

HB

584

(7)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER: JUDICIARY

Date: 13 Feb 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 584

"An Act eliminating third class boroughs."

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 _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Don Paul

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Don Paul

CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99801

Official Business

COMMITTEE MINUTES

DATE: 2/13/80

BILL NUMBER AND TITLE: HB 584 Eliminating third class boroughs

ORIGINAL SPONSOR : House/Senate
C&RA Joint Committee

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Judiciary

MEMBERS PRESENT: Bill Parker X
Margaret Branson X
Pat O'Connell X

Pat Carney X
Charlie Parr X
Fred Zharoff
Ray Metcalfe

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

The Committee decided to move HB 584.

COMMITTEE ACTION: Signed out.

TAPE # 2 SIDE 2

Sections 626



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: Marjorie
DATE: 2/20/80
RE: Issues raised re Local Government Package not
acted upon by House C&RA Committee

HB 584 (SB 354) Eliminating the Third Class Borough

Stephanie Scott, Administrative Secretary for the Borough of Haines, raised the question of the need for financial support if Haines reclassification is mandated. I am directing calls on this bill to your committee since I believe the House bill is dead--Charlie Parr has indicated HB 584 will not be heard by his Committee.

The Haines City Council also has apparently recently passed a resolution in support of HB 584 (SB 354)



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:
LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

Minutes for C&RA meeting 25 January 1980

HB 584

- Parker Intent of bill is to provide for elimination of third class borough because , from a "pure government" standpoint, it would be cleaner and better not to have them. Organized borough also needs overhaul, but Parker wasn't sure legislature can handle it at this time.
- Palmer
McCarter
(C&RA) Mr. McCarter presented a brief history of the third class borough statutes, pointing out that the state's only third class borough, Haines, opted for that status only because they wanted to keep their independent school district w/o becoming a second class borough; essentially, 68 legislation provided the option. McCarter also pointed out that without exception when the Department has asked groups if they wanted to go to third class status they have said that it did not provide the type of government they wanted. Dept. argues for maximum local control, yet 3rd class is very restrictive, and therefore should be eliminated.
- Parr Mr. Parr said his bill changed certain 3rd class statues because of a '76 Fairbanks initiative to go from second class to third class (the measure failed in popular vote). The bill provided for planning and zoning on a service area basis only. "The reason I've always had trouble with this proposal is, the talk in the department is to give all the flexibility they can to local government. So if the people want something between a second class borough or no government at all, why shouldn't they have it?" So long as it doesn't hurt the state.
- McCarter Mr. McCarter gave an example of REAA 12. They would be held to be a third class borough, when in fact they are only an independent school district; that violates the intent of the act.
- Parr Mr. Parr said that, in his district, it was planning and zoning powers that people were afraid of. Third class boroughs were restricted to service areas in this regard.
- Parker "Couldn't they become second class boroughs and simply zone unrestricted?"
- Parr Mr. Parr said he believed it didn't happen that way, that zoning boards usually preferred to clamp restrictions on areas where ever they could.



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen

Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

2

Parr

Mr. Parr felt another problem would be that, in unorganized boroughs, the Division of Lands would have zoning powers, and the division's "shoddy track record" made it a poor option. "My bias is, we ought to have a mandatory borough act, but I think we should have the third class borough option." Mr. Parr felt the step from unorganized to second class was too large a jump.

Parker

Mr. Parker asked if passage of this legislation would put the legislature on record as giving Division of Lands more power? Or, where in the state would such actually be the case?

Parr

Mr. Parr wasn't sure, but reiterated his fear that the division would get more planning and zoning power.

McCarter

Mr. McCarter said he understood that if the borough is not exercising its zoning power, then the Division definitely had the option, and that the decision should be left up to the local assembly, not somebody else.

Parr

Various
Fairbanks
borough

telling

"Lots of voters are dissatisfied with second class boroughs; in Fairbanks, the desire was for less government." Mr. Parr stated he had voted against the Fairbanks initiative replacing a second class borough with a third class borough. "But if I had been in some other place, I might (want) a third class borough. With this bill, what might happen is we're telling people if they become second class and don't like it, you can't go down a level. Why should they be denied? You've got to prove an overriding and compelling state argument (against it)."

McCarter

Mr. McCarter stated that third class boroughs had no area-wide powers except taxation and schools.

Parr

Parr thought those powers could be exercised.

McCarter

Mr. McCarter stated that, unofficially, Haines supports the repeal of third class boroughs, and would rather have the state do it so they don't have to deal with it at the local level.

Parker

(stating Parr's position) There must be a compelling state reason for taking away the option. (paraphrasing McCarter's position) The Department of C&RA believes that, as a practical matter, the third class borough



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

doesn't work as an option. They are, in fact, glorified school districts.

Mr. Parker then asked Mr. Parr if he thought any region might want to become a third class borough.

Parr

Mr. Parr said he didn't know, but within his experience, in his own borough where the budget is mostly education, it made a lot of sense (to have third class boroughs). "People are afraid of being taxed. Under the third class set-up, there are no reasons for taxation.

CITY OF HAINES

TELEPHONE (907) 766-2231

POST OFFICE BOX 576

HAINES, ALASKA 99777

February 6, 1980

To Whom It May Concern:

Re: Senate Bill No. 354
House Bill No. 584
An Act Eliminating Third Class Boroughs

The City of Haines has experienced frustrations with the Third Class Haines Borough in much the same vein that cities in the unorganized borough have experienced with the areas outside their corporate boundaries. For many years the City of Haines provided the following services at no cost or at subsidized rates to the Borough residents outside the City boundaries:

1. Fire protection
2. Emergency medical
3. Emergency police
4. Boat harbors
5. Road maintenance
6. Day care facilities
7. Parks

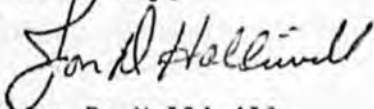
The City provided these services because the Borough has only the powers of "education and tax assessment and collection." In addition, on many occasions when controversial issues arose concerning the entire Haines Borough (e.g., Haines-Skagway Land Use Plan and Udall's HR 39, Section 308 Eagle Study for the Chilkat Valley) the burden fell on the City of Haines to represent the interests of the entire Borough because the Haines Borough lacked planning authority. Yet at the most recent municipal election held October 2, 1979, 77.3% of the Borough residents who live outside the City and who voted, rejected the opportunity for area-wide planning powers.

In the face of potential liabilities and financial constraints, the City Council recently decided that effective July 1, 1980, the City will place a moratorium on all services outside the City for which the City has no legal authority to proceed on an extraterritorial basis and/or for which the City is not compensated. As a consequence of this action, the Haines Borough Assembly has scheduled a

special election for March 4, 1980, to provide the people outside the City with the opportunity to establish five additional service areas. Currently, the Haines Borough has one service area to provide fire protection to the residents immediately outside the City boundaries.

In your deliberations on the subject Bills, I think it is also important that you be made aware of the legal opinion prepared by Rodger Pegues, Assistant Attorney General (copy attached) regarding powers of a Third Class Borough. In essence the opinion states that while the Third Class Borough Assembly is unable to provide noneducationally related services and facilities without voter authority, these same individuals by donning the hats of the Haines School Board can "provide for any number of educationally related facilities and services, e.g., libraries, swimming pools, playgrounds, gymnasiums, museums, cultural centers, and the like and to make them available to the public generally." The opinion, unfortunately, fails to define the scope of "education".

Sincerely,



Jon D. Halliwill
Mayor

JDH:tce

Enc.

TO: Hon. Lee McAnerney, Commissioner
 Department of Community &
 Regional Affairs

DATE: April 24, 1979

FILE NO

J-66-481-79

TELEPHONE NO

FROM: AVRUM M. GROSS
 ATTORNEY GENERAL

SUBJECT

Provision of library,
 museum, and cultural
 center by third class
 borough

By:

Redger W. Pegues
 Assistant Attorney General

You have asked whether, in the light of subsequent statutory amendments, we wish to reconsider our memorandum of advice of March 11, 1969, in which we concluded that a third class borough may provide for a library.

We believe that, acting in its capacity as an organized borough, a third class borough could provide additional services solely by the methods prescribed by AS 29.41.010(b), i.e., by popular ratification and in service areas only. However, in its capacity as a school district and as a part of its educational program, a third class borough has ample power under title 14 to provide for libraries, museums, and cultural centers and to make them available to the public at large as well as to students.

If our earlier memorandum has a fault, it is that it failed to emphasize the dual role played by the borough assembly as local governing body and as school board, AS 29.41.020, and the resulting consequences. While the assembly as an assembly might have no power to provide for a library until authorized to do so by the electorate, the assembly as a school board has ample power to provide for any number of educationally related facilities and services, e.g., libraries, swimming pools, playgrounds, gymnasiums, museums, cultural centers, and the like and to make them available to the public generally. It can even get state matching money to support many of these activities. We do not perceive the 1977 amendments to the Municipal Code's provisions on third class boroughs as in any way affecting their powers and functions as school districts.

RWP/pjg

RECEIVED

APR 25 1979

DEPT. OF COMMUNITY
 AND REGIONAL AFFAIRS

February 8, 1980

Ms. Stephanie Scott
Administrative Secretary
Haines Borough
Haines, Alaska

Dear Stephanie,

Enclosed you will find the material relative to the Local Government Study which we discussed, including: 200 copies of HEB 584; copies of the local government study report; and a press release on the legislative package.

Additionally, I have attached a copy of the House C&RA schedule for public hearings. You will note that HB 584 has been scheduled for Feb. 13 because of the legislative holiday on Feb. 15. The Senate C&R Committee has informed me that they will hear SB 354 (identical to HB 584) on Feb. 14 at 1:30 P.M. in the Butrovich Room of the Capitol Building.

Thank you for your interest and we continue to be available for any comments or questions you may have.

Yours truly,

(for Rep. Bill Parker)

Phone: 766-2471
Business: 766-2160
Magistrate: 766-2116
Area Code: 907

Maj. Carl W. Heinmiller, Ret.
Indian Arts and Crafts Specialist

Box 271, Haines
Alaska 99827



Ex. Director: "Chilkat Dancers"

Feb. 6, 1980

Sen. Arliss Sturgulewski
Chairperson
Community and Regional Affairs
State Senate
Pouch V
Juneau, Alaska

Dear Senator Sturgulewski:

I am writing in support of HB 584 which would eliminate the Third Class Borough. Over the last 30 years I have been on the School Board and involved with all the complications of the Special School District which finally became a "second thumb" under the State Constitution, i.e. a Third Class Borough. As the constitution required a limited strata of government, there should have never been a Third Class Borough. The making of such a form of government was a method to get out of a responsibility. I am happy to see the Legislature finally take on this change.

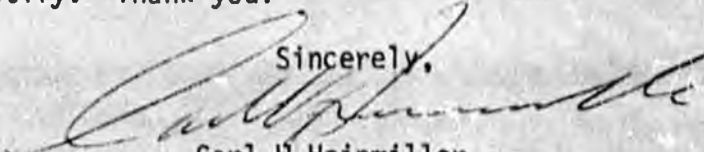
I'm enclosing a copy of the local paper which shows how a Third Class Borough, but adding on service district after service district, until it is in effect a Second Class Borough, or better. When a Fire District was setup several years ago, the Borough could not even get candidates to fill the require positions for the District. However, more areas are seeing that they can save considerable insurance by being under a Fire District, and now adding a medical service area. HOWEVER, what is heppening is that the Borough Government is duplicating the City Government.

It is understandable that many people in the outlying area do not want to have zoning and planning because they do not want to be restricted. The result is many shacks, improperly subdivided lands, poor water and sewer control and in some areas, lacking of garbage control. The "hue and cry" is "we don't want more government", but these people accept all the services available by the City without paying anything for such service.

It is almost impossible to explain to some that they will only pay for what they get. They do not pay for City sidewalks, road maintenance etc. If they do not have water and sewer, they do not pay for this utility. We have the possibility of industrial development in the outreach area and should that happen under our present type Borough government, a hodgepodge of growth will develop. Of course, these developers see a great advantages of low taxations so side in with those who don't want any control on their own interests, even tho against the developers.

I hope that when this bill (or a Sen. companion bill) comes up for a hearing that I will have the opportunity to testify. Thank you.

CWH/p
CC: Rep. Parker, Duncan, Miller
Sen. Ray

Sincerely,

Carl W. Heinmiller

FROM THE DESK OF JUDGE CARL HEINMILLER
HAINES, ALASKA

Feb.6th

Dear Bill:

This is a MUST...we are getting in more trouble every year. we have some people subdividing in the worst possible way...plus garbage dumps..shacks etc.

The hot shot developers who want to mine..and the loggers..want low taxes.. so are oddly enuf, lined up with the no growth people(or the shackers). The City is getting stuck with more and more services, which, while they could refuse ..such as fire serve, it is very difficult. someone burns out and then arrive in town for help etc.

I'd like to testify on this bill whenever it come up..

*Called 2/8/80
See Heinmiller's name
info re
Haines
date* Regards *Carl*

January 22, 1980

The Honorable Charlie Parr
State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Parr:

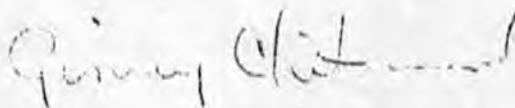
The Alaska Municipal League 1980 Policy Statement contains the following language on third class boroughs. "The League supports elimination of language from the Alaska Statutes which would allow for the future creation of third class boroughs. Any existing third class borough would be allowed to continue in existence until such time as it reclassifies. The League believes that a third class borough, as currently defined in statute, does not meet standards for a general purpose local government."

The third class borough filled the gap caused by the abolishment of the old independent school districts. Subsequent creation of rural education attendance areas, however, obviates the need for an entity, such as the third class borough, to provide local control over local educational districts.

In practice, the Haines Borough has encountered difficulties with the system under which it functions. For example, it is faced with a multitude of land use problems over which it has no statutory authority. In addition, the general local government problems that came before the assembly, and that in most cases cannot legally be resolved by the assembly, are interfering with that body's ability to perform its major function - running the Haines schools.

The League, therefore, is in favor of abolishing the third class borough form because it doesn't meet the maximum local self-government criteria set out in the Constitution, and from a practical point of view it doesn't seem to work.

Sincerely,



Ginny Chitwood
Executive Director

FROM THE DESK OF JUDGE CARL HEINMILLER
HAINES, ALASKA

Feb. 6th

Dear Palmer:

Please keep us informed on this bill..

as we have a strong group in support of it..
Chamber of Commerce..Optimum Government Com
and other.

We hope the Legislature finally has the guts
to kill this dumb Third Class Borough..

Regards,

RECEIVED

FEB 08 1980

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

HB589
SB354

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827

February 4, 1980

Palmer McCarter, Director
Division of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Palmer:

I am enclosing two sets of correspondence concerning two "gray" areas for the third class Haines Borough:

- 1) Our relationship to the management and disposal of land received from the state through the municipal entitlement procedures; and
- 2) The status of the present "chairman" of the Haines Borough Assembly and School Board.

I know this is a very busy time of year for you but if you would look into both of these areas for me I would appreciate it very much. My basic concern with the question of the chairman is how do we elect a borough mayor at large and still maintain our present form of apportionment and representation? It would be nice to be able to deal with this issue this October before dealing with the new forms of representation and possible reapportionment as laid out in the 1979 amendments.

Sincerely yours,



Stephanie K. Scott
Administrative Secretary

RECEIVED

FEB 08 1980

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

February 12, 1930

SR 90675-Z
Fairbanks, Ak. 99701

The Honorable Charles H. Parr
Alaska House of Representatives
Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

RE: Opposition to H.B. 584

Dear Sir:

Concerning H.B. 584, "An Act eliminating third class borough", I oppose the bill. I understand a third class borough to be the simplest form of government for residents in a community to have in order for them to have a strong local government. It provides direct power to the people in which they have more direct power than people in a first or second class borough. I realize that the legislators understand the power of a third class borough, but I feel it is not as well understood by the people in general and that it is being misrepresented to the people. To think that in order to have a strong local government that it must be a large standardized complex governing body is, I feel, erroneous. When you have a complex government, people naturally tend to reject or lose the incentive to provide for themselves, due to high taxes and the forced understanding that the government knows what is best for you. To imply that a person does not know how to govern himself is a direct insult to their intelligence.

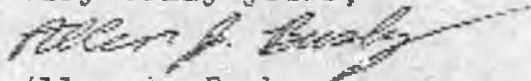
Working with the Salcha Secession Group, which is trying to detach from the Fairbanks North Star Borough, we are looking for a local government plan which will fit our needs. According to AS 23.03.030, there are five general law municipalities to choose from or become and Unorganized Borough. The residents of Salcha are looking at adopting a third class borough. I believe it will meet our needs better than the second class which now exists. Before the FNSB was formed, Salcha was a growing farming community in which the people were self providing. The community was involved in building a community hall; they were responsible for the establishment of the Salcha Elementary school; and provided the bus service for the elementary and high school students. Salcha residents brought power to the community and tried to build a farmers loop road. When the taxation started, it was a financial strain to the Salcha farmers who were just making ends meet. The borough went so far as to tax potatoes in their root cellars. Some residents had to dismantle buildings on their farms because they could not afford to pay the taxes. All of this in order to provide services that already exist and those services are still mainly funded by the original source.

When the borough was being formed, Salcha tried to be excluded. At that time it was known that the FNSB could not provide for Salcha and it still cannot in the best interest of the borough.

residents and the State of Alaska. If Sitka were allowed to detach and form its own third class borough, the people would have the direct power to provide for themselves again. By eliminating third class borough, I find this an act of breaking down true local government powers of the people of Alaska. This especially applies to Alaskans of rural and bush Alaska who might choose this type of local government in order to meet their needs.

I am in strong opposition to House Bill 584 and cannot stress to you the importance of this bill being defeated.

Very truly yours,



Allen J. Busby

cc: Parker, Bill
Carney, Patrick J.
Zharoff, Fred F.
Branson, Margaret
Metcalf, Ray H.
O'Connell, Patrick M.
Sturgulowski, Arliss
Mulcahy, Bob
Kelly, Tim
Rodey, Patrick M.
Stinson, Terry

Message phone: 488-2193 - evenings

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 584 and S. B. 354
 Title An Act Eliminating Third Class Boroughs
 Requested by Community & Regional Affairs Committee Date January 18, 1980

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs
 Program Category Affected Community Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants
 (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.	0	0	0	25.0	0	0
TOTAL	0	0	0	25.0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	25.0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

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

AS 29.18.180(a) states that boroughs that reclassify are entitled to an organizational grant of \$25,000. This bill would force one existing third class borough to reclassify and thereby entitle it to a \$25,000 grant. No other municipality is affected by the bill.

FY 83 is the estimated year of reclassification, although it could conceivably take place any time between FY 80 and FY 85.

IV. DATE January 18, 1980 PREPARED BY Mary Foster
 AGENCY Community & Regional Affairs
 PHONE 465-4734
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Form 01-006

STATE OF ALASKA
OFFICE OF THE GOVERNOR

TO: Department of

- Administration
- Commerce & Econ. Develop.
- Community & Regional Aff.
- Education
- Env. Conservation
- Fish and Game
- Health & Social Svcs.
- Highways
- Labor
- Law
- Military Affairs
- Natural Resources
- Public Safety
- Public Works
- Revenue

ATTN: Commissioner McAnery

- Return letter w/draft
- Return letter w/comment
- Reply direct
- Your information
- Call me
- Appropriate action
- As requested
-

REMARKS:

From: Georgette

Date: 4/15

April 11, 1980

Mr. Louis O. Nelson
P.O. Box 297
Haines, Alaska 99827

Dear Mr. Nelson:

Thank you for your letter of March 13, 1980 regarding House Bill 584.

That bill is currently awaiting action in the House Judiciary Committee. If and when it passes both houses, I will review it in its final form with your concerns in mind.

As additional information, that bill was initially introduced at the request of the Interim Local Government Study Committee after several public hearings were held all over the state.

Thank you again for your interest and concern.

Sincerely,

Jay S. Hammond
Governor

bcc: Commissioner Lee McAnerney

JSH:bh:kms

April 11, 1980

Mr. Irvin N. Sogge
Box 427
Haines, Alaska 99827

Dear Mr. Sogge:

Thank you for your letter of March 11, 1980.

I appreciate being advised of your concerns about House Bill No. 584. That bill is currently awaiting action by the House Judiciary Committee. At such time as it should pass both houses of the legislature, I will consider it in its final form keeping your comments in mind.

Thank you again for your interest and concern.

Sincerely,

Jay S. Hammond
Governor

bcc: Commissioner Lee McAnerney
JSH:bh:kms

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: The Honorable Jay S. Hammond
Governor

DATE: March 27, 1980
FILE NO:

TELEPHONE NO:

FROM: Lee McCarney
Commissioner
Department of Community and
Regional Affairs

SUBJECT: Attached correspondence

*OK -
Jen*

Attached are replies to letters from Mr. Irvin Sogge and Mr. Louis Nelson from Haines requesting your opposition to House Bill 584 which would eliminate third class boroughs.

The reply informs Mr. Sogge and Mr. Nelson that you will give their request due consideration if and when the bill reaches you in its final form.

Recommendation: You sign letters.

Attachments

RECEIVED
MAR 28 1980
GOVERNOR'S OFFICE

Maj. Carl W. Heinmiller, Ret.

Indian Arts and Crafts Specialist

Box 271, Haines
Alaska 99827

Home: 766-2471
Business: 766-2160
Magistrate: 766-2116
Area Code: 907

Ex. Director: "Chilkat Dancers"

Feb. 6, 1980

Sen. Arliss Sturgulewski
Chairperson
Community and Regional Affairs
State Senate
Pouch V
Juneau, Alaska

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I'm enclosing a copy of the local paper which shows how a Third Class Borough, but adding on service district after service district, until it is in effect a Second Class Borough, or better. When a Fire District was setup several years ago, the Borough could not even get candidates to fill the require positions for the District. However, more areas are seeing that they can save considerable insurance by being under a Fire District, and now adding a medical service area. HOWEVER, what is heppening is that the Borough Government is duplicating the City Government.

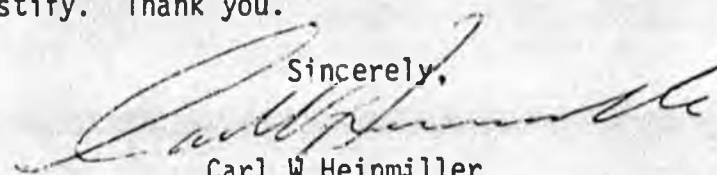
It is understandable that many people in the outlying area do not want to have zoning and planning because they do not want to be restricted. The result is many shacks, improperly subdivided lands, poor water and sewer control and in some areas, lacking of garbage control. The "hue and cry" is "we don't want more government", but these people accept all the service available by the City without paying anything for such service.

It is almost impossible to explain to some that they will only pay for what they get. They do not pay for City sidewalks, road maintenance etc. If they do not have water and sewer, they do not pay for this utility. - We have the possibility of industrial development in the outreach area and should that happen under our present type Borough government, a hodgepodge of growth will develop. Of course, these developers see a great advantages of low taxations so side in with those who don't want any control on their own interests, even tho against the developers.

I hope that when this bill (or a Sen. companion bill) comes up for a hearing that I will have the opportunity to testify. Thank you.

CWH/p
CC: Rep. Parker, Duncan, Miller
Sen. Ray

Sincerely,


Carl W. Heinmiller

AVCP

Association of Village Council Presidents
P.O. Box 219 • Bethel, Alaska 99559 • Phone 543-3521

05 March 1980

Representative Bill Parker
Pouch V
Juneau, AK 99811

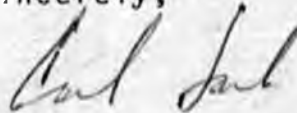
Dear Bill:

I would like to take this time to personally thank you and your staff for taking time from your busy schedule to meet with myself and Mr. Harold Napoleon, regarding the bills concerning the unorganized boroughs which are under consideration by your committee.

It has become apparent that there are many interests which involved in the consideration of these bills and AVCP would like to reiterate it's position that it may be premature for this legislature to pass these legislations, at this legislative session. However, AVCP herewith submit to you and your committee for consideration that in lieu of the passage of these bills, that AVCP would be more than willing to be the demonstration area for the impact study to determine whether such a government can be established within the AVCP Region. That is to say, we would like to see legislative appropriating funds to AVCP to conduct an impact study to determine whether a borough government is feasible within the AVCP Region and for the legislature to give us, at the minimum of two (2) years to complete the study, at which time a decision will then be made the electorate with the AVCP Region. Furthermore, we submit to you and your committee for consideration that the external boundaries of such a governmental unit be that of the external boundaries of the regional corporations established under Public Law 92-203, and any subdivision to be determined by the impact study.

Again, thank you for taking time to meet with us to discuss this vital issue of concern to the people of the AVCP Region.

Sincerely,



Carl Jack, PRESIDENT
AVCP

fk

cc: AVCP Executive Board

March 1, 1980

The Honorable Bill Parker
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Re: House Bill No. 584

Dear Representative Parker:

I am really concerned with Senate Bill No. 354. This bill was introduced without any regard for the constituency within the Haines Third Class Borough. In my opinion, the Community and Regional Affairs, disregard for public opinion by not holding a public hearing at Haines, Alaska, advising the intent to repeal Third Class Boroughs, is an act of disdain.

I trust you will give this bill your full consideration before bringing it out of committee.

Before repealing Third Class Boroughs, there should be research as to the benefit for small communities and the State. It gives any small community self government, with taxable power for education allowing them revenues for extra curriculum not furnished by the State. A government without all the restrictions of platting and zoning and this should remain within the Third Class Borough and should not be authorized to the Division of Lands. Let's not get into a bureaucratic government. The people should retain the right for platting and zoning. They can do this now by districts and if they want area wide powers, they can always reclassify to a Second Class Borough, but leave it to a vote of the people, not as a mandate from the legislature.

In my opinion, the Third Class Borough statute is very feasible to the State of Alaska, but has been opposed by Community and Regional Affairs from enactment.


I was active in the Haines Borough Government for the first ten years, assemblyman for six years, and Assessor for nine years. In every contact with the Community and Regional Affairs, we were ridiculed for remaining a third class borough. We were contacted by residents in Tok and Glenallen, Alaska. The C.R.A. representative returning to Juneau through Haines was very jubilant. He had convinced both towns not to proceed.

It would be interesting to know how many small communities have been discouraged to self government as a Third Class Borough, by Community and Regional Affairs, and why?

In Conclusion: I wish to emphasize that the Haines Borough has been very successful and satisfied; any change to reclassify has been voted down heavily; financially we are solvent, our local effort for the 1978-79 budget was \$242,296.

Again I say Statute of Third Class Borough's should not be repealed. We the people should retain our rights for self government by popular vote.

Sincerely,



Raymond R. Smith, Sr.

P. O. Box 7

Haines, Alaska 99827

Mrs. Grace Steeves
Gen. Del.
Haines, Aka. 99827

Feb. 28, 1930

Rep. Bill Parker
Pouch V
Juneau, Aka. 99811

Dear Rep. Bill Parker,

We feel that if House Bill 534 passes, this would be a detriment to our life here in Haines. We do not find any benefits to being a second class Borough. We treasure our way of life here, as a third class Borough.

It is heartbreaking to see how much of our country is black-topped. When you fly low in a small plane, you see what is happening to our beautiful country. I hate it with a purple-passion!

Please vote No on House Bill 534.

Yours Sincerely,

Grace Steeves
35-year resident of Alaska
and Yukon Terr. Gov.



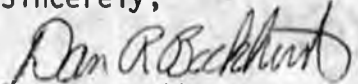
March 3, 1980

The Honorable Bill Parker
House of Representatives
Pouch V
Juneau, Alaska 99811 (Mail Stop Number 3100)

Dear Representative Parker:

The Council of the City of Haines has formally expressed its support for House Bill 584, "an Act eliminating third class boroughs".

It has been suggested by others that this proposed legislation would be more equitable to the Haines Borough if provisions were made for financial assistance similar to that provided for in AS 29.18.180, to defray the cost of reclassification.

Sincerely,

Dan R. Bockhorst
City Administrator

RIVER BOND

DRB:dkb

cc: Representatives Jim Duncan
Mike Miller
Haines Borough

Mrs. Louise Homstad
Box 87
Haines, Aka. 99827

2/28/80

Representative Bill Parker
Pouch V
Juneau, Aka. 99811

Dear Representative, Bill Parker,

Haines is the one really peaceful place, where life is not a hassell. I believe, being a 3rd. class borough has a lot to do with this.

I really hope we won't be forced to cope with the problems & pressures of a 2nd. class borough.

We really need to preserve more of our fertile soil for agriculture. Much has already been burried under blacktopping, housing & shopping centers. Our nation will indeed starve, if we don't put a damper on this. What good are houses & markets, if there is not food to support life. Crazy, isn't it?

We now realize, a nation is only as strong as it's ability to produce & utal-ize it's food resources.

We are responsible for our actions & our Gvt. policies, which in turn effect the entire world. We are in a big enough mess, so let us not make matters worse, by forcing our community to become a 2nd. class, instead of the present 3rd. class borough?

Please vote NO on House Bill #534.

Sincerely,

Louise Homstad

F. O. Box 1166
Fairbanks, Ak. 9970

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 X. Each regional educational attendance area is operated on an area-wide 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 power. A third class borough is a general law municipality (AS 29.08) 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 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 proved 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 the 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, 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, 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.

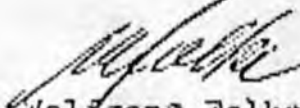
Present law very adequately serves the needs for organized and unorganized local government. Education is very well provided to the unorganized borough through the elected school boards of the Regional Educational Attendance Areas. In the same way health and welfare services could be administered by 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, 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.

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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

P. O. Box 1166
Fairbanks, Ak. 99707

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

February 13, 1980

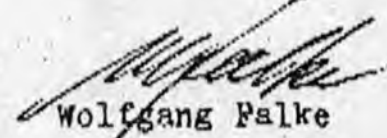
Dear Committee Members:

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 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