NO PASSAGE.
- 4. SB 351 IS ACCEPTABLE AND DESIRABLE AS THE AID PROPOSED IS NEEDED BY RURAL MUNICIPAL GOVERNMENT.
- 5. SB 352 IS AN EXCELLENT HOUSEKEEPING TOOL FOR THE LEGISLATURE AS LONG AS IT DOES NOT ELEVATE MONETARY CONSIDERATIONS ABOVE HUMAN NEEDS AND AS LONG AS THE LEGISLATURE DOES NOT ALLOW MONEY TO FOREGO ITS CONSTITUTIONAL RESPONSIBILITIES.
- 6. SB 353 IS AN ACCEPTABLE BILL AS LONG AS IT INCLUDES SECOND CLASS CITIES.
- 7. SB 354 IS ACCEPTABLE.

IN CLOSING, THOSE OF US IN THIS REGION WOULD LIKE TO REITERATE TO THE MEMBERS OF THE COMMITTEE THAT THE BILLS DEALING WITH THE UNORGANIZED BOROUGH ARE ALL PREMATURE AS WE ALL, INCLUDING THE LEGISLATURE, DO NOT KNOW WHAT WE ARE TALKING ABOUT. WE ALL HAVE NO BASIS TO SUPPORT THESE BILLS AS WE HAVE NOT DETERMINED FOR OURSELVES AS VOTERS AND RESIDENTS OF THIS AREA OF 56 VILLAGES, AS TO WHAT IT IS WE WOULD LIKE TO DO BECAUSE WE HAVE NOT STUDIED THE ISSUE, NOR HAVE WE CONSULTED WITH OUR VILLAGES. WE ALSO CANNOT RULE OUT INCORPORATING INTO MUNICIPAL GOVERNMENTS UNDER EXISTING LAWS SIMPLY BECAUSE WE HAVE NOT SERIOUSLY STUDIED THE ISSUE.

EDWARD HOFFMAN'S STATEMENT ON PROPOSED LEGISLATION ON
THE UN-ORGANIZED BOROUGH

THIS STATEMENT I MUST MAKE CLEAR IS NOT ONLY MINE AS CHAIRMAN OF THE BOARD OF THE ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, BUT IT REFLECTS THE VIEWS OF OTHER CONCERNED CITIZENS AND ORGANIZATIONS WHO HAVE SPENT CONSIDERABLE HOURS IN ANALYZING THESE BILLS.

FIRST, THOSE OF US IN THIS REGION WOULD LIKE TO IMPRESS ON THE LEGISLATURE SEVERAL POINTS:

1. WE CONSIDER THE ISSUES RAISED BY SENATE BILL 348 TO SENATE BILL 354 TO BE OF PARAMOUNT IMPORTANCE TO OURSELVES AND OUR CHILDREN AND WE CONSIDER THIS QUESTION OF GOVERNMENT TO BE THE SINGLE MOST IMPORTANT ISSUE WE WILL BE ADDRESSING IN THE 1980'S.
2. WE ARE DETERMINED TO RESOLVE THIS ISSUE BY 1983. IF THE OPPORTUNITY IS GIVEN TO US.
3. THE BILLS BEING PROPOSED ARE AN EXCELLENT STARTING POINT BUT PREMATURE IN THAT NO SERIOUS STUDIES HAVE BEEN MADE BY THE PEOPLE OF THIS REGION ON THE ISSUE THEREBY MAKING ACCEPTANCE OR REJECTION OF THE CONCEPTS PROPOSED IMPOSSIBLE.

AFTER CURSORY ANALYSIS OF THE PROPOSED BILLS, THESE ARE OUR VIEWS ON EACH:

1. SENATE BILL 348 IS NOT AN ANSWER TO LOCAL GOVERNMENT IN RURAL ALASKA AS IT SIMPLY CUTS THE EXISTING UN-ORGANIZED BOROUGH INTO ADMINISTRATIVE UNITS WITHOUT PROVIDING FOR LEGISLATIVE AND ENFORCEMENT POWERS BY RURAL ALASKANS. IN ESSENCE THIS BILL WOULD MERELY EXTEND THE GOVERNOR'S PLANNING POWERS TO THE LOCAL LEVEL, WHICH IS IN ITSELF A GOOD IDEA, BUT DOES NOT REQUIRE HARD AND FAST BOUNDARIES AS PROPOSED. THIS BILL MERELY FORMALIZES THE "ADVISOR" ROLE RURAL ALASKANS HAVE BEEN PLAYING FOR OVER 20 YEARS. WE FIND HOWEVER THAT THE CONCEPT ALLOWING FOR AN UNORGANIZED BOROUGH TO INCORPORATE INTO A HOME RULE BOROUGH A GOOD ONE AND ARE SUPPORTIVE OF THE CONCEPT. WE FEEL STRONGLY HOWEVER THIS LEGISLATION IS PREMATURE AS IT IS NOT BASED ON FACTS VERIFIABLE BY EXPERIENCE OR SERIOUS STUDY, AND AS SUCH SHOULD NOT BE PASSED BY THE LEGISLATURE.

4
352
Aug 22-25

Fairbanks/ Chris Anderson

My name is Chris Anderson, I am representing Tanana Chiefs Conference and would like to take this opportunity to thank you for the time that you have here, to look over these 6 or 12 bills that are before your Jt. Committee. I have prepared before me right now. I hope to rush through and following this hopefully, if there is time enough for Ray Kent and Williams to expand from the same organization, would like to expand upon the general ideas that I have from the prepared statement. The issues of local government in rural Alaska are complexed. The Jt. Senate=House Community & Regional Affairs Committee has made an admirable attempt to deal with this issue. HB 580-586 and SB 348-354 represent the colination of this groups remarkable effort to solcite the input of rural Alaska residents. We support the basic concepts of this legislation. For example, SB 348, or HB 580, prior State agencies utilized standardized service districts based on the Native regional coordination boundaries. Basic concept is crucial for effective delivery of State services. Often village projects require a high degree of intergrated coordination. When these agencies nave different service centers, it is possible to achieve this needed coordination. It is, therefore, quite clear that standardized boundaries are necessary. But mere standarization of boundaries ~~does not~~ ~~guarantee~~ agency service district boundaries does not guarantee that the agency will be more responsive to local desires and needs. In the past we have proposed home rule unorganized boroughs. It is a concept designed to implement the Constitutional mandates that the Legislature "shall provide for the performance of services deemed necessary or advisable in unorganized boroughs, along with maximum local participation or responsibilities." ... possible to create a home rule unorganized borough by adopting home rule charters, creating

46

46

assemblies, the unorganized boroughs, would in effect be organized. This is unacceptable simply because the unorganized boroughs, which are by-passed by pipeline development generally fail to meet borough incorporation standards. This concept seems impossible to fully implement the Constitutional mandate for the local participation in the local government for the unorganized borough. We believe, however, that the Alaska State Constitution can easily solve the problem it creates. Specifically, Art. 10 thru 13 along as the State and the local government ... contacts, or agreements, or joint administration of ... and power. We wish to propose that the bill be amended to explicitly to allow the creation of consortium² of local government on a regional basis within the unorganized borough. The consortium would do 2 things. First, they would provide some coordinated administration of local government by studying costs and sharing staff, the consortium would provide effective local government, or the ... government that exists now cannot operate. Secondly, the consortium that address regional concerns, provide a form for expending^{MISSING} those concerns and advise state agencies on a regional needs and desires. Consortium method would operate through existing local government and ^M increase local action of state agencies. Rather than increase new layers of government, which we observed.... Often local governments and state agencies are not coordinated. Most notably, State land disposal involves State law generally favors local control, or at least local input in the organized areas of the State. The unorganized areas of the State, however, State agencies seem to .. This exists in spite of the constitutional problem of maximize[?] local participation. The proposed bill fails to change the situation in the unorganized borough. We, therefore, move that some mechanism be inserted into the bill to provide for subsequent participation. Three alternatives exist. 1. An administrative restraint may be placed on the agency's action. Specifically, consortiums agree to agency actions and plans within the region. Asking such content basically would have to show in a locally or mutual administrative hearing

that action represented is in the best interest of the State, requires the ...

The second alternative would be a planning restraint on the agency. The consortiums would produce regional plans (for which the agency would comply?) Absent compliants, the agencies must get a waiver from the consortium, or create local neutral hearings. Thirdly, a political mechanism would be established. State law could require issues to have local plans actions approved by the local hearing officer, and he will hear it, to allow consortiums and residents the opportunity to have input, hopefully influence agency action in the area. These proposals would certainly improve local participation to the

45) unorganized borough, but the ultimate goal is maximize local participation for this means borough incorporation. As we noted above, incorporation is not possible for an area that does not meet incorporation standards. This does not mean, however, that the local governments can increase their involvement to service delivery. We, therefore, propose that the bills be amended to eventually allow the consortium to directly contact state services on a regionalized and areawide basis. Prior to this contact, the consortium would be required to undergo a planning process, much like that proposed in HB 582, or SB 350. The plan would have to 1) analysis the feasibility of rural incorporation versus the consortium contacting 2) make recommendations concerning incorporation, or in the alternative 3) assess base service delivery and make recommendations for possible future consortium concept. During the interim period, the proposed base level revenue sharing is 25,000 per community should be authorized. This constitutes state moeny for a consortium, for the borough, for consortium preparing for either the contracting or incorporation; but the consortium contact, under legislative scrutiny would provide an effective alternative for incorporation for those areas which fail to meet incorporation standards. It should be the Legislature's responsibility to recognize the service delivery in the unorganized borough. Finally, it would allow maximum

local participation in such service deliveries, as required by the Constitution. There is no reason why proposed consortiums cannot also involve communities having traditional or reorganized state government. Most of these communities predominantly ... Native communities, and as such the Native government is truly represented. Included in the .. governments additional..... by the local government. Additionally we will provide a mechanism whereby the villages, state directly coordinate and complement their respective programs. Similiarly there is no reason these communities should not participate base level community revenue sharing. The theory of revenue sharing is to ^{de} increase the municipal dependents on local taxation. The central government collects taxes, and redistributes taxes to local government. Individuals living in the unorganized borough communities or equally state taxes, yet the government is not eligible for state revenue sharing. Finally, if revenue sharing is ... consortium on a contracting of a corporation operation, the communities cooperation and involvement will be necessary in order to on an areawide basis. Thank you.

Billingsham

SIDE TWO // TAPE 1.

Nome/ Bob Blodgett, Teller

Thank you very much, Sen. Sturgulewski. I just returned from a lengthy visit down in the developed areas of the North American Continent, and I only have had a brief time to browse through the legislation, HB 580-586. While I am not totally negative to this legislation, I am a long ways to being positive. I feel that the timing for introducing this legislation is awkward, in that this legislative session will sine die and there will be a new Legislature next year. Therefore, there will not be any opportunity for this legislation to be carried over legislation, which will deny us, the birds in the bush that are affected by this legislation an opportunity to study it in depth and in length and hold community meetings throughout the unorganized borough area,

44-

or within the REAA areas, if you may. Now the least government, is the best government. Now in this area, borough government, at this time, is a way of government that this bush area can ill afford. We don't have an economic base at this time to support it. Now on other hand, perhaps other bush areas, organized within the REAA, may have a viable economic base that can adapt itself to borough government. It would be an initial unorganized borough status based on the REAA boundary system. I feel, however, that the maxivilian? philosophy to divide and conquer is being thrust upon us by establishing unorganized borough areas in the 21 REAAs. These are small unorganized borough areas cannot draw any more water than political cow tows? in a broken pump. I envision, and another approach to my envision, a large borough embracing the area from the Canadian border westward including St. Lawrence Is. northward from the south bank of the Yukon River to the Beaufort Sea. I have no obversion to having borough assemblymen elected from communities throughout this vast area, represent me. We have some extremely competent people spread out through this area that could do a very fine job. We don't have the economic base otherwise, after all 70% of the revenues of the State, are generated from Prudhoe Bay, and then when the JUT CC? comes on and the North Basin comes on and the bottom fishery comes on, well then that economic base will be stretched further out, and then at some later date, afford us the opportunity to further the luxury of this additional way of government. I have no quarrel with our State Legislature serving as our borough assembly as provided by the Constitution. This borough government can hopefully divest many of the village corporations of their land. If the people are willing to borough, organized borough government, as a result of the establishment of the unorganized boroughs, then this whole thing is really going to make a big fat picnic for the professional planner. The contract planner that lives in the urban areas, that knows as much about us out here, as we know about them in their lifestyle. Twenty years after conveyance of D-2 Title lands to our village corporations, then these key title lands can

become subject to taxation and the deep sea² title lands have not been developed so that they bring a monetary return in paying those taxes, then the taxes are in default and the land will be taken away from our people. I object to paving the way to do that yet. We are having a lot of growing pains out here, learning how to function and people are having problems right now functioning village corporations. A number of our regional corporations have got problems, village corporations and regional corporations are working very diligently to overcome their problems, and I think that this would be another stumbling block in our way to divert the people's time away from addressing the problems already concerned with. Now as far as the REAA, who school boards go, the REAA school boards I recognize, I am very aware basically presently and am now serving as member after sitting on the sidelines and watching it for 3 years. The school boards are knocking their hearts out to develop a strong viable educational program to fulfill the needs of our people in their respective areas. There are too many legislators from the urban areas today, who do not know about rural Alaska. And I am not condemning them for this, not at all. On the other hand, we have legislators from rural areas that don't know what they really need to know about the metropolitan areas of the state. So, therefore, I feel that very strong alliance does not have to be placed in the rationale and the rural legislators, and we have very good rural legislators. They are getting . to the people. If they are not, we'd get rid of them. They wouldn't be there. I was there one time, and I'm gone. Maybe that tells you something. I don't know. Anyway, I urge you folks to give us an opportunity to study this intent, particularly in our communities, and evaluate and get some input back to you from the grass roots where the people will be affected by this. I thank

Prudent
...think of

43

you for your courtesy and giving this opportunity to testify. I really urge that we be given the opportunity to participate in these teleconferences from the bush areas with telephone service so we don't have to spend \$34 to fly in

to testify and \$44 to fly back and spend a whole day, or get weathered in and spend several days in doing so, and I feel you get a broader input from more people out here in rural Alaska, that's very important. Thank you.

Juneau/ Mayor Hollowell? Haines

Thank you. I have a prepared statement which I will leave with you. I only have one copy. (See Statement)

Anchorage/ Liza Rudd

Thank you very much Madam Chair. Good Afternoon all of you. It's good ^{xo} talking to you. I want to begin first by expressing my pleasure that you have taken on this very difficult task of trying to deal with the development of local government in the rural areas, and express how impressed I am with what you have achieved. In general, I am very much in line with your thinking in all of the bills that have introduced only some comments possibly on .. and a few that you could call on nitpicking type comments, that I'd like to make as I go through the bills with you; but as I say, in general, I think it is very much in line with what is needed in the development of rural, local self-government. SB 348, I have a question, or comment that maybe there is no need for, but if you provide for unorganized boroughs to go directly to home rule status, does that mean that a home rule borough, incorporated under that provisions, does not have to provide any particular governmental service? In other words, it doesn't have to provide planning and zoning, or it doesn't have to provide education, it doesn't have.. itself, because of the provision of a home-rule boundary. Boroughs, of course, can do anything that is not forbidden by state government, so I'm wondering if that is your intention, it will be free to do anything not forbidden by State law, but doesn't have to provide any service at all?

Senator Sturgulewski

Liza, why don't you go ahead with your testimony and we'll do a little quick checking on it. That issue was raised and frankly just yesterday, and I haven't had time to research it, so if you'll continue on, I'll check and get back on that.

Liza, I'll raise some questions, but I don't expect

Liza Rudd- I'll raise some questions, but I don't expect answers because I know you've got lots of people and I just raise them so that you will aware and if you think they are worth looking into, then you go ahead, but I don't expect any answers to these questions. On Line 19 & 20 - SB 348 - the encouraging of the development of regional responsibilities of planning and implementation of these services, that seems to me to be ... for what you are really saying which is providing for these corporations of home rule boroughs by unorganized boroughs. And, I think if that's what you are really talking about, and it certainly is according to the title of your bill, then that's what you should say and in fact you should probably put it first rather than last under the pertinent section. On page 3, SB 348, Line 17, Sec. B, boundaries may be modified by the Legislature, the last sentence there the agency requesting modification of the boundaries shall submit to the Legislative Council - I wonder how this relates to the responsibilities of DPDP on the outline of SB 350, and whether or not this provision, in this bill might not be looked at as pat? by the Governor's Office. I wonder if the Governor's Office might not want agencies independently going to the Legislative Council and asking for suggested boundaries.

Sen. Sturgulewski. The answer is right. That issue has been raised and it will be addressed.

Lize Rudd - O.K. maybe I should just shut up. I think everybody's .., or has already thought of. ~~On page 5, (C), I'm wondering why you only~~

42 - already thought of. On page 5, (C), I'm wondering why you only provide for one shot at a charter, instead of two, as other boroughs have. You know, when we unified here, in Anchorage, each charter commission got a chance to write the charter once and then if defeated, write it again; and that's not provided under this method of incorporation, and maybe you've thought why, but I was just wondering why. On page 6, line 16, (B?) the word substantially, I don't know if that's usual, but it seems to me that the Lt. Governor should provide the elections in the manner provided in the election code, rather than substantially in ON line 26 there, the repealers, these 2 repealers refer to the powers of home rule boroughs and general .. municipalities, and I understand the reason for repealing it, but I think you still need it on, do you not the statement that a home rule municipality can perform any functions not forbidden by State law, and you also need a state law that says general long? municipality purposes provides purposes, provided under state law, and if you repeal those 2 sections without reinstating those statements, I think something is missing in the law. SB 349 - it seems to me again there is a mutual fear that maybe this Act should be named something like the assistant to the study of the feasibility of borough incorporation, rather than talking about planning assistance, because the minute I got down to the section dealing with regional management programs, I asked myself the question, who will manage what? It doesn't say. It just says for the purpose of preparing the management program for an unorganized borough, and it doesn't say who is going to manage it, or what they are going to manage, and so on. If you are talking about ^{Managing} adding the delivery of state services in the unorganized borough, that should be .. but it seems that is not what you are talking about, because when you get over later, you are talking about this contract, the only thing required of the contract, is the analysis and recommendation concerning the incorporation of a borough government. So that seems to be the real purpose of this bill, is to provide for assistance to groups in order to plan for the incorporation of a borough, and I think that should be

straight forwardly stated. Page 3, the provision under (H), that no more than \$25,000 per year, plus \$25 per capita .. under contract, I don't understand the reason for the limitation there. On SB 350, I have no particular comments. SB 351, I'm glad to see that - that's an idea that's been around the Legislature. As I recall, we added it to the revenue sharing bill ...Legislature...so am on to that idea. The fiscal note bill - no comments - it seems like a very good idea. SB 353, an act relating, pretty straight forward and goes along with all the rest, SB 354 - it seems to me on page 2, Section 6, provides - if Jack

Chenoweth is

Chenoweth

Chenoweth is there, he'll recognize my concern with the division of planning ... unorganized borough, I don't like the idea of ... It seems to me it provides disincentive to the incorporation of boroughs, as the Division of Lands provides that service anyway. So, I have that problem. I have always wanted to take ... In addition, I have a question as to whether or not this power by the Division of Lands, how it relates to the management plan that is going to be developed, and would it not be better if the Dept. C/RA ... involve managing and planning in the unorganized borough. Would it not be better, if any state agency must do planning and zoning, platting in the unorganized boroughs, should it not be done by the Dept. of C/RA, since they are going to be taking on, under your bill, some rather other heavy planning responsibilities in the unorganized borough. And the same goes for the planning and zoning powers that belongs to the Division of Lands. On the last page, 4, under repealers, section 29.080.040 J - relates to other 1st and 2nd class boroughs also, so possibly you shouldn't repeal it completely, I don't remember that section just now, so I don't recall my question, but I felt as though an outright repealer would do away with the provision that should be And while I was looking at the repealers, I noticed that in 38.050, 378 that you might want to include in these bills. And those are my comments on the specific bills. They seem to address some concerns. My

2 primary concerns have been first of all, that St. government has assumed more and more local government services, what are traditional ... unorganized borough, both in funding and deliveries, and the more this is done, the less you will find those areas are going to be wanting to establish their own boroughs and this leads to a great deal of dissatisfaction because ... and dependent And the other concern, is of course the reluctant to assume the financial responsibilities for local government, and I would like to see you address that somehow, by possibly putting in somewhere that when a tax base of an area reaches a certain level, that that area must assume a certain level of financial responsibilities, for the delivery of local government... for that area, I think that sounds rather cold hearted, but I don't think there is ever going to be a willingness to assume that financial burden unless it's made clear in the State law that the state expects areas to assume as much of the management responsibility as they can. Of course, in order to that we must identify with the tax base in the unorganized borough, and I think that is vital, aside from any other work that might be done in development of local government, even if we should do none

Senator Kelly Liza, could you identify that ^{last} provision you are talking about please? You really struck a chord here, with me in any case.

Lize Rudd

You mean about assuming responsibility? Well, it's not in any of your bills, it's a concern that I have, but, there is not, there is a pretty reluctant, ~~perfectly~~ perfectly understandable on the part of the people who are already receiving what are traditionally local government services from the State. And there are many areas in the unorganized borough that are receiving what are traditionally

40?

local government services from the state, and of course, they are receiving them "free", that is they are using state money rather than local money to pay for it, so those areas it seems to me are going to be very reluctant to take on local government responsibilities when they can already receive a lot of those services from the state. So I would like to see somewhere in the law in one of these bills, a statement that when a local area tax base has reached a certain level, then that area must assume some financial responsibility. Of course, not all, but some requirement of financial responsibility for the administration.

Sen Sturgulewski - We do have information on the home rule limitations. According to AS.29.33.010 (B) they would need among the other conditions to have the areawide borough powers, so that would include those mandatory functions. I appreciate your testimony and if you have any that can be telecopies down, it would certainly help us - you have a lot of background and made some very comments that will help us, and I do appreciate that.

Kotzebue, Jeff Smith / Mameeluk Assoc.
K

Madam Chairman. I would like to testify on 3 bills. The first one being SB 348. Although we would prefer that the issue of establishing regional unorganized boroughs be addressed in 2 & 3 years after the completion of the regional strategy plan, I would like to stress that these lines be compatible with the Nena Regional REAA. As regards to SB 349, we support the establishment of a program for planning assistance in the unorganized boroughs more than any of the other bills presented in this legislative package. Our experience over the last 2 years in the development of the NANA regional strategy plan, has been to involve the residents of these different community ... region in the planning process of the state-federal agency. Because there are many problems that we can't resolve at the regional level, we would like to see

other regions become involved and we know that the other regions are going to find similar problems reoccurring and will provide a greater statement of needs for the resolution of problems at the state and federal level. For example, of these problems, are few local solutions to energy problems, state and wage requirements? of construction costs, alcoholism, etc. Other regional strategy .. working together will clarify the wide expanse of these problems. A useful form for the resolution of these problems could be places like the state and federal rural development task force, legislative committees, and other joint state and federal task forces. SB 351, again we have to consider this piece of legislation to be a for the survival of the small municipalities of the state. They can no longer rely on external funding like CETA to provide the core administration for the municipalities. We feel that through this legislation will provide them the ability to have a well trained administrator who can coordinate the different services and activities of the municipality and can provide for the future expansion and can look at the other programs available to provide continuity and stability to the delivery of these services. Thank you for letting me testify.

Bethel, Carl Jack

First of all, I would like to thank the Committee for giving the opportunity to be involved in these teleconferences. First of all, would like to reiterate the statement that was made by Mr. Hoffman, Chairman of the Board, on the bills that are up for consideration right now. SB 348 - main concern here is the boundary question, the comment on this the boundaries established under the Claims Settlement Act, for the option for the provision to be done after the full study is completed as proposed by the chairman of the Board. SB 349 - We feel that it is salvageable although its part of 348, but the concern here is again the underlying question of the continued absence of local government. We feel that the powers that will be given to the Commissioner, will certainly make the Commissioner a czar. WE won't

foreclose complete endorsement of the bill, with some modification. On SB 351, line 10, proposed amendment to that is take ... city or organized borough - replace or with "and" so the city has organized borough of any class entitled to etc., etc. SB 352, one of our concerns is line 22 thru line 25, where the Community & Regional Affairs shall prepare the fiscal notes on behalf of municipalities. We do have some concerns on that, in this regard, developing municipalities. Those are the specific comments that I have. I understand that there is supposed to be additional hearings on the 14th, and at that time, we will provide final comments. Question, when are you going to work on Committee Substitutes?

Sen. Sturgulewski - We have that scheduled for 14th in the Senate, 11th and 13th ^{his} 8:30 a.m.. Since we are limited to teleconference time, they will not be teleconferenced, but work is going forward. As you know, there is some sense of urgency to move forward to the next committee of referral, so I would appreciate whatever you can get to us as quickly as possible.

Fairbanks/ Ray Kent

Thank you Madam Chairman. I, too, would like to thank you for this opportunity. My testimony follows on the heels of the policy statement as stated by Chris Anderson previously. I would like to take a moment to go through the legislation. We too are not totally opposed to the legislation, with amendments, and we also agree pretty strongly with Mr. Hoffman. The position basically needs to be a much stronger involvement of rural government, i.e., Native traditional IRA? government outside the organized first and second class cities. SB 348 - I restate the purpose, again as testified to previously, the purpose seems to be to create service districts for the delivery of state services. However, the act itself does affect establish and probably will involve into boundaries or future rural governments, so in this regards, we would like to have included in the statement

of purpose, a statement to the effect that the service districts will be developed in a manner that will facilitate potential delivery of services by local We also would like to state boroughs? must be established for administration of local government and any look at these boundaries should take that into consideration. It seems that the Commissioner has a great deal of discretion in recommending changes. We would suggest that on page 2, line 7, that the language unless the ⁱⁿ conclusion of the territory is reasonably necessary for efficient administration of programs and services by state agencies be deleted. We feel that the boundaries should be limited to those Native corporation, but there is no provision for boundaries.. No mention is made in the proposed legislation concerning the involvement for Native or traditional government in the establishment of boundaries, and some combination should need to be made to recognize those needs and interests. On page 3, we are concerned about the appeals process. We feel that there should be some changes made in the appeals process to accommodate a normal administrative appeal that would perhaps stand in the Legislature and/or the courts. We would also like to be sure that the appeals process would be initiated by both the interested government in the region as well as the Commissioner. Page 4, as also mentioned previously, the question of definition of home rule borough - as I understand the bill, home rule borough means, as stated in current enacted law, which provides mandatory provision of services, we would like to consider perhaps an alternative to that, which would allow the government to develop basic comments, financial capability to provide services, perhaps not mandate the provision of services that are not financially supportive of autonomy. Half way down the page, charter election component provides for ... election for charter commission, is in fact ... it's our feeling that the charter commission should consist of two graphically representative members, rather than members at large, which could set up a stage for domination by a local community on this particular .. Then again, as

previously stated, let them decide a need for a second chance, they can't. The finding of the charter commission to the agency? I refer now to page 5, bottom, where there seems to be no ability for the charter commission to bring back a second review for the proposed charter. SB 349 - we like the concept contracting for planning the administration and the delivery of government services, however, we feel that the Commissioner's discretion should be limited, and that the Commissioner should not be able to contract without the consent of some locally representative group in the initiation of this kind of activity is described as a one shot deal, and some areas of the State, it would be premature, and it is our feeling that it would be necessary to limit that ability for it initially to come from the local region, rather than the Commissioner. SB 350 - we have no particular region, rather than the Commissioner. SB 350 - we have no particular comments. SB 351 - we have a lot of concern about this particular piece of legislation. It seems to discriminate against those communities that are not organized as 2nd class cities; i.e., traditional and Native governments, those just as much in need of funding as are the cities. We would recommend that additional language be added to include those villages. We feel that to not include them would be discriminatory, and we recommend "do not pass" on this bill unless those are included. SB 352 - have no comments. SB 354- no comments. SB 353 - as discussed previously the question of percentage or the numbers of people need to initiate the action, and after discussing that further with our people, we would like to reserve comment on that. That's the end of my testimony. Thank you.

Nome/ Andy Edge?, Nome City Manager

thank you Madam Chairman. First I would like to thank the Legislature for the provision of this service, and the legislative office you have opened here in Nome, and more particularly of TAPE I, Side 2..

I would like to say first that sure the organized boroughs, ^{have been?} slow in implementation in rural Alaska; but the Legislature, who by law, is the establishment [?] for the unorganized borough, for the first time seems to want to move toward this suggested local control. But like my old, old, acquaintance and very dear friend, whose my next door neighbor when I'm living over in Bethel, ^{Lidia?} Lady? Hoffman?, I would like to caution that haste makes waste. In going through the bills, I have cut my comments down considerably, so 348 and 349 needs more time, more study and more involvement on the local level; and less of the (tail wagging the doll?) 350, the same, needs lots of work, especially in the line of the people involved. You know, it's fine, committees come into our area for hearings, most of the ones that came in the past 6 or 8 months, just haven't given enough notice, and haven't provided for a consolidated hearing, one that we get together and talk about it a little before hand and then come in with a consolidated viewpoint, one that would include all of the villages, all of the organizations. 351, 352, I see no harm or objections to either one of these. 353, needs more work, again, to include consolidation hearings in the areas involved. In the passage, at this time, of any of these bills, I feel that we are invading self-determination and the rights of the local people to determine their own destiny. I speak very strongly against allowing a single board as cited in HB 584, I think, to express the views of both borough management and borough schools, or one board acting as both boards. It puts up a couple of interesting questions in the absence of Nome, which has a council, which has a school board, how does it tie in and mold with the borough board and REAA school board? I don't quite understand that. I am certain that it is taken into consideration. And, finally, Madam Chairman, and to my many friends in Juneau, I would like to remind them that my annual birthday party will be on the 26th of February, and this year will be held here in Nome, and those of you can make the party, are surely welcome.

Sen. Sturgulewski - the questions you raised, Andy, on SB 354, or HB 584 are really right on, and that's one of the reasons we are recommending elimination of that kind. Some of the issues you have raised, seem to be causing some problem. I would hope that you take another look at the bills. As a matter of fact, the issue has been raised several times. We feel these are leading toward self-determination by an area. That's the whole intent. For instance, SB 350 changes nothing in the amount of services, etc., going toward rural

37 - Alaska What it does do, is say that the State needs to start to recognize some common boundaries out there, so there can be a greater coordination of services. That is the intent. I would be very happy to discuss that issue with you, and I am very appreciative of your general comments.

Andy Edge - final comment - only that involve the people. I realize the unorganized borough has been here a long, long time and that nothing has been done about it, but in our haste to correct this, let me caution, a little more involvement. There are people out in our area that just don't know, and what you don't know, you go back to the oldest rule in politics - what you don't know, vote no, and we advise no.

Haines - Dave Olerud

I want to thank you for the opportunity to make a few comments on my experience with 3rd class boroughs. At the present time I am a businessman in Haines. I have had the experiences of serving as a borough Mayor, I have served on the City Council, as well as other organizations within the area of Haines. It seems as though, it always boils down that we, in Haines, are a little bit of the exception to the rule. We are the ones with a 3rd class borough and listening today to the teleconferences going throughout the St. of Alaska, we are also without that. But you know, the 3rd class borough is something we should look at very carefully because of discrimination. Let me just make a few comments and salvage as much

time as possible. First of all, from the experience that I have had with 3rd class borough, and with government per se, I feel very strongly that the local government is the most important aspect of government for the people in the State of Alaska. We have to have ^{the} power reverting back to the people in the rural areas, or into the local government. I feel very strongly that over the years I have served on local governments, that a government should be very similar to a shoe on the foot. It would be very disastrous on the part of a parent to take look at a shoe on a foot, and let that shoe last for many, many years, without changing that shoe. It is quite obvious that that child is going to grow up and that shoe is going to start pinching. I feel very strongly that local government should be such that it can adjust to the realities developing within a community. Now, a 3rd class borough in Haines is not a just reality to the community. It is great as far as the school is concerned and as far as collecting taxes for that purpose is concerned. But going beyond this point, when our community develops to the point where, proportionally we are going to develop sooner or later, our population is increasing, and we are going to have to face the fact that our government, the 3rd class borough, is not going to do the job. I'll give you an example of where it will not do the job. With the last 5 years we've had a negative influence on our economy. We have seen our tax base erode by several millions of dollars, primarily because utilizational resource from the timber has not been made available to our community. 3rd class borough can do nothing but collect taxation. To stimulate the economy, to provide for the services that are desperately needed, schools, etc., it can do nothing. Basically, as a taker of a tax, but it cannot do anything to stimulate a tax base the prime sector that is so desperately needed. that the State of Alaska decrees that there should be land classifications, land claims. Well, the 3rd class boroughs regimented to schools and collecting of taxes. We turned to the State, Dept. of Natural Resources not necessarily interested in what

happens as far as classification and the will of the local people. We fought a little over a year, a year and a half, to have a classification through the State Dept. of Natural Resources as to the people of Haines situation. It was a very sobering experience. Anything I would like to emphasize - what is a 3rd class borough, what is it really? Because of necessity, since 1968 when the 3rd class borough came into existence, to serve our people, we have in a sense made a lasting cause under the 3rd class borough. It has been stretched to fit the needs of the people, even though possibly it is stretching the legality of the 3rd class borough, it has been stretched to the point that what we have, a lot of times, classified in a sense a monster. We have done things that basically we were not entitled to, the State of Alaska has allowed us to, we have asked them what can we do with roads and trails, they say it possibly could be construed as education we have asked them what to do about a multitude of problems and anywhere from boat harbors to museums, to cultural facilities, so the 3rd class borough of Haines has been stretched. But not only has it been stretched in the lasting sense, but it also has created a monster in our city, because a city is like a parent, as a last resort. Any time you have trouble and the child can't take care of it, you go back to the parent and the parent must accept the responsibility. Our city has been pulled to many extremes, primarily because the areawide government has not been able to adjust to the needs of it. The only thing that I find negative, is that I do not like in a sense where government mandates government. I believe the people should have enough common sense to adjust to the realities of the situation and do what is necessary. Bill 354 mandates within so many years, I believe by 1984, that the 3rd class borough will cease to exist. I would hope that this group that is working very diligently to set up an efficient government in the unorganized areas, and organized areas in the State of Alaska could possible have the intentional fortitude to make decisions that could possible be unpopular to certain segments but is necessary for a more viable rural area.

Sen. Sturgulewski - what are you suggesting?

Sen. Sturgulewski - what are you suggesting?

Mr. Olerud - What I am suggesting is possibly that I do not envy your position that you are taking at the present time because the 3rd class borough is a reality because the State government did not have the intestinal fortitude of a long time ago to say now that we should be a second class borough. We were left in limbo, and because we were left in limbo, we have created many problems for the State Legislature, which has been I feel very strongly now that we should as a community of Haines evaluate very carefully, a little pressure from the State would not hurt at all, I do not feel it will be necessary to mandate anything. I believe the local community in Haines will be able to take care of the problems that are coming up, if we get rid of the hysteria. At the present time we have so many traumatic things pressed upon the people of Haines, particularly the economy, long-range timber planning, etc., from this, I believe, we have become very strong in a sense. I think we are capable tackling the problem of local government to provide a decent counterpart.

Sen. Sturgulewski I appreciate your comments. I might suggest, just from some comments made when the bill was introduced that people from both sides of the aisle in Haines might wish to communicate with their Senator and representatives from their area as to their feeling on the 3rd class borough. I do appreciate your taking the time to give us your comments, and I know you'll be watching the legislation carefully.

Mr. Olerud - just a follow-up. I state now it is very nice to see that - SB 352 - it is nice to see that the State Legislature is looking at the financial ~~responsibility~~ of a particular bill in relationship to the local comm.

responsibility of a particular bill in relationship to the local communities, and I am also very negative when it comes to saying it is nice that the Legislature spends money on behalf of the local community. I feel in a sense that the majority of the money should come from the local community, but you have allocated monies on SB 351, that would be very beneficial. Now we talked the other day in relationship to implementation of these acts. Now can a 3rd class borough, in a sense, be given funds to go through the research necessary to go into a second class borough, first class borough, or what it may need. In here we have, I believe, a clear indication if you are in an ^{unincorporated} unclassified area, there is financial assistance, aid, in coming to a decision as to what type of government is best for our people. I would like to make sure, now, that the 3rd class borough is included in this necessary and to do the research to move from a 3rd class to a 2nd class or whatever the people decide.

Sen. Sturgulewski - that is a good point. I appreciate that. Thank you very much for your testimony.

Anchorage/ Pat Keprcellie/ Rural Cap

Thank you for the opportunity to come in on the local government legislative package. I am from Ruralcap, and in the interest of timing to the primarily comments, and they incorporate those of Bob D..., deputy director. On behalf of Ruralcap, I urge you to schedule additional hearings on these bills during the week of March 17. The Rural Citizens Participation Conference will be meeting in Juneau that week and many of the delegates would like to testify directly on these bills after they have had a chance to study the committee substitutes thoroughly. ... developed as been a model one. Starting from the August 1979 Symposium on local government through an extensive ^{Schedule of} hearings throughout rural Alaska, and finally to the draft legislation. Along these same lines, SB 348 should require State agencies to provide for public participation before

making any decisions that affect the district. The Legislative Local Government Study's final report on self government, which ought to be local involvement. SB 349 - no provisions in A 1 and 2, requiring either group to involve anyone or any organization in the region being studied, we should reiterate people's concern for more local involvement, it's lacking in that bill. 349, it provides for assistance for developing regional management programs in unorganized boroughs, but in the report the priorities seem to revert, in the Local Government Study's Final Report, under regional strategy and planning studies, it says the strategy study fund will provide assistance for regional studies that will address economic, social and class for the unorganized boroughs, and provide the means from which the people in each region can participate with government in establishing policies and programs for the region. Then it says studies will also address the feasibility and viability of organized borough incorporations. In the bill, it seems to be reversed. Copies, which are optional, includes the ones listed first and the importance are economic development and potential, determination of housing and capital facility needs, and examination of ... graphic social and environmental factors. important in planning a regional management program. The requirement to provide a analysis and recommendation concerning the incorporation of a borough government is the main required topic. That requires a conclusion which cannot intelligently be reached without considering the factors, which are currently optional. That is why they should be required in all contracts. The optional topic should be required, but where this information is available, it should be included in the report, because that ²⁴ information is necessary to ²⁴ provide residing in the boroughs with the tools they need to make and form their opinion as to their own development. The bills in this package, especially SB 349 and 348 should be consolidated. SB 349 ought to be passed first. If it doesn't pass, than neither should SB 348. State financial support of a regional strategy planning cost for rural Alaska ought to happen before boundaries are drawn.

Sen Sturgulewski - Thank you Pat. The point you make is very good on the optional part really being necessary as a precondition to doing the regional government. I appreciate those comments and they are valid.

Kotzebue/ Bert Griff?, NANA Regional Corp.

Thank you Madam Chairman. I would like to make a regeneralized short statement on three Senate Bills. SB 351 - state aid to local government. I, myself, have been involved in local government, and I understand perfectly this grant, because revenue sharing a lo of times has been supplemented by bingo games, raffles, and volunteers. We've been in the red several times, and this affects the delivery of services ^P ₄ critical times, just the absence of needed police protection during the time when we don't have the financial status to continue this service. In the past the cost of energy, transportation, electricity have gone up in substantially increases while the revenue sharing remains relatively the same. My point is keeping in mind the inflationary factor. SB 351 - this should include, if it doesn't, the unincorporated villages also. We support also SB 348, if the legislation includes language to insure that option on whether to organize as a borough is given, and not mandated. ^{TC} ~~Remove~~ areas such as ours, do not have a tax base as yet to support the local according to fiscal needs of operating a borough, and it might take years before our area to get up to that point. I would say Kotzebue, for instance, right now income per capita is well under \$3,000 per year and even right now some of the villages have problems in supporting local sales tax. When other regions plan in incorporate into a borough then perhaps this should be assured that additional funds be available to form the borough. We also support the boundaries and this will conform to REAA and, our regional boundary. We also support 349, planning process basically educate both the federal and state agencies, as well as the local villages. It will be beneficial planning process. That's all I have now. Thank you.

Sen. Stulgulewski - Thank you very much for your testimony. I do want to assure you because I think it is a terribly important comment, that we are talking about voluntary as opposed, in other words it is optional to move ahead into the regional strategy, it's optional and up to the people of the area to move toward organized government. There are no mandatory features and I think that is a very important thing that needs to be reiterated. There is quite a difference between mandating areas to move ahead, and having the option to do so.

Bethel/ Ken Proll, City Manager of St. Mary's

I am Ken Proll, currently the City Manager of St. Mary's and I think I can speak on behalf of the Council when we say we can support some of the earlier statements of Eddy Hoffman. But I think for just right now, I would like to just specifically focus a little on SB 351. We, of course, support it, and we think the funds provided in this bill will significantly help the rural communities in the Yukon Kuskokwim-Delta. I did have 2 stylistic changes, one Carl Jackson pointed out earlier. We would like to see the "or" in line (10?) changed to "and" and also line 11, where it reads, a borough of any class ³³ which is entitled to state aid under AS 43.18.010 - I have that statute before me right now, and it does set up several categories, under which municipalities can (compete?) A - have to have power to provide certain services and exercise that power. Many of the rural communities out here do not have the power to provide some of the services that are set out here 43.18.010 - some of those powers like police, fire, pollution control, parks recreation and planning - it is not really clear from this bill whether municipalities have to have the power and exercise all the powers under the category listed under 43.18.010, or whether a municipality simply exercises power under only one of those categories, it will then qualify for the \$25,000, ~~the~~ ^{and} the legislative intent seems to be a little unclear and I would suggest a change in line 11 to read borough of any class that is entitled to state aid

under any of the provisions of AS 43.18.010 - which would seem to make it clear that rural communities will be included under this bill. That's all I have. Thank you for the opportunity.

Sen. Sturgulewski - Thank you. That brings out a new point and we will check that out. It's my feeling that the fact of incorporation is adequate to mean that those would come and it is not dependent on the provision of any powers.

Fairbanks/ William C. William, Tanana Chief

Thank you Madam Chairman. I am glad to hear some of the comments coming from rural Alaska and the impact they see these bills having. I have one short statement and then I'll go into some comments and clarification on some of our issues. This statement I am about to make came out of a specific mountain time, a circular which comes rural organizations and communities in the West Coast. It seems to be quite pertinent that we are not the only ones having these kinds of problems of local control. The title of it is The Case for Citizen Involvement. Development will occur in rural areas regardless of anything we do, because of population pressure, and economic necessities. Impacts of development may or may not be desirable ^{From a viewpoint} ~~to many~~ of area residents. We need to question who will decide the nature and kind of development which takes place, and how the voice of the Council can be heard. There are a number of possible actors in the rural development decision making process, government agencies, local elected officials, property owners, corporate boards, environmentalists, and rarely the folks at large are involved. Conflicts which precede development decisions often pit exploiters against preservation. Regardless of which side wins, the primary impact of most development decisions will be on the (post?) In general, they hear about it after the fact. At best their voice is given by the clamor of strong vested interests. In the past few years there has been substantial movement from cities in the rural areas. In addition

to impact of business and industrial development, many of the ~~officials~~ ^{individuals} are seeking simpler, more self-sufficient humane lives in the country. Some state and federal programs are supporting population ^{Urban Surgeon?} as a solution to urban problems. This solution may satisfy the long term state interest, but in the short term, it places a tremendous burden on units of local government. Local government based in the past in protecting traditional lifestyle and values while expanding essential services. The factors which bring city folk to rural Alaska are those which kept rural folks at home. Continued quality of rural life is an issue which must concern the forces of rural economic development. Yet this quality is endangered by development. Since rural areas are bearing the ^{3a} brunt of problems created by change, it seems the State and Federal agencies must provide support for local government. Local government needs help in shaping community attitude, building long-range plans, and providing services which should be planned in advance of development. In generally ^{ly} conditions have forced local government to react rather than anticipate and correct events. Local direction should start in the school, city ^{circ} groups, media and with the local officials themselves. ^{I would hate to see us} ~~Now the agency is building~~ ^{a fence} ~~(borders)~~ around rural Alaska to keep the ⁱⁿ vibration out, but I would also hate to see ^{migrants bring the birds} they are escaping with them. I would much rather share the beauty of life we enjoy. I think it can be done, but it won't happen if we fail to make the effort to involve, inform and listen to the people. My constituency is mostly left out of the decision making process. Rural Alaskans are seldom the movers or shakers of public policy. yet no economic development decision should be made without an analysis of its affect on these people. The environmental impact statements are generally required before development takes place. It is time we gave people impact statement consideration. We may play a role in development, but we can't stop it. Our option is to shape and direct it by defining our goals and developing concessions as to what our communities ought to look like 5, 10, and 20 years from now. There are vast resources in the rural regions to be developed

managed, conserved or locked up. Special interests are present and prepared to do battle in each situation. The majority of folk are on sidelines vaguely aware of development impact. It is our challenge to involve them in the decisions that'll affect their lives. It is quite interesting to note that we are having the same problems, same concerns in rural Alaska, that were stated in this circular. I have changed some of the titles to say Alaska state and Alaska rural residents, names of different organizations, entities in the circular. Again, some of the basic concerns outlined by Chris Anderson, and Ray Kent. Again, I would like to reiterate in SB 351, there is no provision in this bill for funding for communities that aren't organized under State law. I think this is totally unfair. These communities are having the same problems that the organized communities are, they are taxed just like everybody else, but they don't have the benefit of receiving those taxes back in any kind of a plan now authorized by the State. I think in those instances where a lot of our communities are organized, the organization is just in name only and not in process or actuality. I think it was something told a lot of our communities, because it was told it was a good idea. I think the same thing is happening in this legislation now, with 348. You say it is an option. But a lot of the rural people aren't looking at it as a option. They read these bills and sometimes they are quite confused because it looks like the State is trying to force organized government on them. We have been into this type of activity now in trying to develop strategy planning. I heard somebody comment they would like see 349 introduced prior to 348, and I think that makes a lot of good sense. Without proper planning, without proper communication with the rural folks, it makes no sense to even pass 348. With that, I'll end my comments.

Nome/ Kalleb Bengowee?, _____, Inc.

Thank you. I'll quickly go through some of the comments on the proposed bills Senate version - SB 348, Art.2, ~~on question of~~ ^{collection of data} information, I think there should be some provision on part 4, for that information presented to the Governor

and the Legislature, some provision for public hearings since this information will be used for the consideration of the State budget and other considerations.

3) Therefore, it makes it very important that the people be involved in either of the development or the final estimation relating to the state government. The information collected by these agencies should be reviewed by the ... prior to presentation to the Legislature. Also, on Section, on the and ^{exemptions?} modification, part B, where it says that the boundaries of the district may be modified by the Legislature, I don't feel that the State agencies should have this power to modify any boundaries. They are set to serve the people, or they should not be served at their pleasure. On ... elections, I think there should be some provisions, for incorporation of a charter for some public hearing for that particular part. It currently just goes from the .. provision 2, C & RA foradvise with the laws of the State of Alaska. I think there should be provisions for the public will have input into the charter. Also on the 90 day, on some of the days that are on this particular bill, I think some of them are a little short, you probably should read between 30 and 60 days, and also 60 to 90 days, particularly in the rural areas where it is sometimes difficult to get people involved, especially where you have short notice. And then on page 5 part B, 90 days may be a little short on the compliance with the laws of C/RA feel the commissioner have met. Again, I would like to reiterate that we have some problems as this is a step toward of organizing boroughs by provision of the area, you create natural areas that would become boroughs, whether it may be necessary or not. SB 349, I think the provision of requiring a recommendation for, they should be formation for incorporationsomething that I don't feel comfortable with, and also although identified in this particular bill, I .. whether a portion of the area to be organized in a borough or not. There seems to be some conflicting portions in this particular bill. On SB 350, ... sounds fine, but I think that's a little unrealistic to all the information to the Governor concerning whether the state agency(?) can comply with it or not. On

SB 351 - we support this bill although I would like to point out that some of the municipalities governments have asked me (active?) and therefore they would be presently surprised if they get a check for \$25,000. SB 352 - I think this might create a monster for the Legislature, but if they want to do this, its fine with me. I think the bill is good, but I think it may place a burden on the Legislature. SB 353 - no comments. SB 354, section applied to the Div. of Lands having the authority, I particularly have ^{SOME} ~~no~~ problems with it and it will only say? see the coastal management programs available for the districts which may not be necessary and also on a ^{single} continual? assembly or a seat of borough government and school board again would create some problems in some of the areas. I thank you for this opportunity.

Sen. Sturgulewsky---Thank you, I would like to point out to you that in fact the Div. of Lands currently has the planning and planning power in the unorganized boroughs, and this would not change the status, but it was necessary to retain that section because of doing away with the home rule boroughs, I mean 3rd class boroughs. They have the zoning power, I'm sorry, not the planning, so it's not adding to what they have. They already have that power. That is one of the major we've looked at. The whole thing of the coastal resource districts, there are problems in those areas that are not organized in the governments that have the ability to enforce the plan. Right now the only authority lies in the Div. of the Department of Natural Resources. So that is an area of concern.

Juneau/ Roger Allington

Madam, Chairman, I'll make this very brief. Speaking basically as a ³⁰ former assemblyman and former Coastal and Policy Council member, and officially as a citizen, basically I support the package from the activities of those two bodies, and would make a couple of minor comments. One has to do with boundaries, and from our work with the Coastal Policy Council in setting up the coastal boundaries, I suggest that to the extent possible, the boundaries

be left as flexible for as long as possible, because as these plans were developed under SB 349 comes down, I think there is going to be some changes indicated. However, I should also indicate that to the extent possible, the boundaries should be coincident with the school board boundaries that exist, coastal resource boundaries that exist, and because we are talking about private lands that are basically within Native regional corporations, to that extent they should be addressed already. 349 appears to put into the rest of the State some of the activities that were already taken into consideration as far as planning is concerned in the coastal areas. I would concur with the comments Jan. 31, 1981, for SB 350 is probably tight. I believe under the Coastal Mgmt. Act the DPDP was required to make sure that all departments had their regulations in line with coastal mgmt. regulations by a time certain, and I don't recall the time certain, but if it hasn't passed, it is darn close to being passed, and I don't believe that's been done. The net result is having an unrealistic time frame, it doesn't get ^{done} and that means it just doesn't get done. SB 352, I appreciate the fiscal notes on the bills that relate to municipalities, to the extent that it is possible to do it. I would suggest that this be amended to require fiscal notes on departmental regulations that affect municipalities also, and I believe there is a bill in to accommodate that. A brief statement on the 3rd class borough. We know from coastal management we have a void up there, we're not exactly sure how to handle it. ^{side @ Tape II} management and I see that this bill is written in such a way that it gives the Commissioner more discretion and I think that's desirable, at this point.

Anchorage/ Ron Mallott

Hello, Ron Mallott here currently attending ^{merely as an interest} as a student on state and local government. I believe I will be addressing SB 351 primarily in conjunction with much of the testimony I've heard today, I have heard a lot of pros and cons, in favor of and opposition to the various bills, which reminds me and I

should remind us all that the State Dept. C/RA should have been aware of all of these pros and cons prior to the proposed bills and that their groundwork should have included people like I believe I heard Kalob Vangowee mentioning that, the people should be reached, and their consideration should be incorporated into any legislative bill even if it is a proposal. As an individual I question the constitutionality of compelling unorganized boroughs to become organized. I view the issues placed at large in the form of legislation for their consideration a form of blackmail, or the majority population ruling the lesser population. Organization of unorganized boroughs for cities prior to the resolution of the D-2 issue, is questionable. Nobody knows what is coming or going. Identification of transient residents may need to consider an evaluation of necessities of organization of boroughs or cities, the same as they should be considered relating to regional educational attendance areas, as it is very clear also the question of transient, who is going to or coming from the education facilities in any organized or unorganized city or borough. There is a lot more I could say, but I think I would rather listen than speak. Thank you.

Sen. Sturgulewski - Thank you very much, I appreciate your comments. I want
29 you to know that were extensive hearings made, and that's why we are having a teleconference, and as I indicated, we have mailed out many, many copies of the report, there has been a sincere effort to not do this simply with a (fly up?) It is not the Department, it is the Joint Committees of the Legislature that have carried on this study, and we're certainly attempting to be responsive to the many interests that we do hear. I would like to repeat, as I think it is absolutely vital, that this is not a mandatory provision. We had a mandatory borough act that formed, with one exception the North Slope Borough, formed the current existing boroughs out there, Haines too was an example. This is not a mandatory bill, it is very important that that distinction be made because that is something we heard loud and clear. The people want to move ahead

at their pace and this particular bill, these set of bills, do make those provisions that people are not forced to move ahead. Hopefully it will cut out duplication of service delivery on the part of the State, but it adds no powers that presently do not exist.

Kotzebue/ Mr. Gene Moore, City Manager

Windmill report. SB 348 sets up the first step of an organization, getting them to be organized boroughs, and we realize here in Kotzebue and the NANA region that we are unique. We've done a lot of planning and looking at this. But I don't think ^{we} you really need SB 348, because if we do decide to become organized, we have the provisions already in the fold, and anyone else has those. I am certainly glad to hear that this is not a mandatory bill as everyone else has been led to believe it would be. We hope that no one will be the language in there that it be mandatory, because we all know the lessor amount of government, we have the better government it will be. The planning bill we strongly support as you know we have the regional strategy plan performed here in the region and I think that the whole state, particularly the unorganized borough, needs planning but, the one provision I heard today, particularly SB 350 - looks to me like this is something to tell your commissioners there in Juneau to do and not have to spend time enacting a bill. We can do coordinating out here. I think maybe need to talk to the commissioners in Juneau and not have a bill to reflect all the local governments ... probably lies in the state .. coordinating with .. We all know that happens in the state. SB 351 - I spoke on this when you were up for hearing here, and one gentlemen spoke awhile ago about the \$25,000 , was it really needed. I think this is additional state aid and not something that everybody gets, because everyone would get \$25,000 plus any other services performed, Alaska Statutes 43.18.10. This \$25,000 plus cost of living in addition to services they now perceive from revenue sharing . strongly urge as told to the people at the hearing here that we have a small village of ... less than \$6,000

a year, and that's not enough to pay for the paper work that takes place.
SB 352, if I'm understanding what it is saying, I think it could be cut down
and made real short. No mandating improvements that you can't provide the
money for, don't put a new burden on the small municipalities, or large ones,
either one
/.. when the money stops coming from the state on these programs, the program
stops. A short answer to it. SB 353 really have no problem other than I
think you ^{should} could include alternate ^{ive}incorporation^s, second class borough,
I think everyone should have the choice of making self-determination and
shouldn't be put to the expense of going through first class borough and first
class ^{city} study, they should have the option of going from such class organization
city or borough to home rule. Planning another ... expense wise ^{etc}
election, ballots, hearings required take care of all of this by changing
that all municipalities have the option to go straight from second class city or
borough to home rule system of borough. I appreciate the opportunity to make
these comments to the Committee. I know you've done a lot of work on them and
I think more work still needs to be done before it's total accurate.

28
Sen. Sturgulewski - I think I need to make something clear, because I don't
want to leave anything that creates more confusion. When I talk in terms of
mandating boroughs, a form of government, but it does call for a drawing of
lines in SB 348, and I just don't want to have given a false impression on that.

Mr. Moore Yes. We understand that you are drawing lines, and we don't have
any objection to your drawing lines, as long as they don't ^{Put a (-) on} mean a whole lot
to us.

Fairbanks Wolfgang (Falk?)

5/13/22
PC II -
not finished
4

Anchorage/ Dave Walsh

Chairman of the Anchorage Municipality. I am just glad I made it back in time. I'm also speaking on behalf of the Alaska Municipal League today, of which I am President this year. We have not taken formal Municipal League action on these proposed bills, but I imagine that we will at our next Board meeting tentively scheduled at the end of this month, or beginning of March. I have gone through the bills, I have the Senate verious in front of me. In general, I think they are excellent. A marvelous effort these past few months to put this together and I would heartedly endorse the bills as an individual and also as an assemblyperson. And as President, hopefully in the next couple of weeks we will provide you with formal resolution from the Board. SB 348 - Two conceptual problems, generally - not as the bill is written, but perhaps the effect of it, and what could result from overreaching administrative approach. By that I certainly don't mean to imply the current Administration, because (interference - mike change required)... The two conceptual problems that I have with it is that I think there is the ^{natural} tendency that once the lines are drawn, it'll make those lines concrete and make it very difficult to change and I would hate to see that happen with this approach, because I think it as a first step, it is excellent, but whether the lines that will be drawn as a result of this bill would be or should be finalized, is another question completely. It is more the problem of human inertia I think, than the bill itself. I would suggest that legislative history? or committee reasoning ... contain some pretty definite language that the lines are not meant to be set in concrete or meant to endure forever, but are essentially the first drawing of what we would hope to be a fluid approach, until the final local governmental lines in the state are established. The second problem that I see is again, not the legislation itself, but ... is that these districts essentially become an administrative tool to provide local government services through a state function. In other words, you would have the potential for the ... or co-termini

co-terminus boundaries with different ... for example in Anchorage, take Anchorage as a proposed district, would not like to see the situation arise where there were several district administrators that could have much influence or powers as the local elected representatives here. I don't think that's as much a problem in Anchorage, Fairbanks, Juneau or Ketchikan. It might be in other areas of the state. In terms of specific amendments, and these are somewhat .. and obviously as a result of my local government ... On page 3, SB 348, subparagraph 4, from municipal point of view, I think we would like to see (stop for static again)

Page 3, paragraph 4, my personal preference would be if it was spelled out in the legislation the part of the function/^{would be} to provide information to

27 to local government units that may exist in the larger state and service area that approach. Other than that, I think 348 is excellent. Amendment to Ch. 19, Sec. 29.19 etc. are excellent. I think it is a very fine workable approach. SB 349, I also think this is excellent. You know the League has a membership that not only includes the largest municipality, but is made up by 1/3 degree from the municipalities that are rural in nature. In fact the majority of the vote in any municipal league by those who are not in organized borough, and on their behalf, I would say that I think 349 is very good. In terms of 350, I would ^{tackle?} .. what Don Gilman said at the beginning, and I would have no comment of value on behalf of the League ... state matter, which had .. personally, I like it, any time the system can get support ^{report?} directly from the Legislature I think that's a positive thing. In terms of 351, I can't give.. ^{For the League} but I think that is an excellent approach, particularly to ... The lady from Kotzebue testified earlier at the hearing. I think this will provide a valuable service to the rural second class dity. SB 352 is I think the best of the package. I think ... the fiscal note requirement is something that that local government has .. for a long time. I'm sure you are all aware a lot of times the Federal government mandates programs for the state, and local government that is beyond

our ability to finance and I think this approach insures that that same kind of problem is not going to arise in regard to ... SB 353, I'm also very much in favor of.... SB 354, I don't think the League would want to take any official position, and I certainly wouldn't personally. As Don Gilman noted previously, there is some controversy in the Kenai Borough and in other areas of the state in regards to the elimination of the 3rd class borough and so I would suggest you go directly to them for input and their viewpoint. In summary, I would say thank you in behalf of local government for. I think this is marvelous and would be glad to support it. That concludes my testimony.

Fairbanks/ Allen Busbee(?)

I would like to give testimony on HB 584, and I'm with the Salcha .. With our detachment from the North Star Borough, we have been looking over forms of government to replace what we now have. We aren't satisfied with a second class borough due to the fact that we are a rural area..... a third class borough in reviewing what we have to choose from, fits our area more so than anything else. We find that the eliminating of it would be harmful to our community and other outlying rural and bush areas. As far as third class borough not having any planning and zoning, Salcha area is planning and has tried to develop this area for its need and has resisted in some aspects in doing through government agencies. I would like to recommend that legislators drop this bill and if they want to help the unorganized boroughs, maybe they could form a (4th?) class borough.

Sen. Sturgulewski. Thank you very much. Just out of general interest, have you petitioned the Local Boundary Commission for the deannexation, I'm just curious as to what is happening right now.

profit regional corporation and other agencies have gotten in the act by certain limited services that are typically provided on a municipal basis. The third reason, in many cases is just an inadequate tax base. In some areas of the state, there is just nothing there to tax, so there is very little in the way of support for local government, so they can form a local government all they'd like, but they wouldn't be able to support that local government, if they had the inclination; and finally probably the biggest reason, at least in my opinion, was the disincentives. The biggest one is school financing in many cases its been proven that ^{to} the form of local government you actually lose money, on a regional basis. The state financing program is a disincentive, so there would have to be at least a equalization formula so there is no disincentive formation of regional government and that's probably the biggest stumbling block is state educational financing.

Sen. Sturgulewski - I would like to point out, as I am sure you are aware, there is a report out now and that matter is before the House Finance and it does address that in lieu of, and we gave testimony this summer, and whether that concept will go through, but I certainly agree with you.

Mr. Aronson - very briefly, my summary would be that basically the concept of regional government, whatever you want to call it

Mr. Busbee - We have submitted a petition to the Boundary Commission and they will be reviewing it the 29th of this month, and I assume they will be setting the date for a public hearing inhouse and conduct further

Juneau/ Bruce Aronson

My name is Bruce Aronson, I'm City Manager of Petersburg. A little bit of background, I worked for Dept. C/RA for 4 years, my speciality would be the time law creating the recent school districts in 1975, so I have a little bit of interest in this bill, plus also being a Manager of a City in an unorganized. The package of bills is of great interest to the City of Petersburg. Very briefly, I would like to address the bills and general concepts of regional government. First question, why do we have regional governments? Whether you call it organized or unorganized boroughs, or whatever. I think the obvious answer is to provide areawide municipal services, including education, police, fire, planning, municipal services, on a regional basis. Another question would be do boroughs serve a useful purpose in Alaska? I think an examination many people would have to agree, that a borough would serve, whether organized or unorganized, does serve a useful purpose, if it is appropriate to the region, and is properly structured, as the right formation and representation and provides the services required. Another question would be, why haven't additional boroughs been formed? I think the latest account is 11, and it has been at 11 for many years, it seems like. I think in my mind, 1) is that regional type agencies have been formed in lieu of boroughs to address regional type problems, for regional school districts REAAs formation provides local control educational services. Another reason why we don't have additional boroughs, would be municipal services are provided by other agencies. For example, the State Troopers here in Juneau provide municipal type police services here in the valley, so there is no incentive to provide those basic services that the state agencies provide. Also a non-

Public Hearing
418 588-1586

3/19/80 7:30 AM

Meeting with Rural Res. Ctr. & Participation Conference

Name _____ Address _____

MEMBER - Chris O. Jones Tenora Cong. & Forest Inc.

ASSOCIATE - William C. "Spot" Williams 1st Hall Street

191, AK 99701

Palma McIntire Pouch B - Tenora, AK

D. POPE 912 28. 6TH, Anchorage

Norman H. Cohen Rurale CAG

Patricia Petrucci " "

Charles Hubbard 3305 (COPPER RIVER NATIVE ASSOC.) 99504
Rossett/A - Anch, AK

Charles Mueller PO Box 189 Dillingham AK 99576 (Bristol Bay Native Assoc)

PAUL WATFIELD Box 276, Fort Lions, AK 99550 (KAIIF)

Robinson Brooks United Area Board P.O. Box Tok, Alaska 99780

J. Stinson F.Y. Jorg. Chairperson Boxes FYU 99740

Jeff Smith Mandink, Inc

Bob Lohr RURAL CAP 327 Eagle, Anch 99501

THE PRECEDING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI

COMMITTEES
CHAIRMAN
Community & Regional Affairs

VICE-CHAIRMAN
Commerce
Health & Social Services



Senate

2957 SHELDON JACKSON
ANCHORAGE, ALASKA 99504
DISTRICT 10-H

While in Juneau
POUCH V
JUNEAU, ALASKA 99811

January 4, 1980

Mr. Thomas F. Klinkner
Law Offices of Richard W.
Garnett III
900 West 5th Avenue, Suite 540
Anchorage, Alaska 99501

Dear Tom:

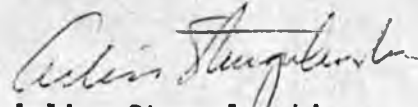
Thank you very much for your comments regarding the Local Government Study. Our final report is due out very soon and I will see that you are added to this mailing list. Overall, I am pleased with the results of this study. Although the proposals may seem modest, they seem to follow well the constitutional directions set for local governments and certainly can bring some cohesiveness and coordination to the delivery of services to rural Alaska. Your indepth comments and support can certainly help in seeing that this needed legislation is adopted by this session of the Legislature.

Your voice adds to a growing chorus speaking to the need for thorough technical revision of Title 29 of the Alaskan Statutes. When a certain number of amendments have been made to the Statutes, a recommendation is made for a revision of the Title. This is the case, as I understand it, with Title 29 and the recommendation is being made that Title 29 be the next title to be revised. I have had preliminary discussions with Representative Bill Parker regarding this and with several other interested parties, such as the Alaska Municipal League. One possible approach might be the establishment of a short-term committee composed of chairs of the Senate and House Community and Regional Affairs, Mr. Jack Chenoweth, from the Legislative Legal Department, other attorneys who are familiar with working on the Statutes, and other interested persons. I would see this as a working group that would produce revisions to Title 29 for introduction to the next Legislature. It seems to me there needs to be a careful delineation of the so-called house-keeping aspects and other issues that may be of major policy impact. For example, issues dealing with service areas, annexation procedures, etc., may take some special review and consideration.

January 4, 1980

I will discuss this matter further with Mrs. Ginny Chitwood, Alaska Municipal League, and with Representative Bill Parker as to possible methods for best proceeding with the revision of Title 29. I am sending copies of this letter to a number of people in hopes that both you, Tom, and the ones receiving copies will send me their thoughts and comments as to how best to proceed. It would be very helpful to have some input as to the number of policy issues, in addition to overall revisions that may well need to be addressed. Again, thank you for your interest and I will look forward to hearing from you further on this.

Sincerely,



Arliss Sturgulewski
Senator, District 10-H

cc: Mr. Lee Sharp
Juneau City Attorney
Mr. Bruce Aronson
Petersburg City Manager
Mrs. Ginny Chitwood, Ex. Dir.
Alaska Municipal League
Mr. Alan Tesche
Mat-Su Borough Attorney
Mr. Jim Nordale
North Star Borough
✓ The Honorable Bill Parker
House of Representatives
Mr. Jim Nordale
North Star Borough

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 14, 1980

SUBJECT: Identification of administrative regional units as "unorganized boroughs." (Work Order Nos. ~~7569~~, ~~7570~~ and ~~7571~~)
7655 7656 7657

TO: Senator Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs Committee

→ Representative Bill Parker, Chairman
House Community and Regional Affairs Committee

FROM: John B. Chenoweth
Legislative Counsel

The designation of administrative regions as "unorganized boroughs" in the context of these bills is wrong as a matter of legislative drafting and contrary to provisions of the state's constitution.

As a drafting matter, this Agency has consistently tried to describe single purpose subdivisions of the state's unorganized borough fairly and accurately. Responsibility for schools and for resource planning in the state's coastal zone was transmitted to single-purpose unorganized borough "service areas" consistent with the directive of the constitution and state statute that "service areas" be used to accommodate provision of "special services". While uneasy with adaption of an organized borough mechanism for use in the unorganized borough, at least the choice of nomenclature fairly served to describe what was in the works. The terminology did serve to inform the citizens of the state fairly and fully of the status of the new subdivision. The choice of "unorganized borough" in this bill does not, as a matter of bill drafting, fairly describe the nature of the subdivision or unit that is being established in the accompanying bills. The "unorganized borough" authorized in these bills is clearly a single-purpose entity not characterized (as were earlier "service areas") by regional public participation and direction. These "unorganized boroughs" are confined to assist state planning efforts. "Unorganized borough" is a defective nomenclature that does not accurately identify the result embodied in the legislation.

Senator Arliss Sturgulewski

Page 2

January 14, 1980

The Constitution, at Article X, sec. 6, suggests that the term "unorganized borough" be used in conjunction with a scheme by which services are to be performed in areas not within incorporated areas, indicating that the legislature "[allow] for maximum local participation and responsibility." Since "service areas" have been used to describe the devices adopted for "special services" in the unorganized borough, and since the principal bill of the three accompanying this memo does not address "local participation and responsibility" for a function or service, use of the term "unorganized borough" -- which at least implies a delivery of multiple services with local participation and responsibility -- to describe an entity the sole purpose of which is to redirect the nature of state agency efforts is inconsistent with applicable constitutional directive.

The choice of terms in this regard is not insignificant. Fulfillment of the constitutional directive with respect to formation of unorganized boroughs -- "maximum local participation and responsibility" -- suggests to me that the three bills as presented are incomplete: the unorganized borough bill should also make provision for accommodation of existing services which involve local participation and responsibility, and, accordingly, should include transitional provisions by which the current service area responsibilities for single purpose subjects (i.e. education and coastal management planning) are folded into these new "unorganized boroughs." Your selection of the term "unorganized borough" almost certainly requires that, if adopted, the continued use of "service areas" of the unorganized borough as the structure to transfer responsibility for a service from a state agency to an entire region is no longer appropriate; hereinafter, bills drafted making such a transfer must make use of these new "unorganized boroughs."

JBC:ljb

Enclosures

Sen. Arliss Storgulewski

Rep. Bill Parker

January 15, 1980

to Arliss S. and Bill P, CRA committees

from Vic Fischer

re Jack Chenoweth's 1/14/80 comments on "unorganized borough" nomenclature

Jack takes the position that use of 'unorganized borough' in proposed bills is wrong from standpoint of legislative drafting and contrary to provisions of state constitution.

I defer to Jack with respect to legislative drafting.

However, I cannot accept Jack's position regarding what the constitutional provisions would require.

Jack's argument revolves around section 6, Article X provision of services in the unorganized borough with maximum local participation and responsibility. To deal with this matter, however, one has to look at section 3 as well as 6, plus keep in mind what the constitutional intent was as set forth quite clearly in the convention record.

The key to the issue is sec. 3: it provides that the entire state be subdivided into boroughs. Whether organized or unorganized, they are to meet criteria of population, geography, economy, transportation, etc. Each borough - unorganized as well as organized -- shall embrace an area and population with common interests.

The problem today is that the existing unorganized borough is patently illegal under the constitution. It does not meet the criteria or standards set forth in ~~section 3~~ section 3 for both organized and unorganized boroughs.

The constitution and the constitutional record are very clear that the intent was to divide the entire state into regions, using standards currently being applied to organized boroughs only. The intent always was to have regional units that would be able to move from totally unorganized status to whatever degree of organization might be appropriate.

Unlike Jack, I don't believe that sec. 6 "suggests" that the term unorganized borough be used in conjunction with service schemes entailing maximum local involvement. Note that sec 6 states: "The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs," then adding "allowing for maximum local participation and responsibility." ~~What~~ the proviso is not the other way around: it does not say that only where local participation is provided can the state provide services. Thus, the state is to provide services it decides upon, with whatever local participation is appropriate. The principal purpose of the and proviso is to make sure that local participation be provided to maximum extent possible. And I think that the regional strategy planning provisions lay the basis for truly major local participation in all services being provided by the state in the particular region.

Note also that the first sentence of sec. 6 refers to "unorganized boroughs", using the plural -- another indication that the regional concept is basic to article X and that the present single unorganized borough is counter to both constitutional language and intent.

Thus I agree with Jack fully that the choice of terms is not insignificant. It's just that we end up on opposite sides!

The designation of regional unorganized borough would, in my opinion, carry out the mandate of the constitution. Maybe a bit late, but not too late. I do believe it should be handled now, without perpetuating an illegality and incongruity that was perpetrated twenty years ago. (By the way, this whole matter is discussed in greater detail in our draft/unpublished study on regional government in Alaska.)

I do not think that establishing unorganized boroughs would create any problem whatsoever with service areas, REEAs or CMSAs. Some appropriate language can assure that their status is preserved. In doing so, the legislature would simply be exercising its authority and jurisdiction under sec. 6. The process of folding existing service areas need be no more complex than legislative action long ago providing that independent school districts be part of organized boroughs. Since unorganized boroughs would not, under proposed legislation, have their own governing body or facsimile thereof, the relationship between the service areas and state government need not change in any way whatsoever.

Ok?

A handwritten signature in dark ink, appearing to be 'Vic', is written on the right side of the page.

Pls give copy to Jack C. before our conference call

10. [Fran Ulmer, Director
Div. of Policy Develop. & Planning

DATE: November 13, 1979

FILE NO: J-66-220-80

ATTN: John Halterman
Deputy Director

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

SUBJECT: Proposed legislation
on unorganized boroughs

By:
Rodger W. Pegues
Assistant Attorney General

This responds to your request for our review of the draft bill on this subject.

Because the bill is a working draft, we will not discuss technical matters but rather will limit our review to the bill's basic aims and mechanisms.

The bill has two basic purposes: (1) Provide some reasonably systematic means of obtaining popular review of state agency operational and construction programs in rural areas on a regional basis. (2) Provide a means for incorporating home rule boroughs on a regional basis in presently unincorporated areas. The latter presents no legal problems. The former does.

The basic legal problem is that the bill, perhaps inadvertently, gives any assembly a pocket veto power over the use of any appropriation which "affects" residents of its unorganized borough. For example, the appropriations for the criminal justice system affect residents of rural Alaska. Under AS 37.07.080(b) as it would be amended by the bill, if the assembly of an unorganized borough does not comment and make recommendations on, say, the State Troopers operations plan, no appropriation in support of the plan could be expended. (We doubt if the draftsmen intended this result, but that is it.) A pocket veto of this dimension would not only be unacceptable as a matter of public policy but also as a matter of constitutional law. The governor's power to budget and to supervise the executive simply cannot be made subject to a veto without offending the constitution.

Even if the language here (lines 2-16 at page 7) were revised to eliminate the pocket veto, it is still overly broad. The appropriation for the Department of Law's civil division in the Juneau office, for example, "affects residents of the unorganized borough" because the office routinely writes legal opinions and memoranda of advice -- as well as providing oral advice -- upon which other state agencies rely in administering their programs. If unorganized boroughs are to be brought into the process of preparing the state's budget, the language must be made much more

precise than this. (That raises a related question: Legal questions aside, what is the rational basis for bringing unorganized boroughs into the budget process but not the cities and organized boroughs?)

As a practical matter, is there a reasonable way to bring the unorganized boroughs into the budget process as proposed in the bill? Assuming that it is constitutionally permissible to require this review and consultation, can it be accomplished with a favorable cost-benefit ratio? How many specialists will have to be hired by the state to translate the agency budget proposals into the bill's narratives for the assemblies to review? How many more specialists will be required to consider the assembly comments? How will proof of that review and consideration be made? By written decisions? Oral?

Given that not everyone can understand budget documents -- even if translated into a "narrative summary" as the bill proposes -- how much review and comment of practical value can reasonably be expected? Assuming that a worthwhile review can be made, how will comments be prepared and how will recommendations be made? The paperwork involved for both the state agencies and the assemblies becomes readily manageable only if there is an administrative staff on hand to do it. Given the massive amount of budget material which would have to be reviewed and the limited time available in which to review it, a large administrative staff would be required in each unorganized borough.

The REAA's (and the regional corporation's) boundaries are not coterminous with regional boundaries for budget purposes. As a result, even if the bill's language were made more precise so as to delimit the reviews to budget items for expenditures actually within an unorganized borough, the risk of error and confusion would remain great, with attendant uncertainty for spending appropriated moneys. The risk grows still greater when the review extends to budget items spent elsewhere but which affect residents of an unorganized borough.

In sum, the proposal for review and comment on the budget requires a great deal of work before it will be a reasonable and feasible appropriation for the Department of Law's civil division. It affects

The proposal to include unorganized boroughs which have established assemblies with those entities (municipalities and village councils) which review proposed public

John Halterman
November 13, 1979
Page #3

works projects appears to be feasible. However, if a village is within an unorganized borough which has an assembly, review by the latter should suffice, and there should not be a requirement to have review by both, any more than there is to have review by both an organized borough and a city within it.

Finally, while the stated concern here is to move away from the development of overlapping, duplicative special districts, this bill merely adds another layer. Apparently, there is an underlying hope or mild expectation that, eventually, home rule boroughs will be incorporated, thereby succeeding to and consolidating the unorganized boroughs, the REAAs, and the coastal resource service areas. Given, however, that the special districts have 100 percent state financing and that the organized boroughs do not, the hope is wishful and the expectation unrealistic.

RWP/pjg

withhile

WO 7573
Vassar

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

IN THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state aid to local governments; 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 a new section to read:

Sec. 43.18.015. ADDITIONAL ENTITLEMENT. A city or organized borough of any class which is entitled to state aid under AS 43.18.010 shall receive additional state aid for each fiscal year in the amount of \$25,000 adjusted to include an area cost-of-living differential determined in accordance with AS 43.18.012.

* Sec. 2. This Act takes effect July 1, 1980.

Get Fiscal Note!

Admin. Regions - no call reorganized here!

CS - purposes!

DPDP

Call Dick Bradley -

Chenault review of CZM changes -

- Fiscal note for our bills!

CZM # - numbered for further use. Call Jan Erickson - Sharon Hurlock

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 21, 1979

SUBJECT: Elimination of Third Class Boroughs
(Work Order Number 7574)

TO: Community and Regional Affairs Committee
Attn: Marge Gorsuch
Administrative Assistant

FROM: Thomas A. Sofo *TAS*
Legislative Counsel

In the draft of the bill to eliminate third class boroughs it was necessary to revise statutes that used the term "third class borough" which were outside the municipal code (AS 29). In particular, attention should be given to AS 14.-12.110 which is contained in that title of the Alaska Statutes reserved for education. Although AS 14.12.110 does address a topic related to education, i.e. the composition of school boards, it also quite clearly expands the potential power of the borough assembly without any parallel provision in the municipal code. It might be desirable to add such a provision to AS 29 so that reference to that title in order to examine the powers of the borough assembly would reveal this potential dual function.

TAS:ljb

Enclosure

HOUSE/SENATE Bill Number or Statute	Activity	Time Required
H B 560 S B 348 pg 1	Each REAA becomes an unorganized borough ⁷	Effective 120 days after the passage of the Act.
H B 560 S B 348 pg 1-2	Commissioner reviews the boundaries of unorganized boroughs, amends them if necessary, and certifies the boundaries.	Estimates time to complete this task in 180 days.
H B 561 S B 349 pg 1	A municipality, group of municipalities, a nonprofit corporation, or the Commissioner proposes that a management plan be prepared for an unorganized borough.	This may occur at any time.
H B 561 S B 349 pg 1	Commissioner reviews the request for a management plan and accepts or rejects it.	Estimated time to complete this task is 30 days.
H B 561 S B 349 pg 1	Commissioner advertises for proposals to prepare a management plan for the unorganized borough.	The proposed act requires that requests for proposals be advertised for at least 15 days. Estimated time to complete this task is 60 days
H B 561 S B 349 pg 2	Commissioner reviews proposals and awards a contract.	Estimated time to complete this is 60 days.
H B 561 S B 349 pg 2-3	Management plan is prepared.	A maximum of 4 years is allowed to prepare the management plan. The Department may not pay more than \$25,000 plus \$25 per resident each year for preparation of the management plan.
H B 560 S B 348 pg 3	Residents of the unorganized borough petition for the election of a charter commission and incorporation as a home rule borough.	This activity may occur at any time.
AS 29.18.060	Department reviews the petition and determines its sufficiency.	Estimated time to complete this task in 30 days.
29.18.070	The Department investigates the proposal and prepares and submits a report with recommendations to the Local Boundary Commission.	Estimated time to complete this task is 120 days.
AS 29.18.080	The Local Boundary Commission conducts public hearings throughout the unorganized borough.	Estimated time to complete this task is 90 days.

AS 29.18.090	The Local Boundary Commission conducts a decisional meeting and enters a decision to accept the petition. The Commission could, if the area did not meet borough incorporation standards, reject the petition. A formal statement of decision is issued and sent to the Lieutenant Governor.	Estimated time to complete this 30 days.
H B 560 S B 348 pg 4	The Lieutenant Governor issues an order calling for the election of a charter commission.	The order must be issued within 30 days of receipt of notice that the LBC has accepted the petition.
H B 560 S B 348 pg 4	Local residents submit nominating petitions for the charter commission to the Lieutenant Governor	20 - 30 days are allowed for this activity.
H B 560 S B 348	Lieutenant Governor conducts an election.	The election is held not less than 60 or more than 75 days after the date of the election order.
H B 560 S B 348 pg 5	Charter commission prepares and submits a charter to the Commissioner.	One year is allowed for this activity.
H B 560 S B 348 pg 5	Community and Regional Affairs reviews the petition and accepts it. If the charter is legally deficient it is returned to the Charter Commission which has 90 days to submit a revised charter.	Estimated time to complete this task is 60 days.
H B 560 S B 348 pg 5	Community and Regional Affairs notifies the Lieutenant Governor of the acceptance of a charter. Lieutenant Governor orders an election held to consider adoption of the charter and incorporation as a home rule borough.	Estimated time to complete this task is 30 days.
H B 560 S B 348 pg 5	Lieutenant Governor conducts an election to consider approval of the charter and and incorporation as a home rule borough.	The election must be held 60 to 90 days after the date of the election order.
H B 560 S B 348 pg 6	If incorporation is approved the Lieutenant Governor issues an order calling for a second election to elect borough assembly members, a mayor, and any other elected officials called for by the charter.	Estimated time to complete this task is 30 days.

P.O. Box #1166
Fairbanks, Alaska 99707

Third Open Letter to All
Legislators of the State of Alaska

January 28, 1980

RE: Borough Powers (HBs 580, 581, 582, 584, 585 and 586)

Dear Legislator:

On January 21, 1980, the above named bills were introduced by the Rules Committee and referred to the Community and Regional Affairs Committee. These bills are interrelated and if enacted will eliminate the Borough System. The little bit of freedom reserved by the Alaska voters over local government and of local self-determination as demanded by the Alaska Constitution Article X, will be replaced by a state socialistic dictatorship under the Governor and the Department of Community and Regional Affairs.

HB 580, if enacted, will generally speaking, establish each existing regional educational attendance area (school district) as an unorganized borough and will provide for their direct incorporation as a Home Rule Borough.

HB 581, if enacted, will authorize the Office of the Governor to study and to report to the legislature recommendations requiring legislation regarding development and implementation of state services to districts. (Each existing borough and unified municipality and each unorganized borough will be considered a State Service District if HB 580 is enacted.)

HB 582, if enacted, will provide public tax dollars to a municipality or a non-profit corporation to prepare the management program for the unorganized boroughs.

HB 584 will, if enacted, eliminate the Third Class Borough.

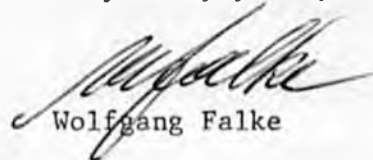
HB 585, if enacted, will provide for direct incorporation as a Home Rule Borough for the Second Class Borough. (Last session as part of HB 66 legislation was slipped in giving the Second Class Borough powers of a First Class Borough without the consent of the voters. Presently I am challenging this legislation at the Superior Court of Alaska.)

HB 586, if enacted, will give the Department of Community and Regional Affairs sole authority to prepare a statement of expenditures or appropriations to be made by any municipality, necessitated by enactment of State legislation. In other words, the legislature may impose any State provided service on any municipality and make that municipality pay for the same, and only the Department of Community and Regional Affairs will be authorized to prepare a statement or note of the anticipated cost to be born by the people of the municipality affected.

All these bills are monuments of a state socialistic dictatorship, impairing and denying the people of Alaska rights guaranteed under both the U. S. Constitution and the Alaska Constitution. They are violating the principals of providing for maximum local self-government as set forth under Article X of the Alaska Constitution and they are ignoring the limitations of power to the legislature as set forth under Article II of the Alaska Constitution.

These bills cannot be legally enacted without first changing the Constitution of Alaska. Therefore, I urge you to devote your efforts that HBs 580, 581, 582, 584, 585 and 586 will die in committee.

Very truly yours,



Wolfgang Falke

CONFIRMATION COPY

P. O. Box 1166
Fairbanks, Ak. 99707

Senate Community & Regional Affairs Committee
Senator Arliss Sturgulewski, Chairman, and
House Community & Regional Affairs Committee
Representative Bill Parker, Chairman
Pouch V, Juneau, Alaska 99811

February 13, 1980

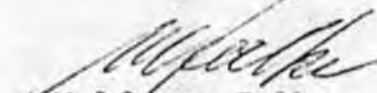
Dear Committee Members:

Enclosed please find a copy of my forth open letter to all legislators, which, together with my third open letter of which you have received a copy (I hope), I hereby formally ask to be entered as testimony at your next committee meeting. I hope there will be a chance for the committee to consider my suggestions and objections.

I appreciate very much the opportunity to participate in your last weeks teleconference and to listen to the problems faced elsewhere in our State. I am sure I did not address all the questions you may have regarding my comments and I would sincerely appreciate if you could drop me a short line with the specific questions why you think the law must be changed and amended to better solve the "problems", and state the problem. I will respond at once.

I thank you for your kind consideration of my comments.

Very truly yours,


Wolfgang Falke

Enclosure

CONFIRMATION COPY

P. O. Box 1166

Fairbanks, Ak. 99707

Fourth open letter to all
Legislators of the State of Alaska

February 12, 1980

Re.: Borough powers (HBs 580, 581, 582, 584, 585, 586, and the
corresponding bills in the Senate)

Dear Legislator:

This letter is written in opposition to the above named bills, which will, if enacted, eliminate the borough system. Thereby the opportunity for maximum local self-government as mandated by the Alaska Constitution, article X, will no longer be provided for.

If the sole purpose for this legislation is, (as I have perceived from listening to verbal testimony by members of the Joint Senate & House Community & Regional Affairs Committee) to streamline delivery of State provided services and to encourage local participation in the process, then nothing would prevent the legislature from simply amending present law to the extent that the existing regional school boards may also act as Regional Health and Welfare Boards. The providing of municipal services to any area of the State where people may desire them is very adequately covered by existing law in Title 29, Alaska Statutes.

Under AS 14.08.41 regional educational attendance areas were established to provide for education in the unorganized borough and to "establish and maintain a system of public schools open to all children of the State" as set forth in the Alaska Constitution, article 7. Each regional educational attendance area is operated on an areawide basis under the management and control of an elected regional school board. If a higher or different level of education than that provided by the State is desired in any part of a regional educational attendance area, or if a municipal service is desired by the people in any part thereof outside first or second class cities, the legislature

may act as the assembly for the unorganized borough and may establish, alter, or abolish service areas for that purpose (AS 29.03.020). The regional school board has no taxing authority and the Division of Lands has the zoning authority in the unorganized borough (AS 38.05.037), except that first class cities shall and second class cities may provide for planning, platting and zoning.

A Third Class Borough is an organized borough and a municipal corporation; it provides for the most local control under State law. A third class borough has an elected assembly which also serves as school board. The presiding officer of a third class borough assembly is both president of the school board and borough executive (AS 29.41.020). The presiding officer is elected from among and by the assembly and has no veto power. A third class borough is a general law municipality (AS 29.08.030) and is granted the powers applicable to all municipalities under chapter 48 of title 29. It must exercise the mandatory areawide powers of education and tax assessment and collection and may assume any municipal powers granted under chapter 48, title 29, by voter approval and may exercise the same on a service area basis only (AS 29.41.010). Planning, platting and zoning powers may be assumed after approval by a majority of the voters of the entire borough and may be exercised on a service area basis. First class cities shall and second class cities may provide for planning, platting and zoning. The State has no zoning authority within a third class borough (AS 38.05.037) except within any portion covered by the Alaska Coastal Management Program, if the municipality has not done so. The State Division of Lands may provide for platting:

"...for only the purpose of hearing and acting on petitions for the change and vacation of plats" (AS 40.15.075).

The third class borough may well be considered the ideal form of maximum local self-government to facilitate organization of large and sparsely populated areas, such as encompassed by many of the existing regional educational attendance areas.

"All political power is inherent in the people. All government originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole." (Alaska Constitution, article 1, section 2)

In other words all rights of self-determination are originally retained by the people. The State assumed only the rights enumerated in the constitution of Alaska through voter approval and assumed at the same time the obligation to fulfill the responsibilities enumerated in the same. Article VII of the Alaska Constitution requires the State to provide for education, protection of public health and welfare. Article X of the Alaska Constitution requires the State to provide for maximum local self-government and to divide the State into boroughs, organized and unorganized, and that the legislature shall classify boroughs and prescribe their powers and functions and methods by which they may be organized, incorporated, reclassified and dissolved.

The legislature did that; it established 3 classes of organized boroughs and provided for their reclassification, and it did provide for regional educational attendance areas operated by elected school boards. The borough system as enacted provides for maximum local self-government on one hand and for stringent municipal rule on the other, thereby satisfactorily accommodating the needs of the various population centers as well as the sparsely populated areas of the State. The unorganized borough with its multitude of first and second class cities is evidence for the success of the local government system.

As private ownership of land will increase, population centers of various character will develop and thereby will demand increasingly more and different kind of municipal services. The third class borough will undoubtedly fill the need for a first step to organize local municipal government. The Haines third class borough very successfully proves its purpose. The majority of the people of Haines prefer to retain their right of self-determination as evidenced in recent elections by voter rejection of reclassification proposals to a different class. It also reflects their desire and need for self-determination regarding planning and zoning, the power which the people of Haines prefer to retain as evidenced in a recent election. Of course there are always people who prefer a stronger form of local government. In the case of Haines those people are in the minority, but very vocal in favor of HB 584, a bill calling for the elimination of the third class borough. On the other hand in many second class boroughs evidence is apparent of the dominance of the populated center areas over the outlying areas; specifically, over dictatorial zoning administration unjustly denying the less populated

areas their rights to self-determination. Serious attempts have been made and are currently contemplated for putting the question of reclassification to third class status for all or part of some second class boroughs on the ballot.

This flexibility of municipal government organization is absolutely necessary to insure orderly and diversified development in the future; the only way to achieve prosperity to the people and establish a sound economy. For these reasons, and because the Alaska Constitution demands it, I urge you to defeat the above named bills in committee.

Unfortunately most of the citizens of Alaska are not aware of the legislation under consideration and therefore the input you receive reflects mostly that of special interests, such as existing government bodies and government related or dependent groups, who will benefit from this legislation at the expense of the majority of the people. The current administration and the Department of Community and Regional Affairs in particular are consistently opposing and rejecting the third class borough form of local government. This is evidenced by the misleading and false statements found in the recent Yukon Flats Regional Government Study, such as: "A third class borough is little more than a local school board which must levy taxes to support its educational programs. Because it lacks planning authority, it cannot deal with important issues such as planning for public facilities, providing utility services, and planning for growth and development which best fits local needs and desires." This is of course not so. Education is provided and paid for by the State, the third class borough government can do all the planning it needs or wants to do and can establish any municipal service such as utilities, roads, fire protection, recreation, water, sewer, garbage collection, and so on, on a service area basis with the consent of the voters. In the unorganized borough, where most communities at present are not connected by road, the third class borough should be the form of government most attractive for the people to adopt.

The Joint Senate & House Community & Regional Affairs Committee's final report of the Local Government Study - 1979 states: "Creation of the Rural Education Attendance Areas throughout Alaska eliminated the purpose of the third class borough, which has education as its only authorized substantive function." This statement reflects total misinterpretation


of the law and displays arrogance and disrespect for the principals of the right for self-determination of the Alaska people as set forth in their Constitution. Agency representatives as well as members of the legislative local government study committee expressed verbally before public hearings such misinterpretations of the law purely for the benefit of enhancing the power to special interest groups and government bodies. The evidence of their misrepresentations warrants serious consideration of a legislative investigation into the misuse of power and funds by the Department of Community and Regional Affairs. The Department has worked purposely against implementation of the law as prescribed by Alaska Statutes and has unlawfully propagandized misleading facts to influence public opinion in order to change law and thereby enhance the self-serving powers to that department.

Present law very adequately serves the needs for organized and unorganized local government. Education is very well provided to the unorganized borough through the elected school boards of the Regional Educational Attendance Areas. In the same way health and welfare services could be administered by the State. If special services are desired in specific areas, first and second class cities may provide for the local needs of such services or the legislature may act as the assembly for the unorganized borough and establish service areas to satisfy those needs. A third class borough may be formed in which the assembly is also the school board and may, in addition to the mandatory functions of administering education and tax assessment and collection, exercise any or all additional municipal functions, including planning, platting and zoning, on a service area basis, after voter approval. If the need for areawide exercise of the additional services should arise or be desired, the people may by majority vote reclassify or incorporate with the powers of a borough of the second or first class, or as a home rule or unified municipality, as prescribed by law.

No purpose is cited for the enactment of the above named bills under consideration which could not be implemented under present law. The proposed legislation will substantially eliminate the opportunity for local self-government and thereby impair and deny the people of Alaska the right of self-determination as set forth under the Constitution.

These bills are contrary to the best interest of the people as a whole. Therefore they should die in committee, and in any case must never be enacted.

Very truly yours,



Wolfgang Falke



Alaska State Legislature

House of Representatives

Committee on

Pouch V

State Capitol

Juneau, Alaska 99811

Official Business

Community & Regional Affairs

BILL NUMBER AND TITLE: HB 580-586 Legislative Package Bills

ORIGINAL SPONSOR: Joint C&RA Interim
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 3/19/80 (7:30 P.M. Informal hearing specifically

MEMBERS PRESENT: Bill Parker X with members of RuralCap CPC
Margaret Branson X Pat Carney X
Pat O'Connell X Charlie Parr
Fred Zharoff X
Ray Metcalfe

Also present were: Sen. Arliss Sturgulewski

Bob Lohr, Deputy Director, RuralCap

- * Voluntary process contained in HB 580 should be emphasized repeatedly. Not intent to promote mandatory boroughs and this should be continuously emphasized. Insert wherever reasonable (p. 1 line 19) Overkill the voluntary aspects of the bill. Does boundary drawing encourage borough formation? This is a question which will be raised.
- * p. 2 line 8 120 days not long enough
- * The boundaries which are developed should be provisional for the duration of the planning process.
- ? p. 4 Add to planning process
- Financing issue not addressed*
- * Expressed concern tht REAA boundaries might not meet borough boundary standards.
- * p. 3 line 29 Add that the commissioner would "seek public participation in the evaluation process.

Suggests that wording used in the development of coastal resource service districts could be used, i.e., by resolution by a majority of villages or petition of 15%--to ask for funds for study. Whatever entity receives the money should be representative of the community. People are deciding what should take place. People want to evaluate.

Questioned if enough money was being appropriated in HB 886? Palmer McCarter explained that the estimate was that 3-4 regions might request funding during a given year.

- * Spud Williams - Citizens' Participation Conference re HB 580
- * No phase between organized and unorganized status of regions. Will be spending alot of money to develop plans and a "planning commission" of sorts will have been established and yet then there will be no mechanism for local followthrough. What will be done with the plans? p. 5 line 14

(see p. 2)

COMMITTEE ACTION: No action. Scheduled for hearing 3/21/80

PAGE # SIDE Footage Cassette Tape #

There will be no way to implement the recommendations of the study. There should be a phasing process allowing for planning and zoning powers. There is a need to implement what we are planning for. Allow enough time to see what works in each area. Check for legitimacy of planning instrument.

There should be a provision for review of the exemption provision* in HB 851 every 3 years or after provisional boundaries have been made final.

State should recognize IRA Councils as a new class of city.*

Revenue sharing for IRAs and recognition of IRAs for revenue sharing purposes has been raised by Saxman. Legal research is being done in conjunction with the Tanana Chiefs which addresses this question, according to Palmer McCarter.

Lohr pointed out that there are a number of native villages which perhaps need modification from the requirement that Native Regional Corporation Boundary lines be respected: Mentasa, Cantwell, Lime Village. Suggests that perhaps there should be listed in the bill.*

580-

Report adapted.

Similar precedence to ~~REAA~~ Regional Native Corp boundaries

* Inside/outside city note

Concerns re provisional boundaries.

Fed. concept 'opting in/out' planning areas.
Accountability comes

* Planning groups perhaps ~ no stake ~ result. ?
Questioning effectiveness of REAA ~ ability areas

Public Hearing
HB 586 - 586

3/19/80 7:30 P.M.

Meeting with Rural Cap Citizens Participation Conference

Name

Address

- Chas. [unclear] Tongva Corp. Conference Inc.
 - William C. "Spud" Williams 1st - Hall Streets
 FIDL, AK 99701
 Palmer McLean Pouch B - Juneau, Ak
 D. POPE 912 W. 6th, Anchorage
 Norman A. Cohen Rural CAP
 Patricia Petrivelli " "
 Charles Hubbard 3305 (Copper River Native Assoc.) Rossell/A - Anch, AK 99504
 Charles Mueller PO Box 189 Dillingham AK 99576 (Bristol Bay Native Assoc)
 DAVE WAKEFIELD Box 276, Fort Lions, AK 99550 (KANAF)
 Robin Bevan United Crow Band P.O. 1202 Tok, Alaska 99780
 J. Alfino F.4. Log. Chairperson Boxes FYU 99740
 Jeff Smith Mareluk, Inc
 Bob Lohr Rural CAP 327 Eagle, Anch 99501



Alaska State Legislature

House of Representatives

Committee on

Pouch V
State Capitol

Juneau, Alaska 99811

Official Business

Community & Regional Affairs

BILL NUMBER AND TITLE: CS HB 580/581 Establishing Unorganized Boroughs
Responsibilities of DPDP

ORIGINAL SPONSOR: _____
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 3/17/80

MEMBERS PRESENT: Bill Parker
Margaret Branson X
Pat O'Connell X
Pat Carney X
Charlie Parr X
Fred Zharoff X
Ray Metcalfe

CSHB 580

Bob Lohr, Ruralcap

Substantial improvement over original bills. Requests that action be deferred until Thursday when RuralCap Citizens' Participation Conference will have final position paper developed. RuralCap believes it is desirable to combine the drawing of the boundary lines with the planning fund for the unorganized boroughs as is done in CSHB 580. Likes the addition of the word "shall" in page 4 line 5 as was recommended during RuralCap testimony.

Parr - Suggests that the assistance being given in Sec. 44.47.085 P. 3) is really for "planning" rather than for "management" programs and suggests that this be reworded.

CSHB 581

Bob Lohr - Sees the effective dates as the key in this bill and states that the lag time between creation of the unorganized boroughs and the use of these new boundary lines by the state is too long. Also suggests that the exemption language be tightened in Sec. 44.17.130 (1) and (2)(A). Concerned that in (1) that the whole Dept. of Admin. might be exempted or that certain important programs might be exempted. Lohr sees (A) as overly broad with the current wording. Resource information will be main concern after local governments are formed. Lohr expressed concern re how agencies might combine "one or more home rule boroughs, general law boroughs, unified municipalities, and unorganized boroughs" (p. 2 lines 27-29)
p. 2 line 3 Lohr suggests that it be stated that this exemption not be renewable.
p. 2 line 5 It appears that a higher standard is implied with the use of "substantially" re increased workload and a similar higher standard should be applied to "additional expense" and "decreased efficiency".

COMMITTEE ACTION:

TAPE # SIDE Footage

HB 580

Palmer McCarter, Director Division of Local Assistance
DC&RA

p. 3 Line 4 Questions inclusion of nonprofit in this section and suggests that it should be "corporation" while the idea of "nonprofit" should be included in (c) of this section. Asks whether DC&RA would be able to contract with a consultant with the given language? The language of A should be consistent with C. A consultant shouldn't be able to initiate a study.

Parr - Questions if ISIGR would be able to do a study under the existing wording and states that it should not preclude a group such as that which has substantial expertise.

McCarter - Suggests that corporation of whatever type should be able to do study. Should go back to the notion of nonprofit corp. as being among those who can request.

Parr - The people or C&RA should be the only ones who can request the study.

Branson - suggests that this section be reorganized to put (c) first and (a) in place of (c).

Parr - There is a need to address just the constitutional standards for borough incorporation as few REAAs would meet these standards.

Jeff Smith - Maneluk, Planning Director
Concurs with Parr that what is being addressed is a "planning" strategy. Local control should be of prime importance and it would be a mistake to allow a private consultant to request that a study be done. Smith discussed some of the history of the NANA regional strategies and the current state of the effort.

HB 581

Jeff Moor DPDP

Logical sequence of bill is good. Section 1 Requires that basic program data and information conform to specific boundaries. Feels that certain happenings in state government will be complimentary to proposal in CSHB581:

1. automation of state budget
2. State library mandate for the data access center
3. ALARS system of Natural Resources
4. Management by objective approach

Parr - Will all of these systems be compatible?

Moor - Change wording on p. 1 line 21 to read:

(1) Information which may be required by the Office of the Governor for purposes of modeling the geographic distribution of the state's population, economic activities and public services."

Parr - Suggests that the intent in Section 1 (p. 1 lines 12-18) is not clearly stated and should instead be rewritten to be similar to statement on p. 2 lines 19-26.

Question is raised as to when the effective date of the ~~exception~~ exemption will be? Will it be from the effective date of this section?

Parr - Suggests eliminating everything on p. 3 line 14 after the word "public".

Committee Log Book - 1979

Ht CIRA Teleconference

Co-Chairman - Sen. Sturgulewski

Committee - Rep. Parker

Tape Number III IV V

Side Number ② ③ ①

Dates 2-7-80 to _____

Hs. Mbrs Present: Rep. Branson, Rep. Fuller
Sen. " " Sen. Kelly, Stimson, Mulcahy, Rodery

Bill Numbers Discussed

SB 348-354	(Hs. Version)	580-586				
------------	---------------	---------	--	--	--	--

Tape III

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2-7-80 1:30 P.	005		Start - Introductions
	125		Sig Strandberg, (Anc.)
	304		Don Gilman - (Kenai)
	465		Pam Herman (Kotzebue) - Maurieluk Max power
	563		Edward Hoffman (Bethel) <small>Chairman of F-Bad. Assoc. v. Hogg. Cndl. P.C.</small>
	730		Chris Anderson, (Fbx) - Tanana Chiefs Conf.
	866		Bob Blodgett, Jeller (None)
	108		Mayor Halliwell, Haines (Anc)
	217		Lisa Ruckl, (Anc. h.)
	484		Jeff Smith, (Kotzebue) Maurieluk Assoc.
	534		Carl Jack, (Bethel)
	615		Ray Kent, (Fbx.) Tanana Chiefs
	732		Andy Edge, City Mar. (None)
	181		Dave Olerud, Haines (Anc)
	400		Pat ^{Petrivelli} Kep [?] (Anc.) Rural Cap
	493		Bert Criff (Kotzebue) Nenana Rep'l Ass'n
	560		Ken Prohl, City Mar. St. Mary's (Bethel)
	612		Wm. C. Wm. - (Fbx) Tanana Chiefs

Side ②

Tape IV
Side ①

(over)

722 - Kailob PEN gowee (name)

828 - Roger Allixy tax (Inu)

side

(2) - 028 - Ron Mallett (anc.)

139 - Mr. Gene? Moore, City Mgr. (Kotzebue)

305 - Wolfgang Falk? (Fbx.)

588 - Dave Walsh - (Anc) - Municipality & on behalf AHL

744 - Allen Busbee? (Fbx.) Shalsha

800 - Bruce Anonson (Inu) City Mgr. of Petersburg

Tape V

~~2287~~

039 - End - 5 P.M.

GARNETT, KLINKNER & BENDELL

ATTORNEYS AT LAW

900 WEST FIFTH AVENUE, SUITE 540

ANCHORAGE, ALASKA 99501

(907) 276-2221

MARGE
RICHARD W. GARNETT, III
THOMAS F. KLINKNER
JAMES BENDELL

February 21, 1980

Senator Arliss Sturgulewski
Pouch V
Juneau, Alaska 99811

RE: Local Government Study
Legislation

Dear Arliss:

I have reviewed with great interest the legislation resulting from the local government study that you co-chaired. I believe that the legislation your committee has proposed, which I have seen in the form of House Bills 580-586, successfully addresses deficiencies in the State's municipal law that were pointed out during the course of the committee's study. As one who has had some experience practicing municipal law in Alaska, I believe that the amendments proposed in these bills make important improvements in the statutes governing Alaska's municipalities. If passed, these bills will create a better statutory framework for both urban and rural local government, affording needed flexibility to meet unique community needs.

I also would like to offer the following comments and suggestions regarding the specifics of these bills. These address technical matters which, I believe, may be resolved easily while preserving the desirable policy thrust of the legislation as proposed.

HB 580

29.03.021--If the commissioner adjusts boundaries, when does the establishment of an unorganized borough that is the subject of such an adjustment become effective? Some language positively declaring the establishment of unorganized boroughs with adjusted boundaries, similar to that in 29.03.011, might be helpful.

44.17--A specific requirement that districting be reflected, to the extent feasible, in agency budgets commencing with a specified fiscal year, might help move the districting process along.

29.19.020--What are the requirements for the nominating petitions referred to in this section? They might be made analogous to those in AS 29.13.020.

29.19.030--What happens if the commission fails to complete a charter in one year, or if it fails to modify a proposed charter within 90 days of rejection by the commissioner of community and regional affairs. If such a failure terminates the existence of the commission and its authority to act, the statute should so specify.

Disputes may arise as to whether particular charter provisions conform to state law. Several cases (for example, the one involving the Anchorage Charter's Notice of Claims Provision) have been litigated over this issue. A provision in Chapter 29.19 providing for judicial review of a charter rejection, the parties who may seek such review, and the procedure after such review has been completed, would be helpful.

29.19.040--Should there be a time limitation for the ordering of an election after it has been requested by the commissioner of community and regional affairs?

29.19.070--This section may cause problems. Stating that the referenced sections apply may be interpreted to mean that other statutes not mentioned do not apply--for example, the part of AS 29.18 pertaining to land selection.

HB 585

As 29.08.010 also should be amended to read:

A home rule municipality is a municipal corporation and political subdivision and is an organized borough [of the first class] or a city of the first class which has adopted a home rule charter. It has all legislative powers not prohibited by law or charter.

Since both first and second class boroughs may adopt a charter rule under this bill (and under HB 530, too, as I

A. Sturgulewski
Page 3
February 21, 1980

will discuss below), AS 29.08.010 should be consistent with that change.

STATUS OF HOME RULE BOROUGHs CREATED UNDER HB 580 OR 585

The creation of home rule boroughs under either bill creates a conceptual problem. While this problem in no way detracts from the substantive merits of this legislation, it should be addressed, and one of several policy solutions adopted.

Title 29 presently provides for first and second class boroughs. The principal distinction between them arises in AS 29.38, which specifies how first and second class boroughs, respectively, exercise non-areawide powers. First class boroughs are authorized to exercise any general law municipal power on a non-areawide basis, AS 29.38.010. Second class boroughs are limited to those powers conferred at incorporation, by AS 29.48.020, or approved at an election, AS 29.38.020-050. The labeling of a borough as "first class" or "second class" is basically shorthand for this distinction.

As HB 580 and 585 now stand, a home rule borough formed under either of those bills need not conform to the first class/second class borough distinction in AS 29.38. A new borough charter could adopt as its authority to exercise non-areawide powers one of the alternatives specified in AS 29.38, or develop its own approach, for example, by making the exercising of some, but not all non-areawide powers subject to voter approval. All of these options are open because AS 29.38 does not govern home rule boroughs, see AS 29.13.100. Since Title 29 refers throughout to "first and second class boroughs", it is important that the types of boroughs that may be created (a policy question) and the title's nomenclature (a housekeeping matter that should be resolved after the policy has been determined), be consistent.

There are several possible approaches to this problem:

1. Require each new home rule borough formed under HB 580 or HB 585 to designate itself either a first class or second class borough, by adopting the corresponding authority to exercise non-areawide powers under AS 29.38.
2. The same as (1) above, but in addition specify that a home rule borough formed under HB 585

A. Sturgulewski
Page 4
February 21, 1980

remains a second class borough governed by AS 29.38.020-050.

3. Provide that home rule boroughs formed under HB 580, HB 585, or both, may determine by charter the scope of their authority to exercise non-areawide powers, and are not limited to the two options provided in AS 29.38.

If (1) or (2) above is adopted, the present nomenclature is sufficient. If (3) is adopted, references to "first and second class boroughs" must be modified to take account of the hybrid home rule boroughs that may be created. In this case, if the legislation abolishing third class boroughs passes, a reference to "organized boroughs" would be sufficient. In the classification of boroughs there would be three distinct classes: home rule, first class, and second class.

Thank you for your consideration.

Yours truly,


Thomas F. Klinkner

TFK:pac

February 4, 1980

The Honorable Robert F. Messegee, Mayor
City of Skagway
P.O. Box 415
Skagway, Alaska 99840

Dear Mayor Messegee:

It was good to meet you when you were in Juneau at the Mayor's Conference recently.

As I mentioned, Senator Arliss Sturgulewski's staff informed me that the joint House and Senate Community and Regional Affairs Committees will be discussing the Skagway annexation on February 29, 1980, from 8 to 10 a.m. in room 110 of the Capitol Building. I informed both the House and Senate committees that you would be willing to come down and present testimony if necessary; therefore, I am sure you will be hearing from the committees in that regard.

Sincerely yours,

Marie Fignalberi
Deputy Commissioner

cc: ~~The Honorable Arliss Sturgulewski~~
The Honorable Bill Parker
Palmer McCarter

BRISTOL BAY NATIVE ASSOCIATION

P.O. BOX 179
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257

March 3, 1980

Representative Bill Parker
Pouch V
Juneau, Alaska 99811

Dear Fellow Countryman:

The Executive Committee met last Wednesday and Thursday, February 27 & 28th, 1980. One of the times discussed was the unorganized borough.

I realize from meeting with you previously that the unorganized Borough concept was created to help offset the population explosion of the State of Alaska. (Anchorage, Fairbanks). The committee's concerns about the unorganized borough concept are the following:

1. When the State turns over its services to the unorganized borough does annual operating budgets need to have approval of the legislature?

With reapportionment coming up, most of the legislators will be from the Urban Areas. The Executive Committee's concern is budget cuts. The current bill should contain provisions to insure that operations of each unorganized borough would not be shortchanged.

2. Taxes. This is probably the issue that would immediately turn off the bush residents. Perhaps a provision that would put a ceiling on the amount of taxes that can be collected when the borough decides to levy property taxes. What they are afraid of is losing property because someone did not pay taxes on his boat or property. Some ideas tossed around were \$50,000 deductible for each household, and a limit of 10 mils tax levy.

Bristol Bay Native Association would be very much interested if these items can be addressed in the original bill.

Hopefully, I will be down Juneau, if so, I'll make it a point to look you both up.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION



Fred T. Angasan
Executive Director

FTA/mff

cc: Nels Anderson, Jr.

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

March 3, 1980

SB 99675-Z
Fairbanks, Ak. 99701

Senator Arliss Sturgulewski
Community and Regional Affairs
Pouch 7
Juneau, Alaska 99811

RE: Opposition to SB 343, 348, 350, 351, 352, 353, 354.

Dear Senator Sturgulewski:

The intent behind some of these bills could be for the good of the people but in their present state they are very premature. In reviewing SB 343 and 349, I find that these bills need more time and study on a local level. SB 349 should be introduced prior to 343 before any type of movement is made to basically organize the unorganized borough, which SB 343 is trying to do. In SB 349 the state should not have the authority to contract, as this is a breakdown of local government in itself. In looking over the proposed boundaries for the unorganized boroughs, I find these boundaries to be grossly out of proportion and there is no way for there to be a true local government in these areas. I realize that in the future the boundaries could be changed, but feel that this might not be possible due to improper planning and the development of a standardized system that could not afford the change.

The State Constitution provides adequate means and types of municipal governments for communities to choose from in order to have a local government body. I find that changing these procedures in order to reach a higher form of government more easily could allow the majority to be dominated by a minority and/or special interest groups or people concentrated in one area.

SB 350 needs a lot of work. The state is acting as the local government and there is no provision for input from residents in the area affected.

SB 351 relating to state aid to local government has good potential but discriminates toward communities that are not recognized municipalities who need the aid just as bad. A community needing some financial assistance might form a municipal government in order to receive this aid but it not be in the best interest of the community.

SB 352. The concept of this bill is good but it does not provide for input from the municipality to assist in the preparation of the note or statement.

In SB 353 you are again trying to make a short cut to a higher form of government. If this type of government is wanted by the majority, then it is easy enough for them to attain it under

present law. This bill has not been exposed to the voters so they are not aware of the side effects it could have on their community. For these reasons alone the bill should not pass. It truly needs to be studied by the people with more input from them before passage.

SB 554. I strongly oppose this bill and have given my reason to you already in writing and in testimony. With SB 548, 549, and 553 providing for more options to choose from, I find an attempt to eliminate third class boroughs a step backwards. I fail to see any gain by this act.

Very truly yours,

Allen J. Eusby

cc: Parker, Bill
Carney, Patrick J.
Zharoff, Fred F.
Branson, Margaret
Hatchell, Ray H.
Parr, Charles E.
O'Connell, Patrick H.
Kulcsy, Bob
Kelly, Tim
Rodey, Patrick W.
Stinson, Terry

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



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 580 Creating Unorganized Boroughs

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 2/1/80

MEMBERS PRESENT: Bill Parker
Margaret Branson
Pat O'Connell

Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Jay Moor - DPDP

Sees prime target as service agencies. There are 3/4 ways to establish boundaries (1) by fiat (2) develop through compromise with agencies (3) objective approach-look at clientele (4) develop geocoding system. Collect information this way then build boundaries on an ad hoc basis.

Arbitrary may not be worst. State agency needs, however, should be secondary to needs of people being served. Management by objective should be considered. Agencies can ask for variances under bill and that might moot the effectiveness.

John Post, Dept. of Labor

1980 census boundaries are similar to those in HB580. Census areas and subareas (23 major areas and 24 subareas) should be taken into consideration in the creation of boundaries.

Palmer McCarter, Dept. C&RA

Dept. strongly supports. Active in working with the committee. This is a compromise bill and takes a significant step in providing some organization in the unorganized borough. Questions is appeals on boundaries would go to the legislature or rather to the Governor? Suggests that appeals should go to the Governor. Otherwise, one might be jumping the normal chain of command. And the legislature could act if the Governor isn't acting responsibly.

Refers to a comment made by Parr re constitutional borough standards and indicates that this concern is met by the reference to Title 29 in the bill.

It would appear that the Dept. of C&RA would be responsible for costs associated with drafting and preparation of charter.

Asks how REAAs would be altered if it is necessary. Not sure that a process exists to do this in the bill.

Chitwood - 1 yr. as unrealistic for charter preparation.

COMMITTEE ACTION: No action

TAPE # 2 SIDE 1 Footage 1331-1750



Alaska State Legislature

House of Representatives

Committee on

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

Community & Regional Affairs

BILL NUMBER AND TITLE: HB 580 Establishing Unorganized Boroughs

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: Finance

HEARING DATE: 3/17/80

MEMBERS PRESENT:	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Bob Lohr, Ruralcap

Sees CSHB580 as substantial improvement over original bill. Requests that the committee defer action until the Community Action group has an opportunity to work on the bill while they are in Juneau. Sees it as a good idea to combine the formation of boundaries and the allocation of planning money of the areas in one bill.

COMMITTEE ACTION: No action.

TAPE # 4 SIDE 2 Footage 874-946



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 580 Creating Unorganized Broughs

ORIGINAL SPONSOR: HOUSE C&RA
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 1/10/80

MEMBERS PRESENT: Bill Parker X Pat Carney X
Margaret Branson X Charlie Parx
Pat O'Connell X Fred Zharoff X
Ray Metcalfe X

Workshop:

Parr - p. 3 line 7 Regerral should be to legislature rather than to the Legislative Council. Suggests that no modifications be allowed. Final authority should be with the legislature.

Check p. 6 line 17 Use of "substantially"

p. 2 Discussion of reference to census lines. Mention areas and subareas of the US. Census Bureau.

COMMITTEE ACTION: No Action

TAPE # SIDE _____ Footage _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	154.8	167.2	180.6	125.0	210.6
200 TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300 CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400 COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500 EQUIPMENT	.0	2.0	.5	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	8.8	287.2	238.7	226.6	233.4	247.1

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	8.8	287.2	238.7	226.6	233.4	247.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

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

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

The high travel cost during FY 81 reflects the need to administer both of the main

IV. DATE 1-21-80 PREPARED BY Doug Griffin
 AGENCY Community & Regional Affairs
 Original: Legislative Finance PHONE 465-4736

activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

The Local Boundary Commission's involvement in the incorporation of home rule boroughs under Section 4 of this bill is not budgeted for in this fiscal note. The annual appropriation received by the LBC to perform its constitutional and statutory duties may be adequate to cover the expenses incurred due to passage of this bill. If these expenses cannot be met by the LBC's annual appropriation there should be adequate lead time to secure additional funding so that the Commission may adequately participate in the borough incorporation process.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Marjorie Gorsuch
DATE: 3/9/80
RE: CS HB 580

Questions re CS HB 580 Work Draft:

Is the Purpose, as written, adequate for what we are doing now in this bill, that is : Establishing unorganized boroughs; allowing for direct incorporation of a home rule borough; and including the substance of CS HB 582 work draft which provides for a program of planning assistance for the unorganized boroughs?

p. 2 Work Draft

Should wording on lines 27-29 be included now that we are dealing with service delivery in HB 581?

Should CSHB 582 be included at the end of p. 2 or should it be at the end of HB 580?

p. 4 We should deal with the questions raised by Lisa Rudd and Klinkner in this rewrite.

p. 5 line 16- Is 1 year long enough?

p. 6 lines 2,3 Is there any conflict between this section and Sec. 29.19.060 (p. 6 lines 25-29)?

p. 7 Is there any need to adjust the dates on lines 18,24 now that DPDP is talking about data collection by July 1, 1981 and implementation by July 1, 1982.

Jack, I will talk with you about CSHB 581 on Monday.

Original sponsor: Rules/Legislative Council

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 580

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing unorganized boroughs, amending the responsibilities of executive departments for state programs and services for residents of organized and unorganized boroughs, and authorizing adoption of home rule charters by unorganized boroughs; and providing for an effective date."

Handwritten notes:
Suggest
amendments
Rewrite

12

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

13

* Section 1. PURPOSE. The legislature finds that the single unorganized borough of the state has proven unworkable in accommodating demands from its residents for change and recognizes that a more systematic approach to the planning and delivery of services for residents of this area is necessary. In providing, in this Act, for the identifying of a common set of boundaries by which to subdivide the state's single unorganized borough into multiple unorganized boroughs, it is the purpose of this legislation

20

(1) to facilitate planning and program development by coordinating delivery of services and the collection of data; and

22

(2) to extend the opportunity to residents of unorganized boroughs to assist in planning and program development by

24

~~(A) preparing regional management studies; and~~

25

(B) broadening the range of methods by which residents may

26

incorporate a regional government.

27

* Sec. 2. INTENT In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to

29

regions within unincorporated areas be made only within the appropriate boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by sec. 3 of this Act.

* Sec. 3. AS 29.03 is amended by adding new sections to read:

Sec. 29.03.011. ESTABLISHMENT OF UNORGANIZED BOROUGHES. Except as the boundaries are adjusted as provided in AS 29.03.021, the geographic area within each regional educational attendance area established under AS 14.08.031 is, effective 120 days after the effective date of this Act, established as an unorganized borough.

Sec. 29.03.021. ADJUSTMENT OF BOUNDARIES BY COMMISSIONER. (a) The commissioner of community and regional affairs may, after public hearings in regional educational attendance areas, establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29.03.011. In making adjustments, the commissioner shall consider

(1) the standards applicable to the incorporation of boroughs under AS 29.18.030;

(2) the regional boundaries adopted by the Native regional corporations established under the Alaska Native Claims Settlement Act;

(3) the boundaries of regional educational attendance areas and coastal resource service areas; and

(4) census divisions of the state applicable to the 1980 census.

(b) The commissioner of community and regional affairs may not establish boundaries for an unorganized borough which include territory within more than one Native regional corporation established under the Alaska Native Claims Settlement Act (unless the inclusion of the territory is reasonably necessary for the efficient administration of programs and services by state agencies.)

Should ^{CS} HB 582 be here?

CHAPTER 19. DIRECT INCORPORATION OF A HOME RULE BOROUGH.

Sec. 29.19.010. INCORPORATION. (a) The residents of an unorganized borough established in accordance with AS 29.03.011 - 29.03.021 may apply for the incorporation of a home rule borough. The petition for borough incorporation shall be filed with the Department of Community and Regional Affairs and shall include the information and signatures required by AS 29.18.050. Petitions for incorporation filed under this section shall be processed, reviewed and determined in accordance with AS 29.18.060 - 29.18.090.

(b) A petition submitted under (a) of this section shall

(1) specify the number of members of the charter commission, but the number of members may not exceed 15;

(2) describe the manner of election of members of the charter commission; if election is to be by district, a description of the boundaries of each district shall be included in or attached to the petition;

(c) The standards applicable to the incorporation of an organized borough under art. X, sec. 3 of the state constitution and AS 29.18.030 apply to the incorporation of an unorganized borough under this section. Equal protection standards of the state constitution apply to the election of members of the charter commission under this section.

Sec. 29.19.020. CHARTER ELECTION. If the Local Boundary Commission accepts the petition filed under AS 29.19.010, it shall immediately notify the lieutenant governor. Within 30 days after notification, the

Some mention of home rule boroughs as first class as to functions/powers which must be exercised?

1 lieutenant governor shall order an election within the proposed home
2 rule borough to determine whether the voters will elect a charter com-
3 mission, and to determine the persons elected to serve on the charter
4 commission. The lieutenant governor shall provide not less than 20 or
5 more than 30 days during which candidates for the charter commission may
6 present nominating petitions. The election on the question of election
7 of a charter commission and the determination of persons elected to
8 serve on the charter commission shall be held not less than 60 or more
9 than 75 days after the date of the election order.

10 Sec. 29.19.030. PREPARATION OF CHARTER. (a) If, at the election
11 called by the lieutenant governor under AS 29.19.020, a majority of the
12 voters favors election of a charter commission, the persons receiving
13 the highest number of votes cast at that election constitutes the char-
14 ter commission. The charter commission shall prepare a proposed charter
15 and submit it to the Department of Community and Regional Affairs within
16 *Enough time* one year of the first meeting of the charter commission. The commis-
17 sioner of community and regional affairs shall review the proposed
18 charter for compliance with laws applicable to home rule municipalities
19 and, if it complies, request the lieutenant governor to submit the
20 proposed borough incorporation petition and proposed home rule charter
21 to residents of the proposed home rule borough. If the proposed charter
22 does not comply with law, the commissioner shall return the proposed
23 charter to the charter commission with a statement of the legal defi-
24 ciencies.

25 (b) Within 90 days of the receipt of comments from the commis-
26 sioner of community and regional affairs with respect to provisions of a
27 proposed home rule charter which are not in compliance with the laws
28 applicable to home rule municipalities, the charter commission may
29 prepare and submit to the commissioner an amended charter which meets

1 the objections in the original proposed charter.

2 (c) Only one original and one amended charter may be submitted to
3 the commissioner of community and regional affairs under this section.

4 Sec. 29.19.040. RATIFICATION OF CHARTER. The lieutenant governor
5 shall order an election on the question of whether the area shall be
6 incorporated as a home rule borough in accordance with the charter
7 approved by the commissioner of community and regional affairs. The
8 proposed charter shall be posted throughout the proposed borough by the
9 lieutenant governor before the election is held. The election shall be
10 held not less than 60 or more than 90 days following the election order.

11 Sec. 29.19.050. RESULTS OF RATIFICATION ELECTION. (a) If a
12 majority of the votes cast by the qualified voters of the proposed
13 borough is against the incorporation of a borough under the proposed
14 home rule charter, the proposal is defeated.

15 (b) If a majority of the votes cast by the qualified voters of the
16 proposed borough favors incorporation of the borough under the proposed
17 home rule charter, the lieutenant governor shall declare that the un-
18 organized borough in which the election was held is incorporated as an
19 organized borough and a municipal corporation in accordance with the
20 provisions of the home rule charter. The lieutenant governor shall
21 provide for the election of the officers provided for in the charter.

22 (c) The election and qualification of officers under (b) of this
23 section shall be completed by the lieutenant governor in accordance with
24 AS 29.18.120 and the provisions of the home rule charter of the borough.

25 Sec. 29.19.060. RESUBMISSION OF CHARTER. If a proposed charter is
26 rejected, the charter commission shall prepare, adopt and submit a
27 second proposed charter to the voters within one year of the date of the
28 charter election held under AS 29.19.040. If the second proposed charter
29 is rejected, the charter commission is dissolved.

1 Sec. 29.19.070. VOTERS, ELECTIONS AND COSTS. (a) A person is
2 qualified to vote in an election authorized by AS 29.19.010 - 29.19.060
3 if he is qualified to vote in state elections and if he is a resident of
4 the unorganized borough proposed for incorporation as a home rule
5 borough.

6 (b) The lieutenant governor shall conduct elections authorized by
7 AS 29.19.010 - 29.19.060 substantially in the manner provided in the
8 Alaska Election Code (AS 15.05 - 15.60), and shall certify the results
9 of all elections under this chapter. Costs of elections under this
10 chapter shall be paid by the office of the lieutenant governor.

11 (c) Costs of charter preparation under this chapter shall be paid
12 by the Department of Community and Regional Affairs.

13 Sec. 29.19.080. APPLICABILITY OF GENERAL TRANSITIONAL PROVISIONS.
14 The provisions of AS 29.18.130 - 29.18.180 apply to home rule boroughs
15 incorporated under this chapter.

16 * Sec. 6. AS 29.03.010 and 29.03.020 are repealed.

17 * Sec. 7. UNORGANIZED BOROUGH SERVICES AREAS. (a) The commissioner of
18 education shall report to the legislature, not later than January 31, 1981,
19 recommending whether changes should be made in the boundaries of a regional
20 educational attendance area organized under AS 14.08 to conform the bound-
21 aries of the regional educational attendance area to an unorganized borough
22 of which it is a part.

23 (b) The Alaska Coastal Policy Council shall report to the legislature,
24 not later than January 31, 1981, recommending whether changes should be made
25 in the boundaries of an existing coastal resource service area organized
26 under AS 46.40 to conform the boundaries of the coastal resource service area
27 to an unorganized borough of which it is a part.

28 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10
29 070(c).



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Rep. Russ Meekins, Chairman
Finance Committee Members

FROM: Rep. Bill Parker, Chairman
House Community and Regional Affairs

RE: Amendments for CSHB580, CSHB581

CSHB580 - Establishing Unorganized Boroughs

p.2

*Material
for
Finance*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 580/CSSB 348

Title An Act Establishing Unorganized Boroughs...regional plans...home rule charters

Requested by Community and Regional Affairs Committee Date 4-21-80

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	154.8	167.2	180.6	195.0	210.6
200 TRAVEL	3.0	57.0	30.0	30.0	31.0	30.0
300 CONTRACTUAL	4.8	70.4	40.0	30.0	28.2	28.2
400 COMMODITIES	1.0	3.0	1.0	.6	.6	.6
500 EQUIPMENT	0	2.0	.5	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	8.8	287.2	238.7	241.2	254.8	269.4

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	8.8	287.2	238.7	241.2	254.8	269.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	0	5	5	5	5	5
PART TIME						
TEMPORARY						

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

FY 80 - Reflects travel expenses, notice requirements, and supplies needed for public hearings on drawing boundary lines that differ from REAA's in the unorganized borough.

FY 81 - 85 - Reflects the addition of 3 Local Government Specialists (Range 17), a Clerk Typist III (Range 8) and Clerk Typist II (Range 7) to assist unorganized boroughs in becoming home rule boroughs. Seven proposed regions are presumed to be likely candidates for the home rule option. These areas are 1) Yukon Flats (REAA 13), 2) REAA 12, 3) NANA region (REAA 1), 4) Petersburg/Wrangell (part of REAA 19), 5) Prince of Wales Island (part of REAA 19), 6) The Aleutian Chain (parts of REAA's 8 and 10), and 7) Prince William Sound (REAA 21). It is anticipated that if this bill passes this session, the bulk of the activity will take place during FY 81 and FY 82 and will begin to lessen gradually through FY 85 as the newly incorporated boroughs become more self-sufficient.

IV. DATE 4-21-80

PREPARED BY Doug Griffin

AGENCY Community and Regional Affairs

PHONE 465-4736

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CSHB 580/CSHB 348 (continued)

The high travel cost during FY 81 reflects the need to administer both of the main activities in the bill: drawing the boundaries for the unorganized boroughs and assisting the seven areas previously mentioned in drawing up home rule charters.

There will be no fiscal impact in Sec. 4 of this bill until there is an appropriation (CSHB 886) for regional plans. The Department does anticipate the following additional cost at such time as appropriations are made.

Staff to monitor and oversee contracts.

Personnel		42,156
Local Government Specialist IV (Range 19)		32,934
Benefits @ 28% base pay		9,222
Travel 10 trips @ 600		6,000
Contractual		2,700
Communications	1,000	
Printing and Advertising	200	
Office Space 100 Sq. ft. @ 1.25 x 12	1,500	
Commodities		300
Equipment (one time only)		700
	TOTAL	<u>51,856</u>

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 580
 Title An Act Establishing Unorganized Boroughs
 Requested by Rules Committee (By Legislative Counsel) Date 4-9-80

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Social Services
 BRU, Program, or Subprogram(s) Affected Employment Security and Administrative Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	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.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

ASSUMPTION

This revised Fiscal Note assumes that CSHB 581 will be passed concurrently so that problems which may develop in relating unorganized borough statistics to census divisions and REAA'S statistics can be addressed later if they arise.

IV. DATE 4-9-80

PREPARED BY James Souby

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE

REQUEST

Bill/Resolution No. HB 580 (revised fiscal note)

Title An Act establishing reorganized boroughs

Requested by Rules - Request of Legislative Council

Date 3/17/80

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE March 17, 1980

PREPARED BY Joseph K. Donohue

AGENCY Department of Revenue

PHONE 465-2300

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol

Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: USHB 580 Establishing Unorganized Boroughs

ORIGINAL SPONSOR: House/Senate C&RA
RECEIVED FROM: Interim Committee

OTHER SPONSORS: _____
FURTHER REFERRALS: Finance

HEARING DATE: 3/21/80

MEMBERS PRESENT: Bill Parker X Pat Carney X
Margaret Branson X Charlie Parr X
Pat O'Connell X Fred Zharoff X
Ray Metcalfe X

The Committee reviewed the proposed amendments (see attached) developed in response to the Citizens' Participation Conference RuralCap Local Government Workshop recommendations as contained in the Executive Summary (March 17-20, 1980), "Juneau 1980". CPC addressed each of the recommendations in a public hearing with the committee previously held on March 19, 1980.

Committee took action as follows:

Approved:

- p. 2 Line 8 Change 120 to 180 days
- p. 2 Lines 11-14 Hearings would be held "upon request" of those in the region

The Committee considered and rejected inclusion of the other proposed amendments and approved a CS with the amendments as noted.

COMMITTEE ACTION: CS passed out with changes as noted above.

TAPE # 5 SIDE 2 Footage 0-878

p. 1 Line 9

Insert "voluntary" before adoption

OK p. 2 Line 8

Change 120 to 180 days

OK p. 2 Lines 11 - 14

^{upon request}
The Commissioner of community and regional affairs shall hold public hearings in each of the regional educational attendance areas and may, after such hearings, establish boundaries other than the boundaries of a regional educational attendance area for an unorganized borough under AS 29.03.011.

p. 2 Line 27 & following

Assistance for Regional Planning Programs In the Unorganized Borough would be rewritten as follows:

- (a) Upon request, funds shall be made available by the Commissioner of Community and Regional Affairs to a municipality, group of municipalities, non-profit corporation or non-profit corporations which represent the majority of the residents of the unorganized borough for the preparation of a regional planning study. A request may also be made by residents of an unorganized borough upon petition to the Commissioner signed by a number of qualified voters equal to not less than 15% of the number of votes cast in that unorganized borough at the last state general election. A grant will be made by the commissioner upon a finding that the municipality, group of municipalities, or non profit corporation(s) propose a study that considers the entire population of the area. Funds will be provided for only one regional planning program for each unorganized borough.
- (b) Grants made in (a) may be, at the discretion of the group selected by the commissioner be further subcontracted for planning studies. If the selected representative group wishes to contract for the preparation of a regional planning study, they shall request the Department of Community and Regional Affairs to advertise a request for proposals for the preparation of the regional planning study outlining the work to be completed and containing other information which the commissioner believes will inform the public of the work to be completed under the contract. The commissioner shall advertise for a period of not less than 45 days by public notice announcements provided to newspapers and radio and television stations.
- (c) A contract entered into under this section shall (See rest of CSHB580 p. 4) Following sections will be renumbered as appropriate.

Residents of unorganized borough may request
make sure there is a clear

of that

Eliminate Commissioner being able to subcontract

p. 7 Line 28

This section will be rewritten to reflect that a majority of the votes cast within the incorporated cities of the unorganized borough and a majority of those cast in the areas outside of the incorporated cities must support the charter for passage.

MS

Write in
the picture
/
H. J.

02/1

193

30

CPC LOCAL GOVERNMENT WORKSHOP

The Workshop participants formed into two groups. One group examined the package of Bills proposed by the Joint Interim Committee. The other group looked at alternative approaches including the relationship of the Planning Process to Regional Government, options for contracting with non-profit corporations for the delivery of services and other concerns.

The full group agreed to use CSHB 580 as the vehicle for comments. Participants acknowledged the extensive work that has gone into the development of this Bill, but felt that any legislation dividing up the unorganized borough is so fundamental and so important to residents of rural Alaska that additional public involvement beyond that which has occurred already is essential before final boundaries are drawn. The changes that Workshop participants suggested are outlined below.

3. RECOMMENDATION OF BILLS CONSIDERED:

The Committee Substitute for House Bill 580 ("An Act relating to unorganized boroughs, establishing unorganized boroughs, establishing a program of planning assistance for unorganized boroughs, authorizing adoption of home rule charters by unorganized boroughs, and directing submission of recommendations concerning adjustment of the boundaries of service areas of the unorganized borough") is by far the most important and far-reaching Bill that the Workshop considered. The following amendments to the Bill were recommended:

1. The voluntary nature of the process needs to be re-emphasized in the wording of the Bill. The intent language of the Bill should include a statement that it is not the intent of this Legislation to assist in any way a move toward imposition of mandatory boroughs at a later date
2. The establishment of boundaries for unorganized boroughs is very important, and should be done more deliberately, with more checks and balances than provided for in the present version. The effective date of the boundaries should be more than 120 days after enactment of this Legislation. People need more time than that to comment on the appropriateness of the boundaries. Hearings should be held in all proposed unorganized boroughs to explain the options the Legislation provides, and not simply discuss proposed boundaries.

The boundaries that are established should remain provisional until the planning programs (provided for later in this Bill) are completed. The Regional Educational Attendance Area boundaries are ac-

LOCAL GOVERNMENT WORKSHOP

ceptable as a starting point for this planning process, but a mechanism must be provided to adjust them if the regional planning programs determine them to be inappropriate in certain areas.

As drafted, the Bill would not allow an "unorganized borough" to include communities located outside of the boundaries established by the Alaska Native Claims Settlement Act, even though such communities may have been placed within the boundaries of Regional Education Attendance Areas established pursuant to SB 35. At least three such communities were identified (Mentasta, Lime Village, and Cantwell) by delegates. The Committee recommends that hearings be held in those three communities and in all other communities similarly situated in order that local desires may be honored.

3. The assistance provided for management programs in the original Committee Substitute should be amended to refer to planning programs. The language in the Bill is really talking about a planning program, and the title should reflect this. (The most recent Committee Substitute has already adopted this suggestion.)
4. The Workshop felt that local initiation of, and participation in, the selection of a contractor for the regional planning program is absolutely essential, and should be required in all cases. In order for any planning exercise to be legitimate, the active involvement of those on whose behalf the plan is drawn up is required.
5. Since the boundaries proposed in recommendation #2 are provisional, the regional planning program contract should require an additional element; the appropriateness of the provisional boundaries.
6. Once the regional planning program is conducted, provisions should be made for an optional election to form a planning service area to continue planning and to implement the plan, without requiring the formation of organized borough government.

This Bill is recommended to the Citizen's Participation Conference as the highest possible priority for passage.



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 580-586 Legislative Package Bills

ORIGINAL SPONSOR: Joint C&RA Interim
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 5/19/80 (7:30 P.M. Informal hearing specifically

MEMBERS PRESENT: Bill Parker with members of RuralCap CPC
Margaret Branson Pat Carney
Pat O'Connell Charlie Parr
Fred Zharoff
Ray Metcalfe

Also present were: Sen. Arliss Sturgulewski

Bob Lohr, Deputy Director, RuralCap

Voluntary process contained in HB 580 should be emphasized repeatedly. Not intent to promote mandatory boroughs and this should be continuously emphasized Insert wherever reasonable (p. 1 line 19)

Overkill the voluntary aspects of the bill.

Does boundary drawing encourage borough formation? This is a question which will be raised.

p. 2 line 8 120 days not long enough

The boundaries which are developed should be provisional for the duration of the planning process.

p. 4 Add to planning process

Expressed concern tht REAA boundaries might not meet borough boundary standards.

p. 3 line 29 Add that the commissioner would "seek public participation in the evaluation process.

Suggests that wording used in the development of coastal resource service districts could be used, i.e., by resolution by a majority of villages or petition of 15%--to ask for funds for study.

Whatever entity receives the money should be representative of the community. People are deciding what should take place. People want to evaluate.

Questioned if enough money was being appropriated in HB 886? Palmer McCarter explained that the estimate was that 3-4 regions might request funding during a given year.

Spud Williams - Citizens' Participation Conference re HB 580
No phase between organized and unorganized status of regions.
Will be spending alot of money to develop plans and a "planning commission" of sorts will have been established and yet then there will be no mechanism for local followthrough.

What will be done with the plans? p. 5 line 14

(see p. 2)

COMMITTEE ACTION: No action. Scheduled for hearing 3/21/80

TAPE # SIDE _____ Footage _____ Cassette Tape #

There will be no way to implement the recommendations of the study. There should be a phasing process allowing for planning and zoning powers. There is a need to implement what we are planning for. Allow enough time to see what works in each area. Check for legitimacy of planning instrument.

There should be a provision for review of the exemption provision in HB 851 every 3 years or after provisional boundaries have been made final.

State should recognize IRA Councils as a new class of city.

Revenue sharing for IRAs and recognition of IRAs for revenue sharing purposes has been raised by Saxman. Legal research is being done in conjunction with the Tanana Chiefs which addresses this question, according to Palmer McCarter.

Lohr pointed out that there are a number of native villages which perhaps need modification from the requirement that Native Regional Corporation Boundary lines be respected: Mentasa, Cantwell, Lime Village. Suggests that perhaps there should be listed in the bill.



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: CS HB 580/581 Establishing Unorganized Boroughs
Responsibilities of DPDP

ORIGINAL SPONSOR: _____
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 3/17/80

MEMBERS PRESENT:	Bill Parker	Pat Carney	X
	Margaret Branson	Charlie Parr	X
	Pat O'Connell	Fred Zharoff	X
		Ray Metcalfe	

CSHB 580

Bob Lohr, Ruralcap

Substantial improvement over original bills. Requests that action be deferred until Thursday when RuralCap Citizens' Participation Conference will have final position paper developed. RuralCap believes it is desirable to combine the drawing of the boundary lines with the planning fund for the unorganized boroughs as is done in CSHB 580. Likes the addition of the word "shall" in page 4 line 5 as was recommended during RuralCap testimony.

Parr - Suggests that the assistance being given in Sec. 44.47.085 P. 3) is really for "planning" rather than for "management" programs and suggests that this be reworded.

CSHB 581

Bob Lohr - Sees the effective dates as the key in this bill and states that the lag time between creation of the unorganized boroughs and the use of these new boundary lines by the state is too long. Also suggests that the exemption language be tightened in Sec. 44.17.130 (1) and (2)(A). Concerned that in (1) that the whole Dept. of Admin. might be exempted or that certain important programs might be exempted. Lohr sees (A) as overly broad with the current wording. Resource information will be main concern after local governments are formed. Lohr expressed concern re how agencies might combine "one or more home rule boroughs, general law boroughs, unified municipalities, and unorganized boroughs" (p. 2 lines 27-29) p. 2 line 3 Lohr suggests that it be stated that this exemption not be renewable.

p. 2 line 5 It appears that a higher standard is implied with the use of "substantially" re increased workload and a similar higher standard should be applied to "additional expense" and "decreased efficiency".

COMMITTEE ACTION:

TAPE # SIDE Footage

Palmer McCarter, Director Division of Local Assistance
DC&RA

p. 3 Line 4 Questions inclusion of nonprofit in this section and suggests that it should be "corporation" while the idea of "nonprofit" should be included in (c) of this section. Asks whether DC&RA would be able to contract with a consultant with the given language? The language of A should be consistent with C. A consultant shouldn't be able to initiate a study.

Parr - Questions if ISIGR would be able to do a study under the existing wording and states that it should not preclude a group such as that which has substantial expertise.

McCarter - Suggests that corporation of whatever type should be able to do study. Should go back to the notion of nonprofit corp. as being among those who can request.

Parr - The people or C&RA should be the only ones who can request the study.

Branson - suggests that this section be reorganized to put (c) first and (a) in place of (c).

Parr - There is a need to address just the constitutional standards for borough incorporation as few REAAs would meet these standards.

Jeff Smith- Maneluk, Planning Director
Concurs with Parr that what is being addressed is a "planning" strategy. Local control should be of prime importance and it would be a mistake to allow a private consultant to request that a study be done. Smith discussed some of the history of the NANA regional strategies and the current state of the effort.

HB 581

Jay Moor DPDP

Logical sequence of bill is good. Section 1 Requires that basic program data and information conform to specific boundaries. Feels that certain happenings in state government will be complimentary to proposal in CSHB581:

1. automation of state budget
2. State library mandate for the data access center
3. ALARS system of Natural Resources
4. Management by objective approach

Parr - Will all of these systems be compatible?

Moor - Change wording on p. 1 line 21 to read:

(1) Information which may be required by the Office of the Governor for purposes of modeling the geographic distribution of the state's population, economic activities and public services."

Parr - Suggests that the intent in Section 1 (p. 1 lines 12-18) is not clearly stated and should instead be rewritten to be similar to statement on p. 2 lines 19-26.

Question is raised as to when the effective date of the ~~exception~~ exemption will be? Will it be from the effective date of this section?

Parr - Suggests eliminating everything on p. 3 line 14 after the word "public".



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Jack Chenoweth
FROM: Rep. Parker/Senator Sturgulewski
DATE: 2/14/80
RE: Committee Substitutes for HB 580 (SB 348) and
HB 582 (SB 349)

HB 580 (SB 348) Establishing Unorganized Boroughs

P. 1 Rewrite the Purpose section of the bill as follows:

PURPOSE:

The legislature recognizes that a more systematic approach to the future of the unorganized borough is necessary. In order to accommodate future changes when desired by local residents, the state has an obligation to provide a framework within which structured change may occur. To this end, this Act provides for a common set of boundaries in the unorganized borough which divide the state's unorganized borough into unorganized boroughs. This division will facilitate planning and programming by regional management studies and by coordinating data collection and state delivery of services. Additionally, the Act allows for direct incorporation of a home rule borough by the residents of an unorganized borough thereby broadening the regional government options available.

INTENT:

In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to regions within unincorporated areas be made only within the appropriate boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by section 3 of this Act.

p.3

Exemptions and Modifications

In every instance in the bill, reference will be to the legislature rather than to the Legislative Council.

The section on exemptions and modifications will be rewritten to direct that the Governor review requests from state agencies for exemptions to AS 44.17.110. The legislature would then be empowered to override such exemptions and modifications.

Additional wording will be added to the bill specifying that the Commissioner of Education and the Director of the Division of Policy Development and Planning would also report on their ability to conform the boundaries of the REAAs and Coastal Resource Service Areas to those of the unorganized boroughs.

p. 4
Lines
17-18

Committee Substitute would provide that the voters will elect a charter commission of not more than 15 members with the method of election determined in the petition and reviewed.

p. 5

The section will be amended to provide that if the proposed charter is rejected, the charter commission shall prepare, adopt, and submit a proposed charter to the voters at a general or special election held within one year of the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved. This procedure would follow that currently used in unification procedures.



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: House Community & Regional Affairs Committee
FROM: Rep. Bill Parker, Chairman
DATE: 2/11/80
RE: Proposed Committee Substitute Amendments for
Interim Legislative Package

HB 580 (SB 348) Establishing Unorganized Boroughs

p.1 Line 13-20

The "Purpose" Section will be rewritten to reflect the intent of the legislation from the point of view of the people affected, rather than from a state service delivery perspective, i.e., these unorganized boroughs provide the framework within which maximum local participation and responsibility can occur and will be used for planning and programming purposes (regional strategy studies, coordination of services, coordination of services, data collection, and achieving equity in allocation of state resources.

The Committee Substitute would also make note in the "Purpose" of the provisions of Chapter 19 of HB 580 (SB 348) which allow for direct incorporation of a home rule borough and of the additional flexibility this option provides for residents of unorganized boroughs.

p.2 Line 10

Additional wording will be added to the bill dealing with the alteration of Regional Educational Attendance Area (REAA) and Coastal Resource Service Area boundaries to bring them into compliance with the unorganized borough boundaries established by HB 580 (SB 348).

p.3 Line 7

This section will be rewritten to direct that the Governor would review requests from state agencies for exemptions to AS 44.17.110 (use of unorganized boroughs boundaries for data collection, program planning and coordinating, etc.) Further referral on the state agency use of different boundaries would

be to the Legislative Council.

p. 4 Lines 17-18

Committee Substitute would provide that the voters will elect a "geographically representative" charter commission. The number of members on the commission would not be specified. This change would also be reflected on p. 4 line 27.

p. 5 Line 17-18

This section will be amended to provide that if the proposed charter is rejected, the charter commission shall prepare, adopt, and submit a proposed charter to the voters at a general or special election held within one year of the date of the first charter election. If the second proposed charter is also rejected, the charter commission shall be dissolved. This procedure would follow that currently used in unification procedures.

HB 582 (SB 349) Establishing a program of planning assistance for unorganized boroughs

- p. 1 The Committee Substitute would add wording addressing who may request that a management program be developed for an unorganized borough and would include (1) a municipality or group of municipalities (2) a nonprofit corporation or non profit corporations organized under the laws of the state (3) and by petition by 15% of the voters living within the unorganized borough.
- p. 1 Line 16 Number (2) would be amended to read:
"a nonprofit corporation or nonprofit corporations organized under the laws of the state.
- p. 2 A Committee Substitute would require that a contract entered into under AS44.47.085 (f) shall (rather than "may" line 26) include the four enumerated points listed on p. 2 lines 28-29, p. 3 lines 1-6. Additionally, the contract would have to specify the process to be used for regional public participation and representation in the development of the study.
- p. 2 Line 15 Add that the report would also generally address the interrelationships of:
(a) the school board for the regional educational attendance area;
(b) the coastal resource service area board, if one has been established under AS 46.40,100-46.40.160;
(c) any other regional entity responsible for services; and
(d) the governments of cities located within that unorganized borough

HB 583 (SB 351) State aid to local governments

The Committee Substitute would provide that a municipality qualifying for revenue sharing would receive a minimum payment of \$25,00 plus an area cost of living differential for each fiscal year.

HB 585 (SB 353) Incorporation of second class boroughs as home
rule boroughs

This bill would be amended to allow that a first class municipality or second class borough might adopt a home rule charter after petition by 15% of the voters who voted in the last regular election of the municipality.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 18, 1980

SUBJECT: Alteration of Work Orders Nos. 7656 and 7657
relating to unorganized boroughs.

TO: Representative Bill Parker

FROM: John B. Chenoweth
Legislative Counsel 

In response to Margo Waring's memo --

Item 1:

Work Order No. 7657: Page 1, following line 20: Insert
*Sec. 2 to read:

*Sec. 2. INTENT. In providing for the division of the state's unorganized borough into unorganized boroughs, it is the intent of the legislature that all future transfers of functions or services from state agencies to regions within unincorporated areas be made only within the appropriate boundaries for unorganized boroughs established under AS 29.03.011 - 29.03.021, added by section 3 of this Act.

Item 4 is covered by AS 29.03.021.

Item 6: The previous language, precluding subdivision of areas within REAA's into smaller unorganized boroughs, read:

"Sec. . . . COMBINING OF SERVICE AREAS TO ESTABLISH UNORGANIZED BOROUGHES. The commissioner may, after public hearings in the areas affected, constitute the geographic area within two or more regional educational attendance areas as a single unorganized borough. . . ."

The provision was modified to the language you have in the bill (Work Order No. 7657) in response to Marge's December 8th memo and verbal clarification of some of the points in that memo.

* * *

Item 5:

Work Order No. 7656: Page 2, following line 14, insert new paragraph "(2)" to read:

(2) require that if the report does not favor incorporation of a borough, the report include an analysis and recommendations concerning a representative advisory body for the unorganized borough and an analysis and recommendations defining the relationship between that body and

(A) the school board for the regional educational attendance area;

(B) the coastal resource service area board, if one has been established under AS 46.40.110 - 46.-40.160;

(C) any other regional entity responsible for services; and

(D) the governments of cities located within that unorganized borough.

* * *

Item 2 of Margo's memo is, I think, answered by the suggested language prepared in response to item 5 in that these regional strategy contracts may not run longer than 3 - 4 years.

Item 3 in that memo was not to be acted on.

JBC:ljb